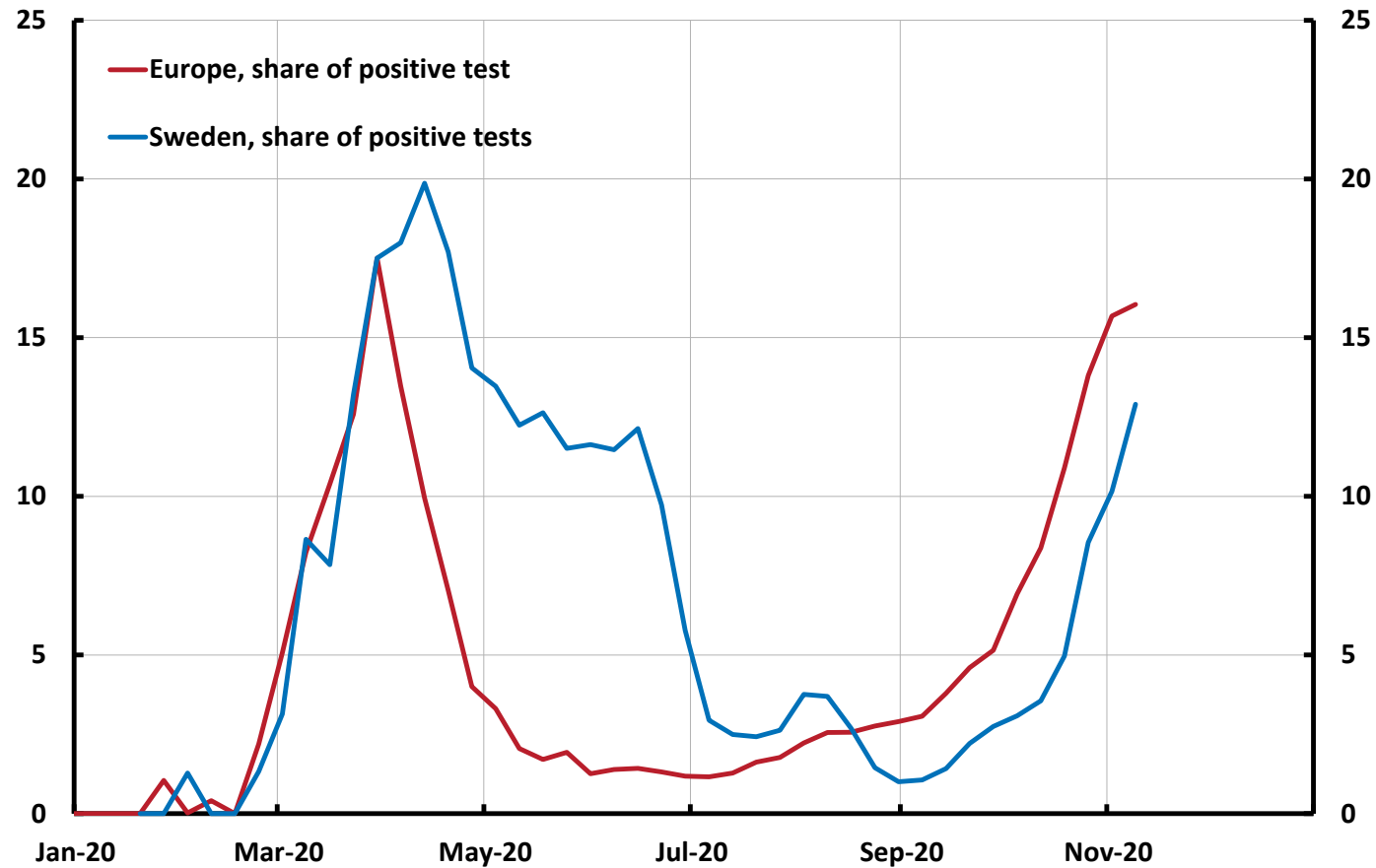


# The Riksbank's monetary policy

26 November 2020

Increased spread of infection – new downturn in the economy  
Zero interest rate and extended purchases of securities provide  
support in an uncertain time

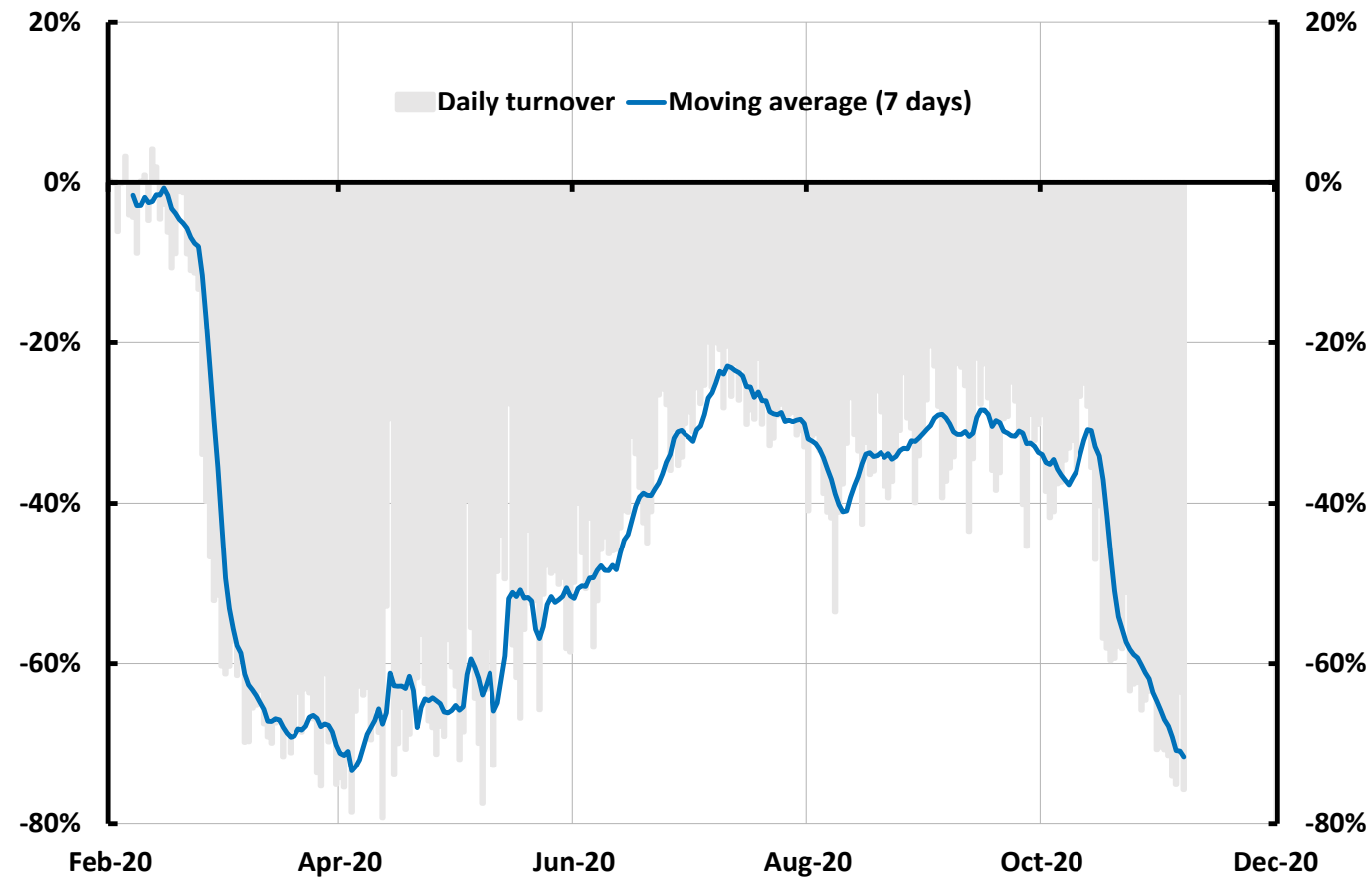
# Increased spread of infection and new restrictions



Percentage of those tested. Weekly data until 15 November.

Source: ECDC

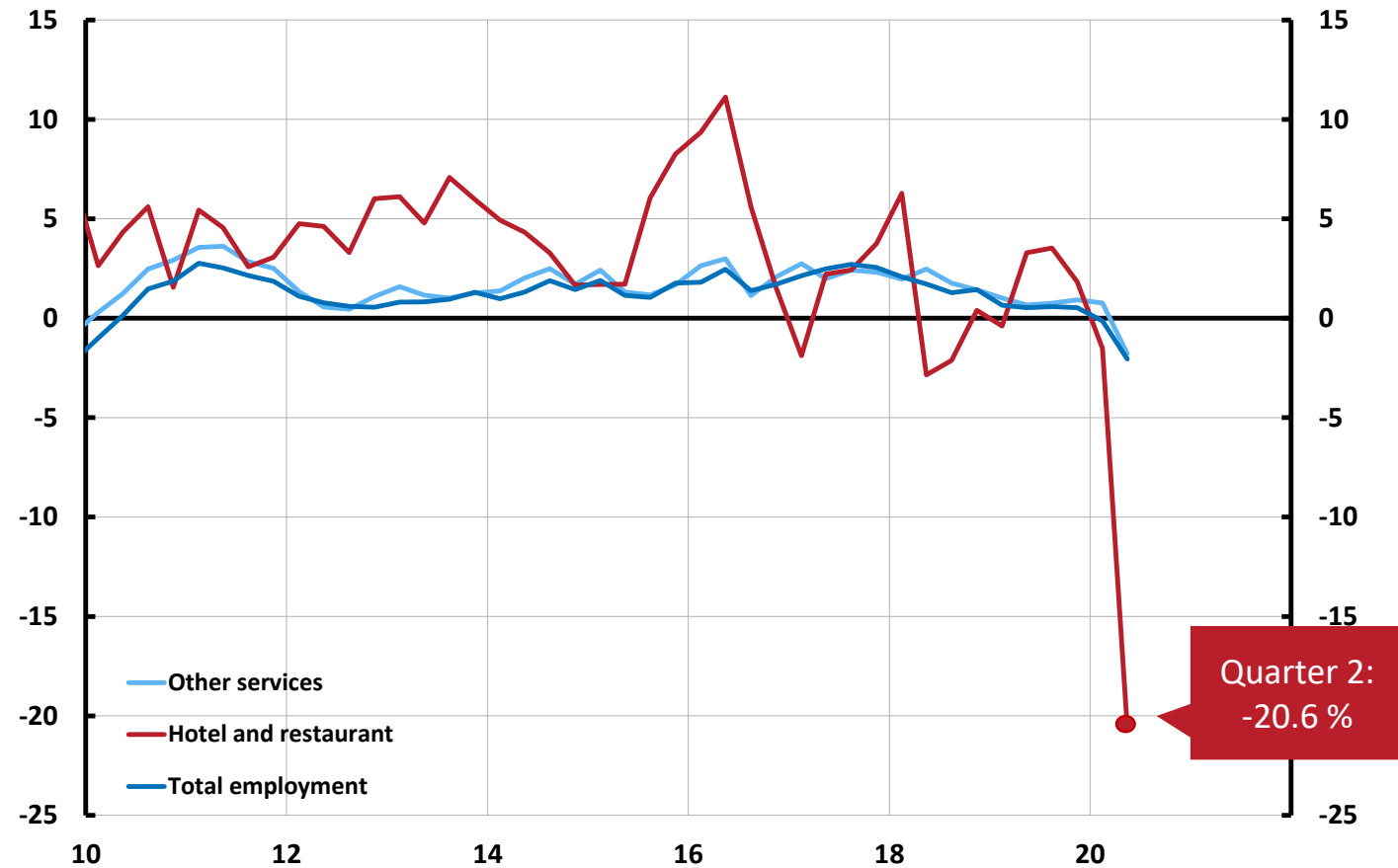
# Already vulnerable sectors further impacted



Percentage change in turnover on a daily level, compared with 2019, in a sample of around 600 restaurants with an average turnover of SEK 18 billion.

Source: Caspeco.se

# Vulnerable groups have been impacted particularly severely on the labour market



Number of employed, annual percentage change, calendar-adjusted data

Source: Statistics Sweden

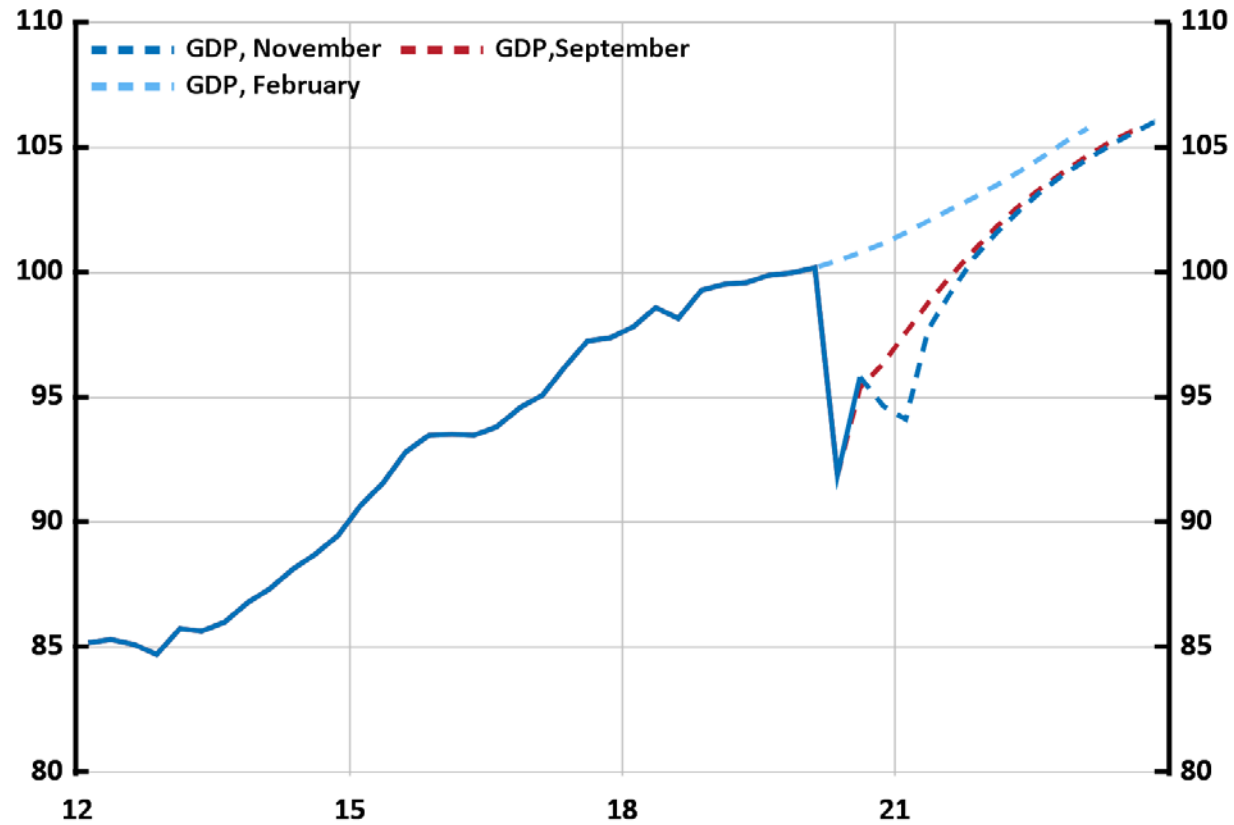
# New downturn in Swedish economy

- Six months of weak growth
- Households and companies are better prepared, however
- Small movements on the financial markets so far
- Support measures from governments and central banks in place
- Once restrictions are lifted, the recovery may be rapid

But there is considerable uncertainty



# Long and uncertain way back



Index, 2019 Q4 = 100, seasonally adjusted data

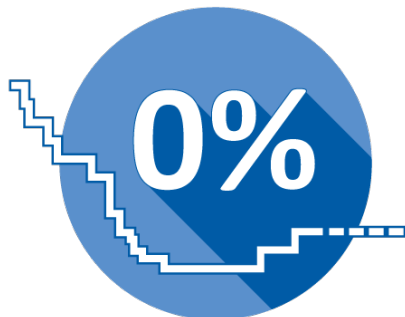
Sources: Statistics Sweden and the Riksbank



# Extensive monetary policy support for as long as necessary



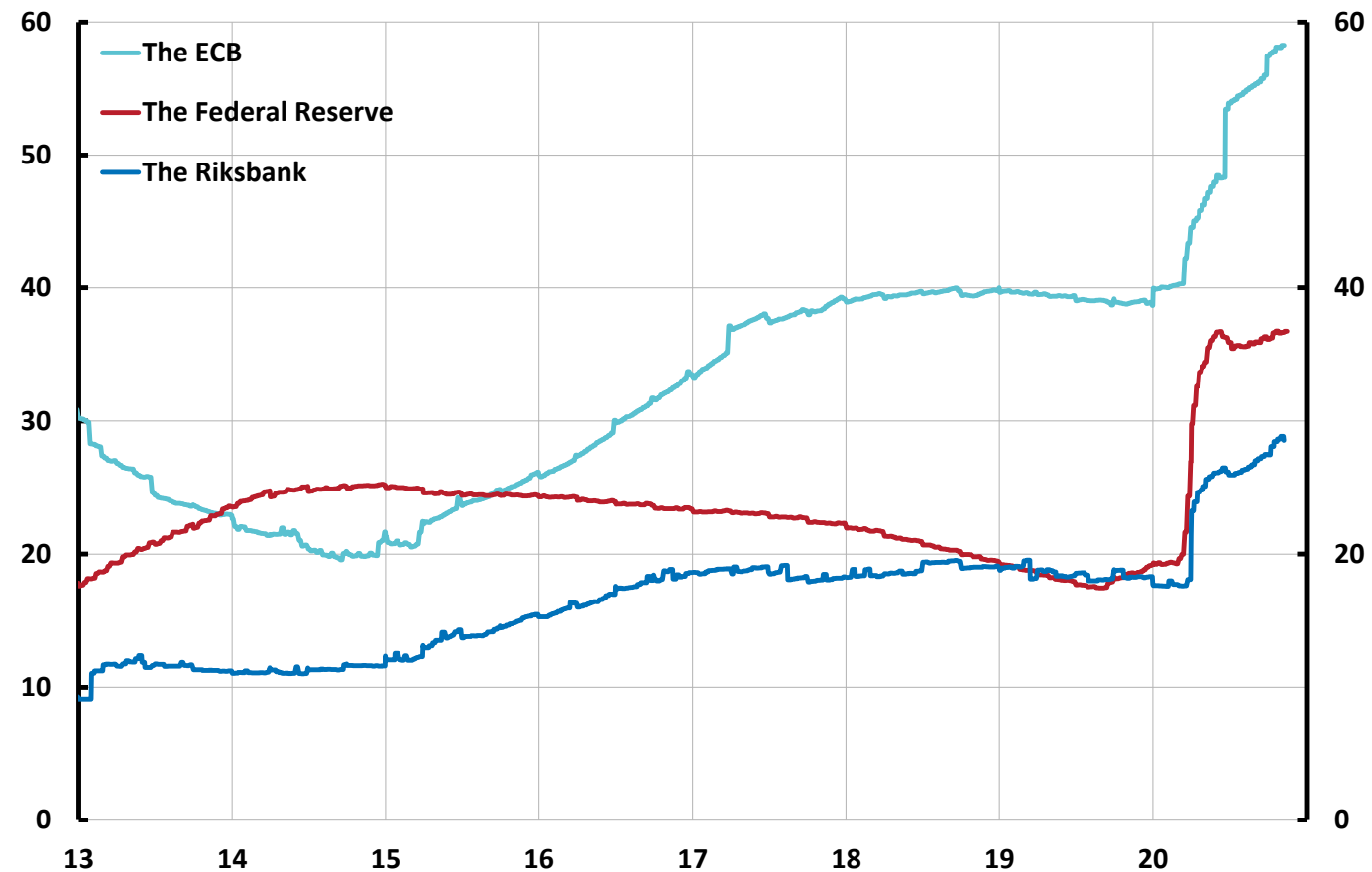
Extending and increasing asset purchases  
Up to SEK 700 billion over the full year 2021



Zero repo rate over next few years



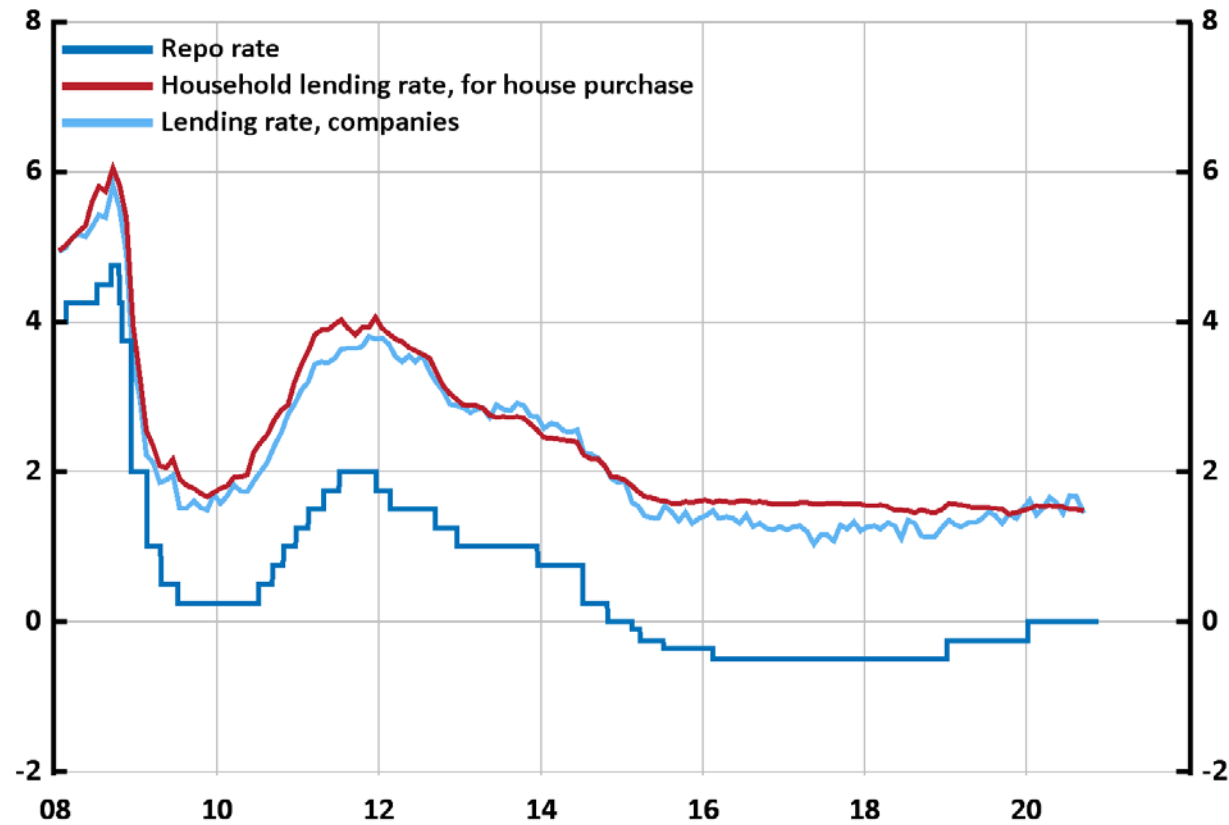
# Substantial support from world's central banks



Central banks' balance sheet totals, percentage of GDP

Source: Macrobond

# Low interest rates to households and companies – supporting the recovery and inflation



Per cent

Sources: Statistics Sweden and the Riksbank

# A combination of monetary and fiscal policy is making support measures more effective

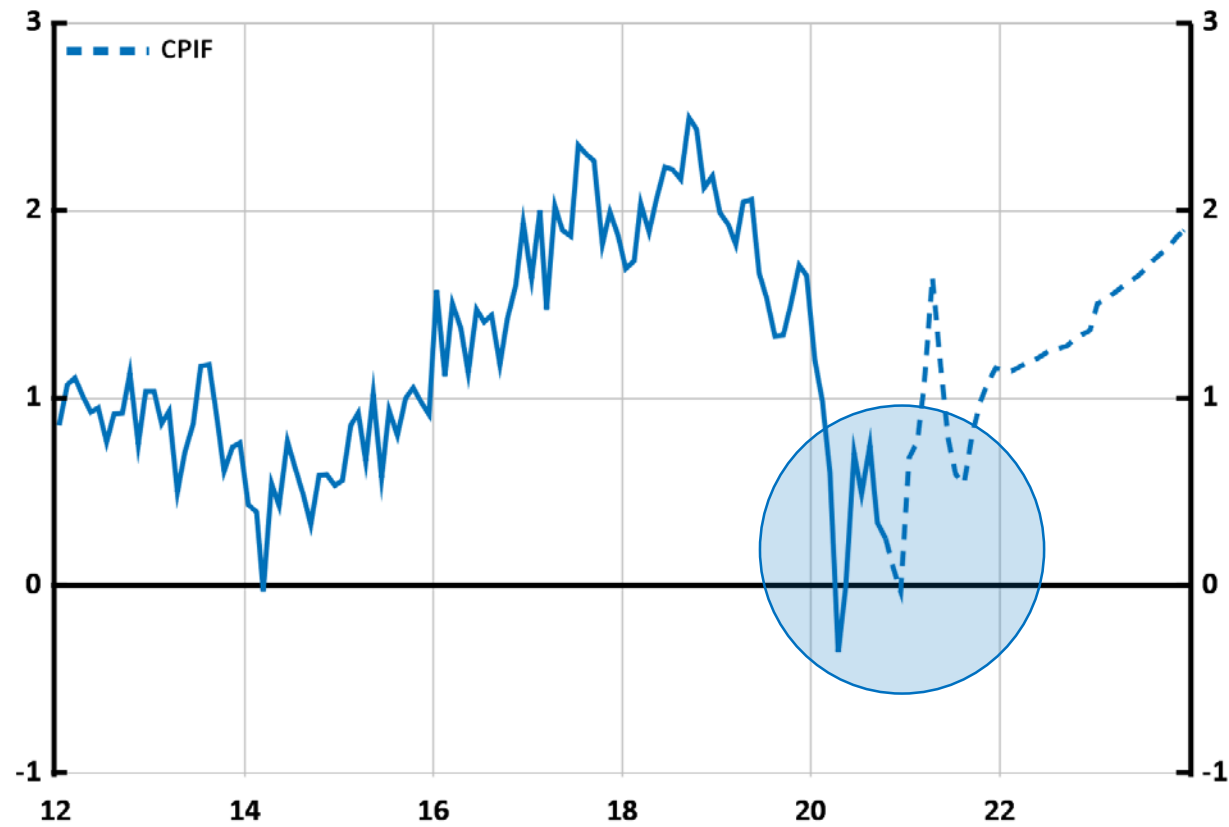
The Riksbank's measures effective in keeping interest rates low

Fiscal policy more effective support for adversely affected sectors

Extensive economic policy support required for a long time



# Volatile but gradually rising inflation



Per cent

Sources: Statistics Sweden and the Riksbank

Increased spread of infection – new downturn in the economy  
Zero interest rate and extended purchases of securities provide  
support in an uncertain time