

Monetary policy decision

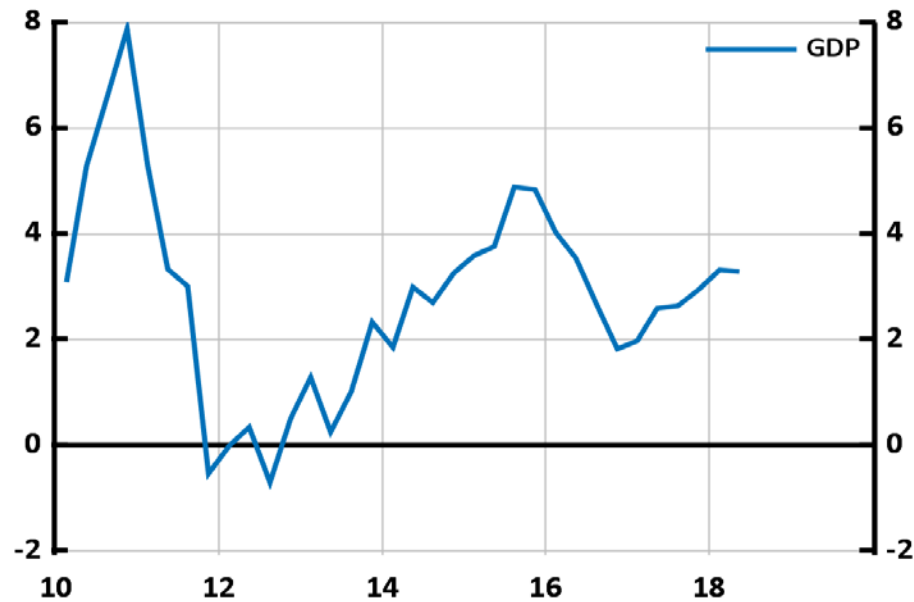
September 2018

S V E R I G E S R I K S B A N K

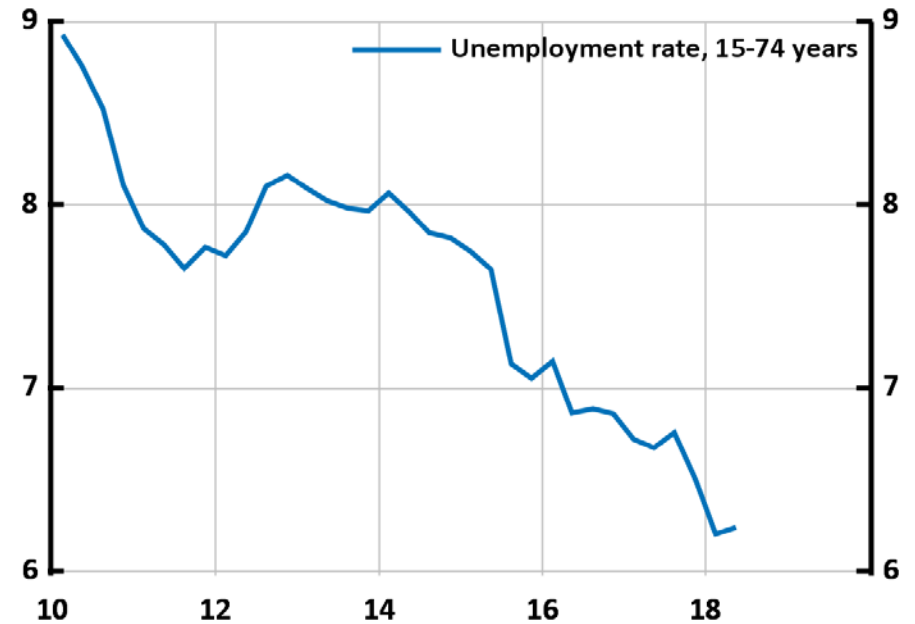
If the economy develops as expected, there will soon be scope to slowly reduce the support from monetary policy

Good Swedish economic activity

Growth higher than historical average



Unemployment has fallen



Annual percentage change and per cent of labour force, respectively.

Source: Statistics Sweden

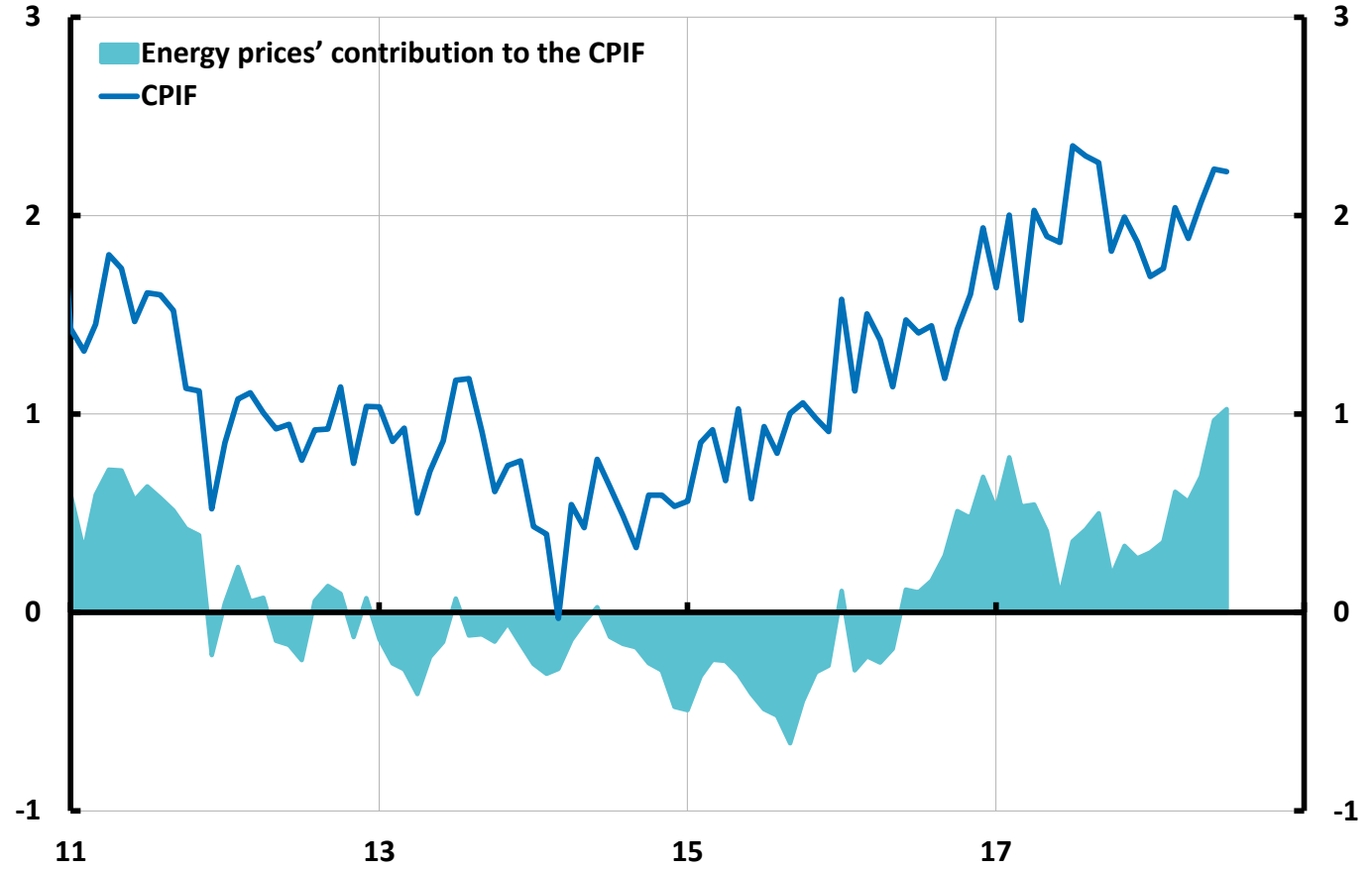
Inflation on target



Annual percentage change.

Source: Statistics Sweden

Inflation on target – energy prices providing a boost

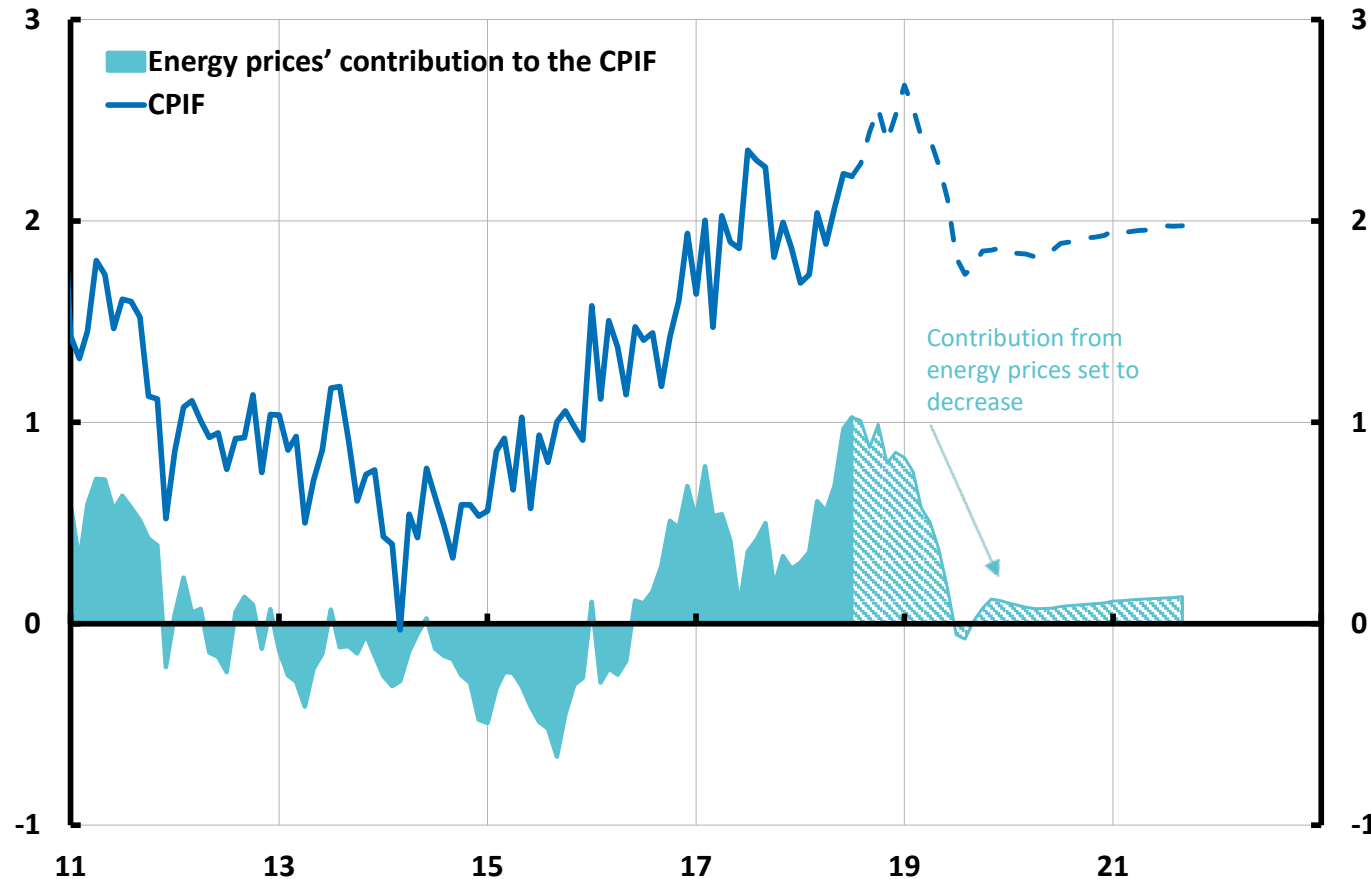


Annual percentage change and percentage points, respectively.

Sources: Statistics Sweden and the Riksbank



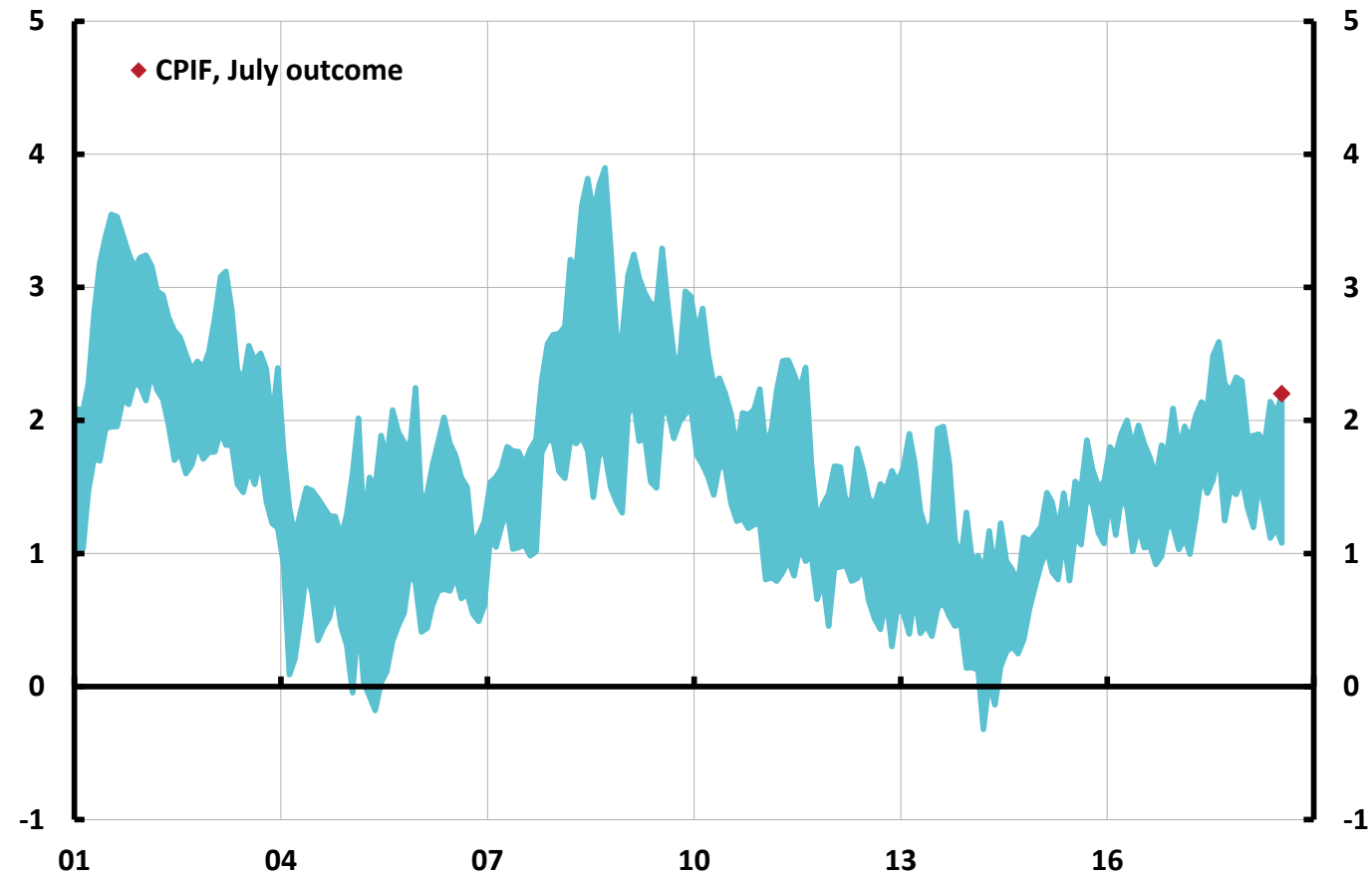
Inflation to fall back when energy prices slow down



Annual percentage change and percentage points, respectively. The contribution of energy prices to the CPIF in the forecast is calculated as the annual percentage change in energy prices multiplied by its current weight.

Sources: Statistics Sweden and the Riksbank

Moderate inflationary pressures

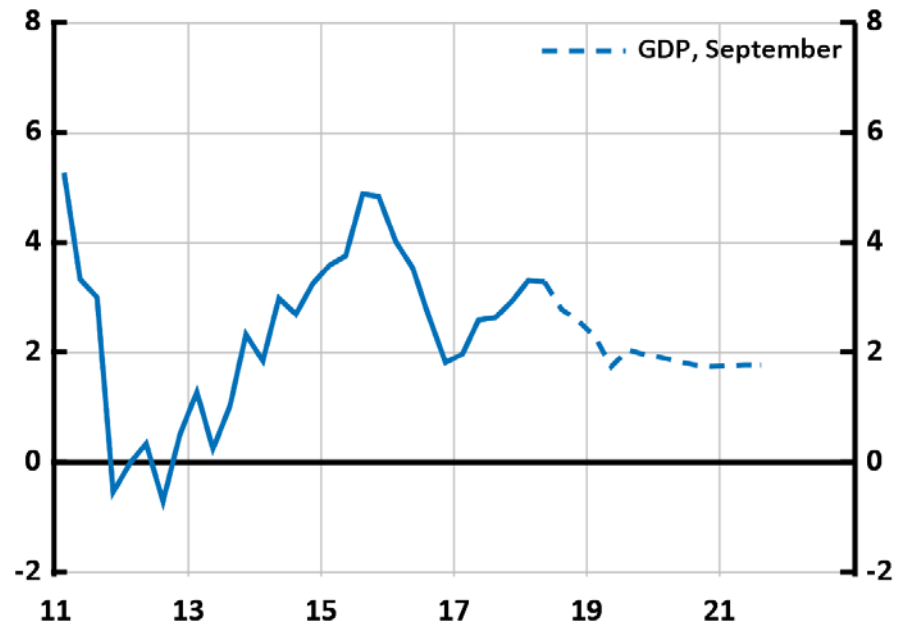


Annual percentage change. The field shows the highest and lowest outcome for different measures of underlying inflation

Sources: Statistics Sweden and the Riksbank

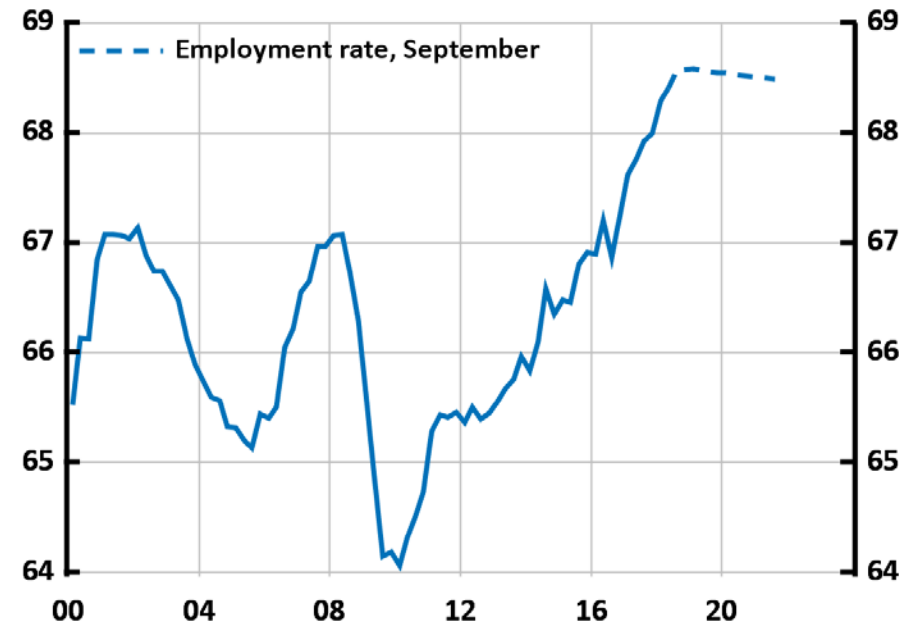
Swedish economic activity still strong

Slightly slower growth



Annual percentage change and per cent of population, 15-74 years, respectively.

but continued high pressure on the labour market



Sources: Statistics Sweden and the Riksbank

Good global growth

Favourable economic activity abroad

Slowly rising inflationary pressures

Expansionary monetary policy

But trade conflicts and economic policy problems
creating uncertainty



The krona has weakened



Index, 18 November 1992 = 100. Outcomes are daily data and forecasts refer to quarterly averages. The KIX is an aggregate of exchange rates in countries important for Sweden's international transactions.

Sources: National sources and the Riksbank

Monetary policy needs to proceed cautiously

Temporary factors keeping up inflation, inflationary pressures remain moderate

Too early to increase the interest rate now

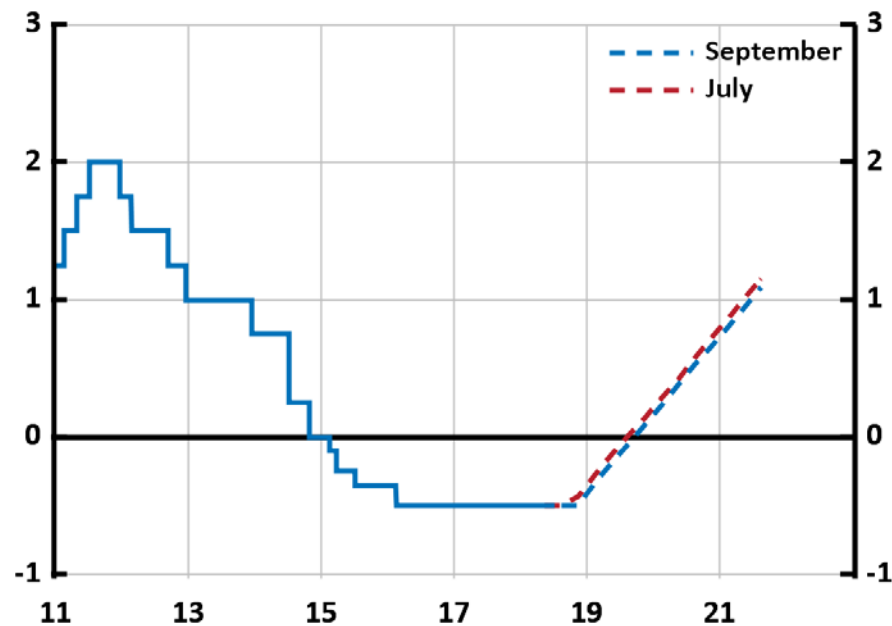
Good prospects for rising inflationary pressures

If economy develops as expected, soon scope to slowly reduce support

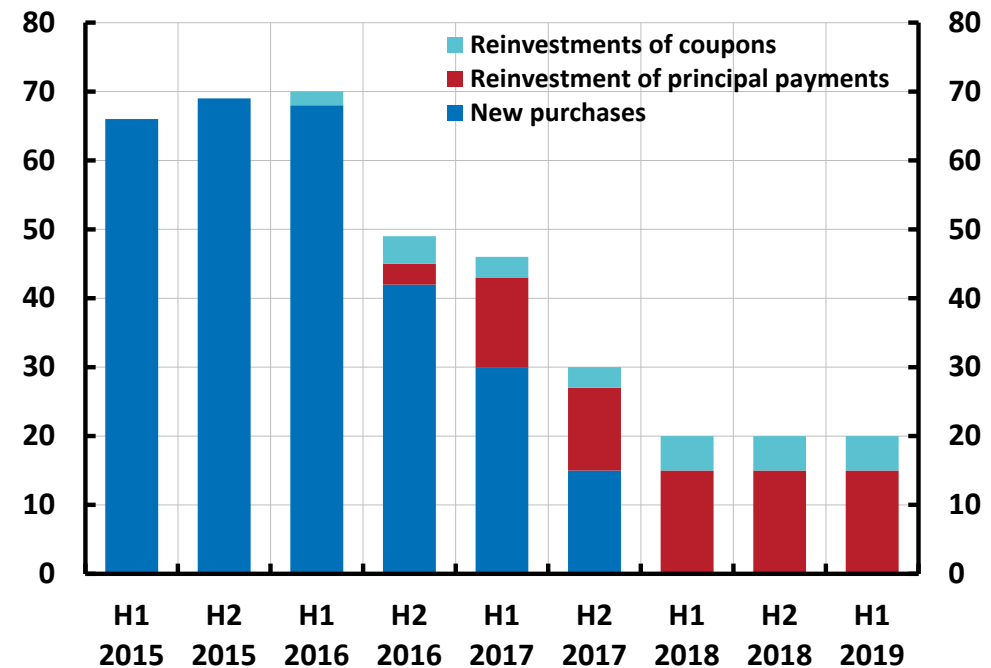
Need to be vigilant about inflationary pressures

Continued expansionary monetary policy

Repo rate -0,50 per cent



Government bond purchases



Per cent and nominal amount, SEK billion. The development of reinvestments from mid-2018 onwards is a forecast and refers to nominal amounts. The final amounts will depend on current market prices.

Source: The Riksbank

If the economy develops as expected, there will soon be scope to slowly reduce the support from monetary policy