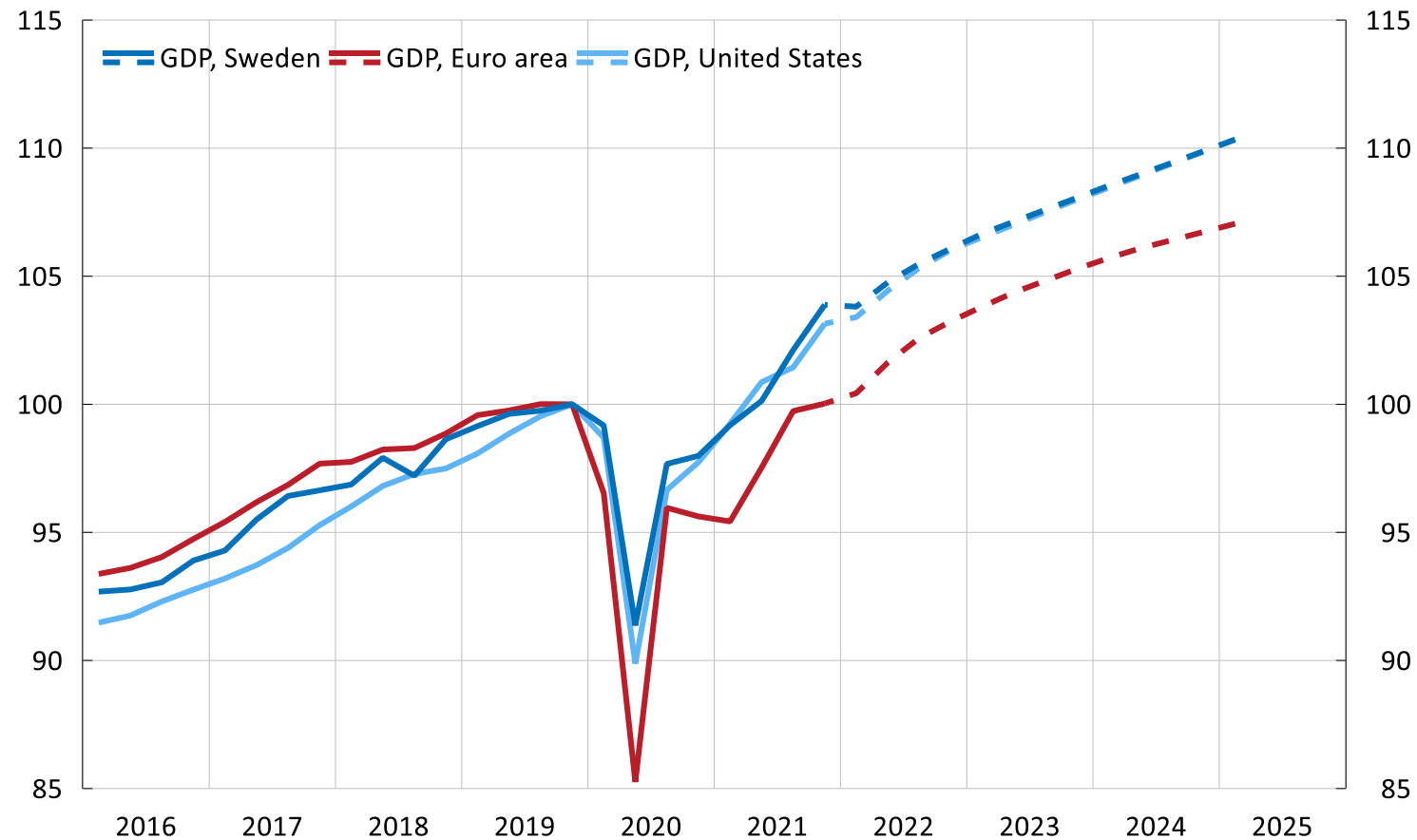


# Inflation on target with support from monetary policy

February 2022

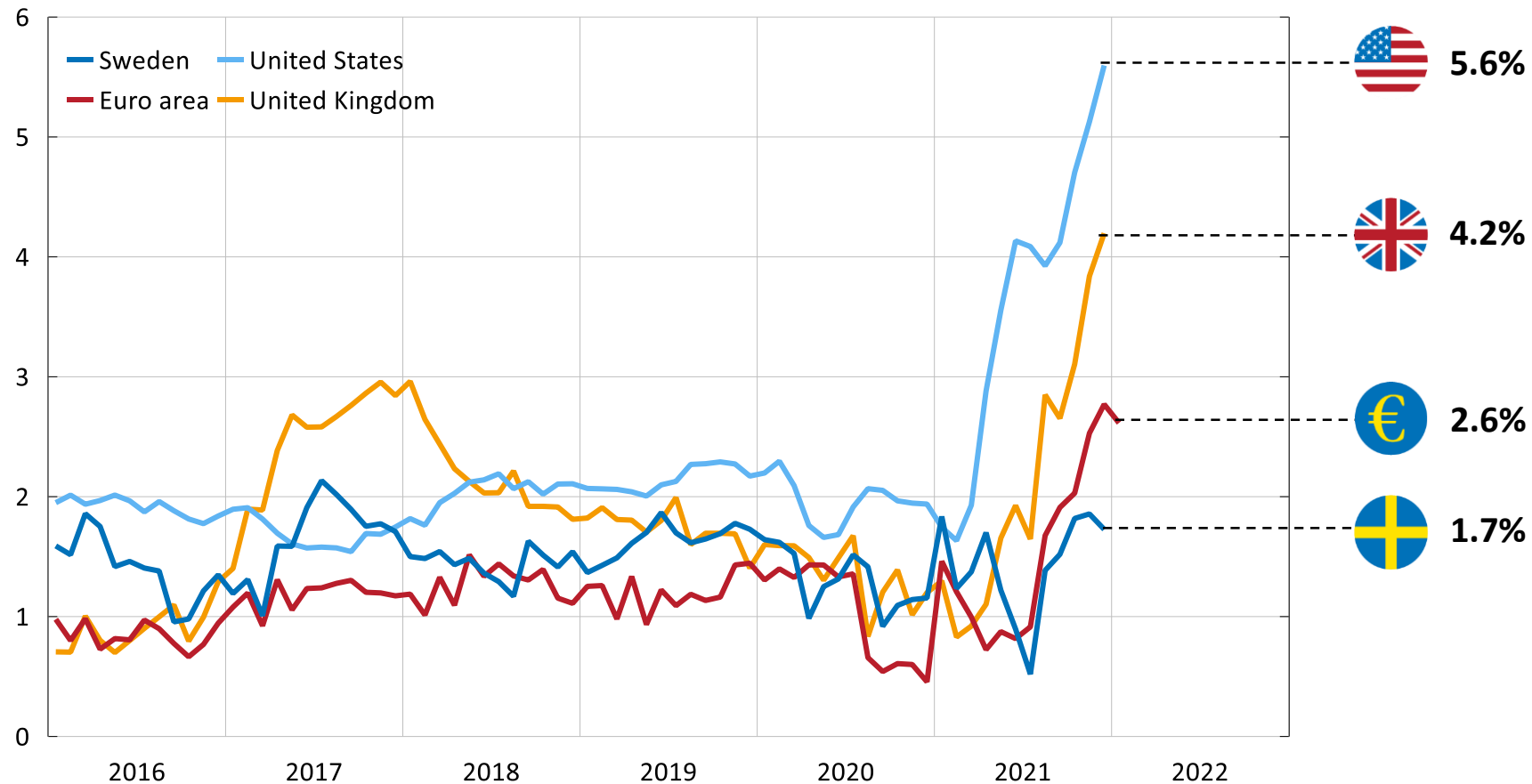
# Good prospects in global economy



Index 2019 Q4 = 100, seasonally adjusted data.

Sources: Eurostat, Statistics Sweden, U.S. Bureau of Economic Analysis and the Riksbank.

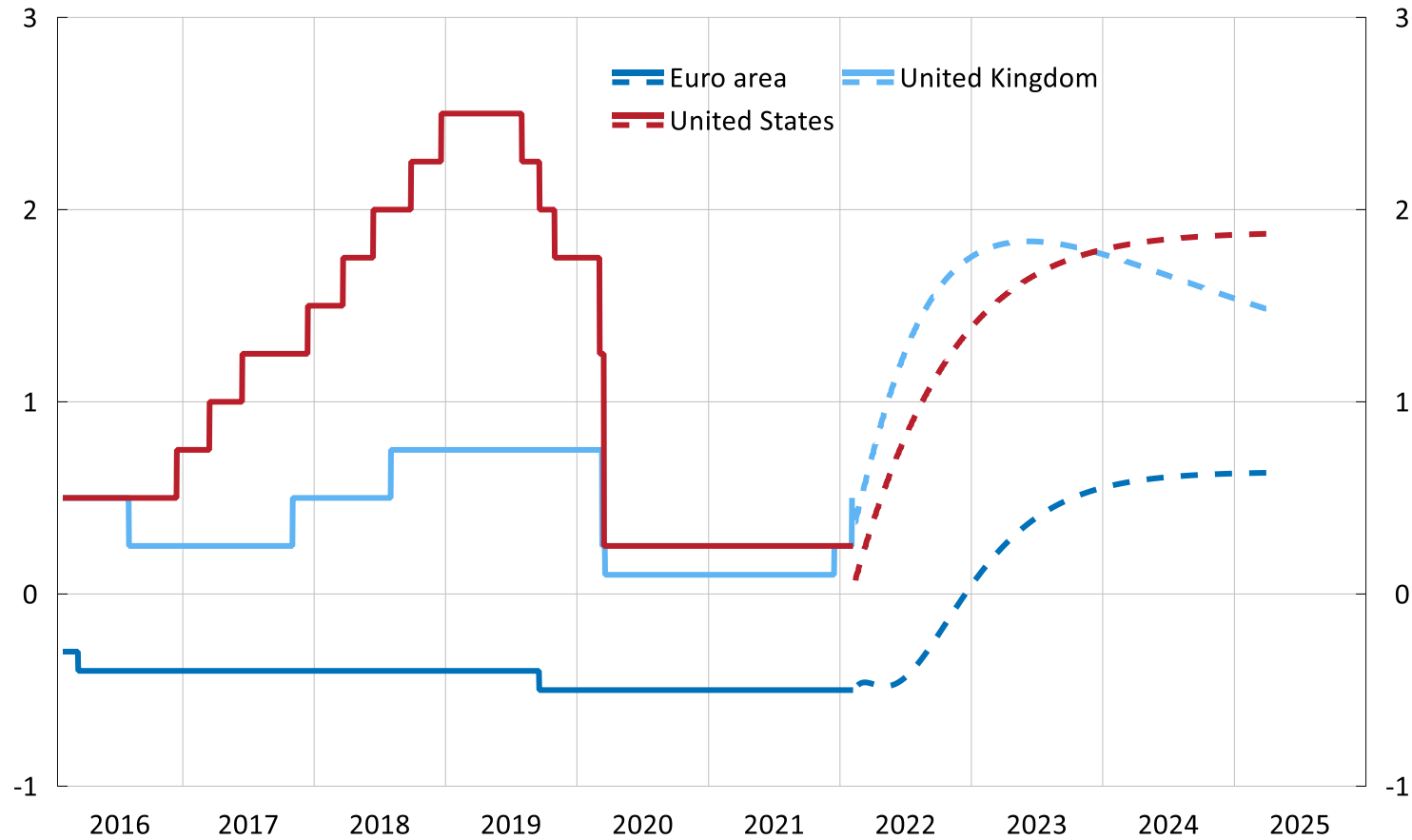
# Large differences in underlying inflation



Annual percentage change, monthly data. Sweden: CPIF excl. energy, Euro area: HICP excl. energy, United States: CPI excl. energy, United Kingdom: CPI excl. energy.

Sources: Eurostat, Statistics Sweden, U.S. Bureau of Labor Statistics, the ONS.

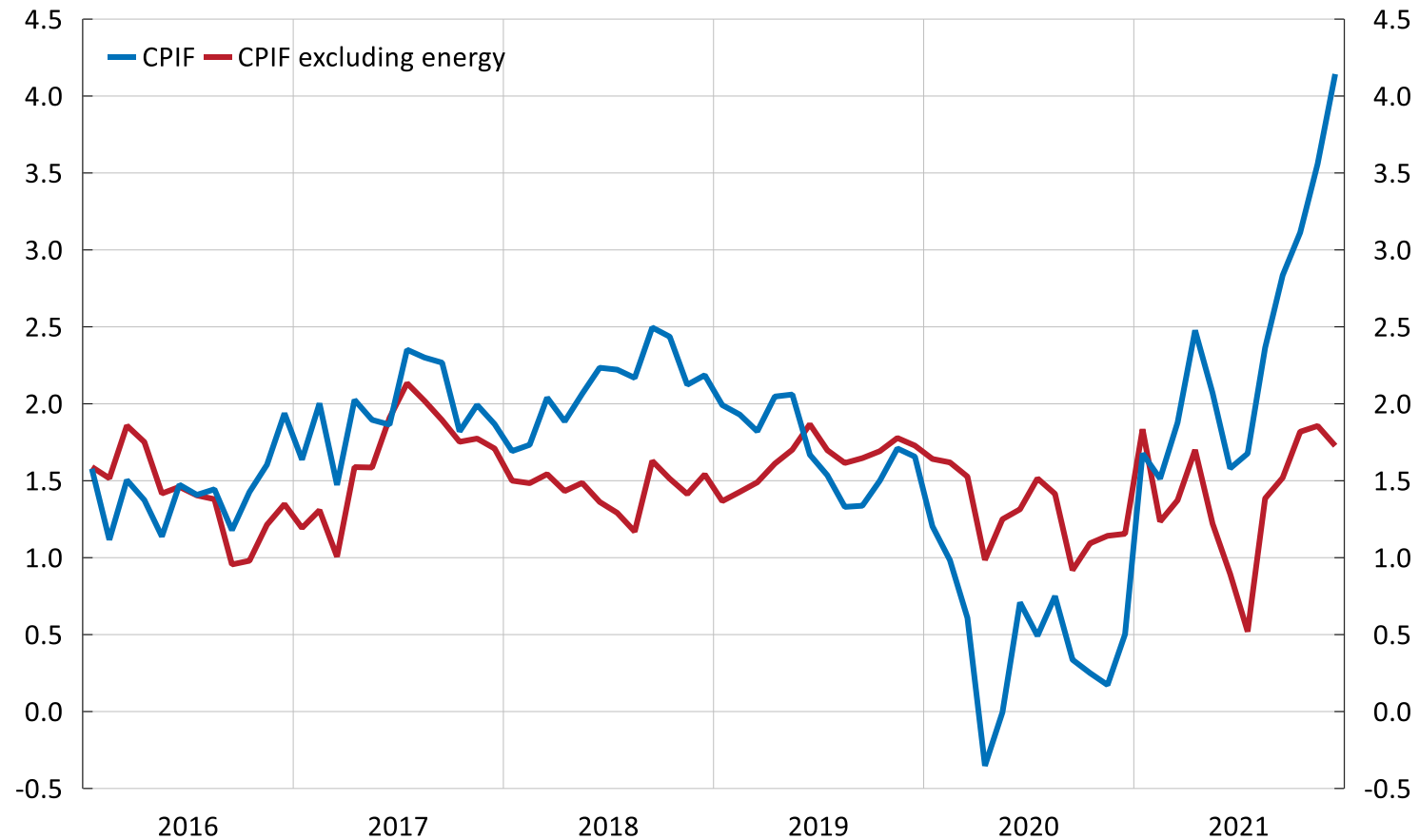
# Higher policy rates expected in countries with a broader inflation upturn



Per cent. Solid lines show policy rates and broken lines refer to market-based expectations of the overnight rate according to forward rates.

Sources: Macrobond and the Riksbank.

# Energy prices pull up Swedish inflation



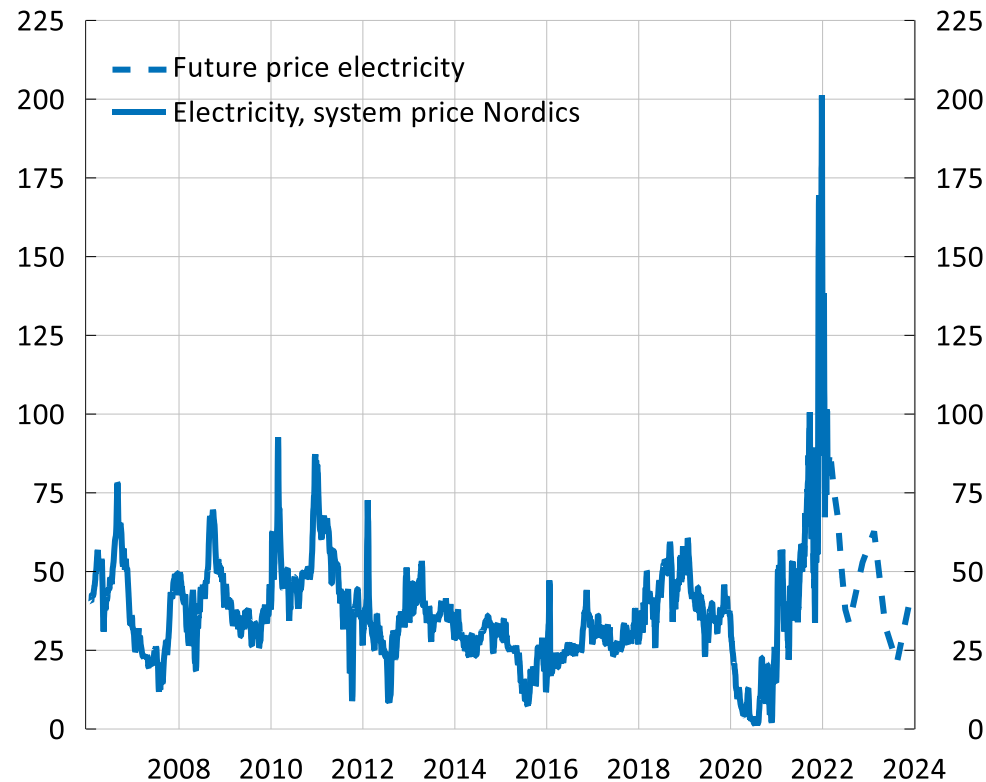
Energy prices  
**2.4**  
Percentage points

Annual percentage change.

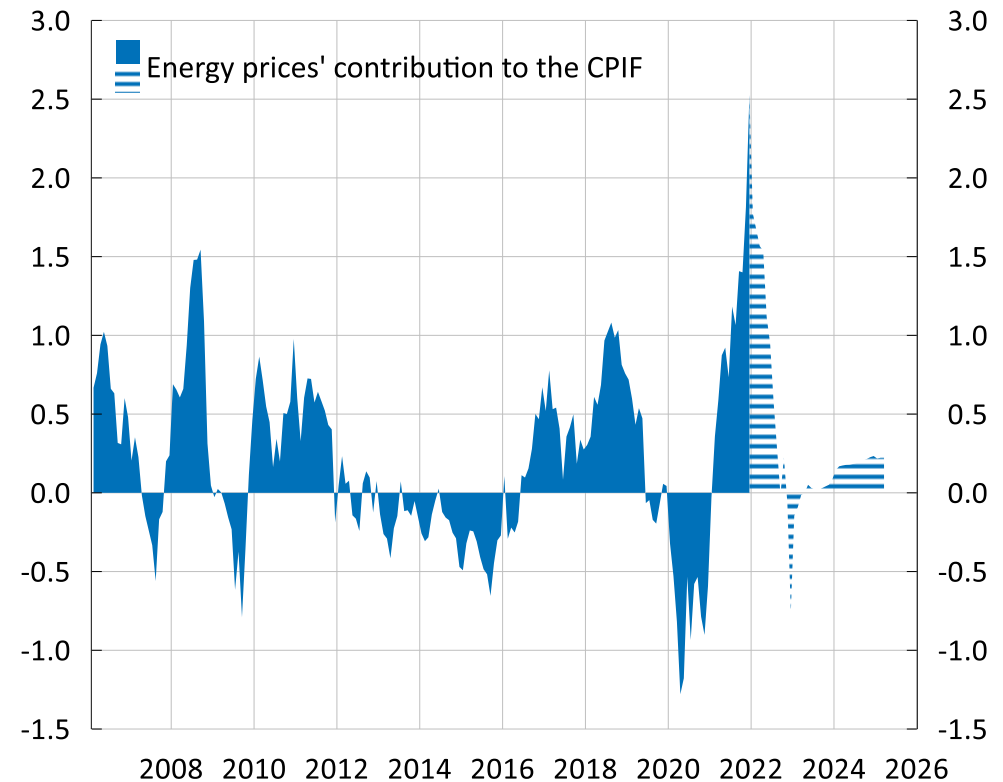
Source: Statistics Sweden.

# Energy prices not rising as rapidly going forward

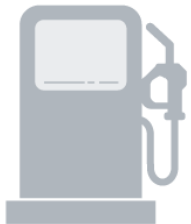
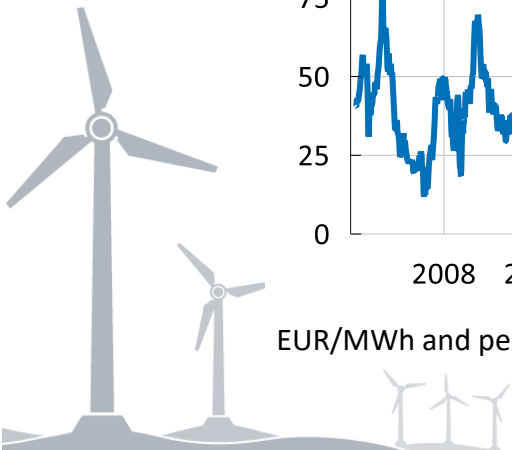
Electricity prices expected to fall back in spring



Contribution to the CPIF will diminish



Sources: Nord Pool, Statistics Sweden and the Riksbank.



# Higher inflation forecast

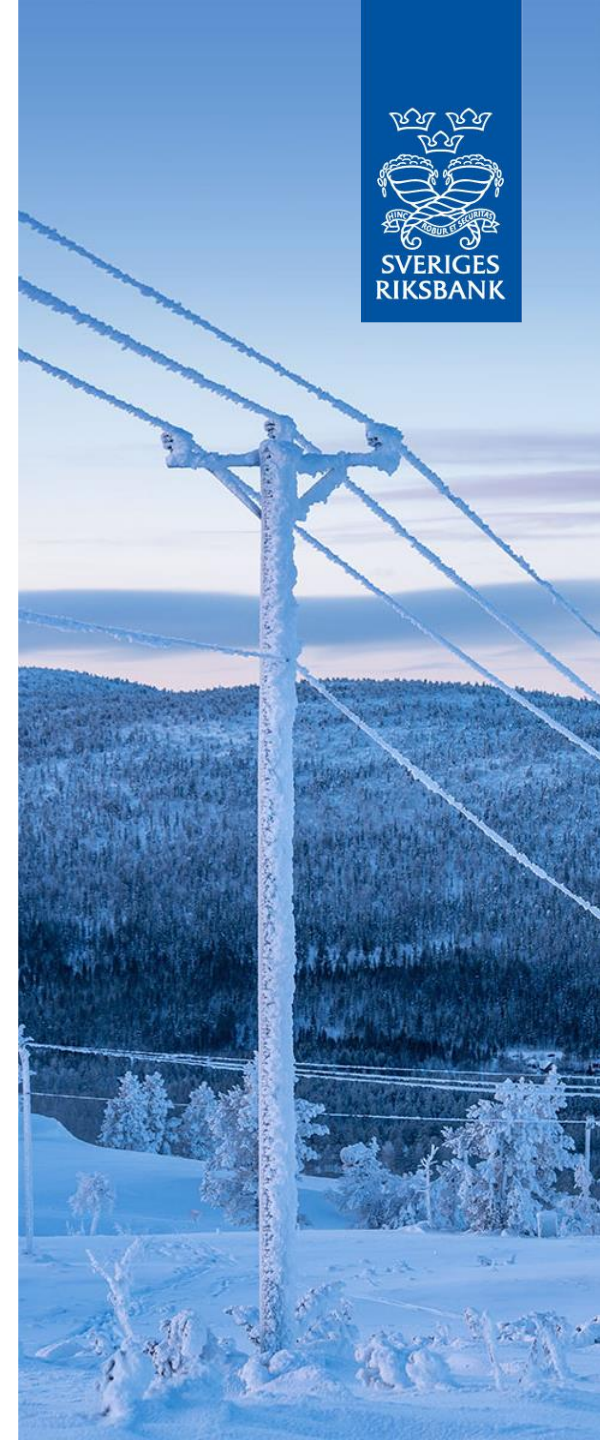
- Direct and indirect effects of high energy prices
- Price changes linked to the pandemic

Effects that  
will subside  
in 2023-  
2024

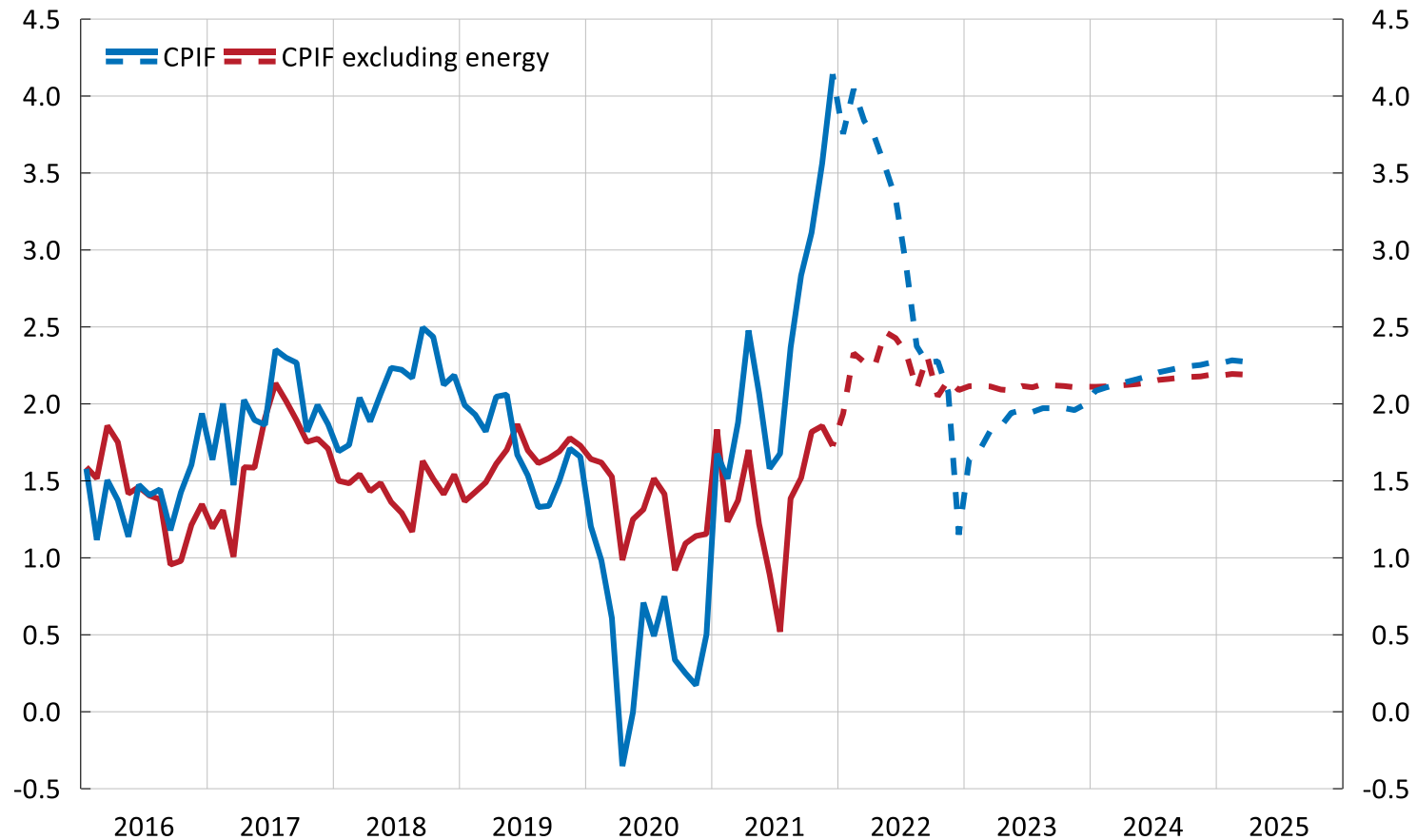
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*Moderate wage increases and inflation expectations close to 2 per cent indicate that inflation will not be permanently high.*

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# CPIF inflation will fluctuate substantially this year too, inflation excluding energy prices close to 2 per cent



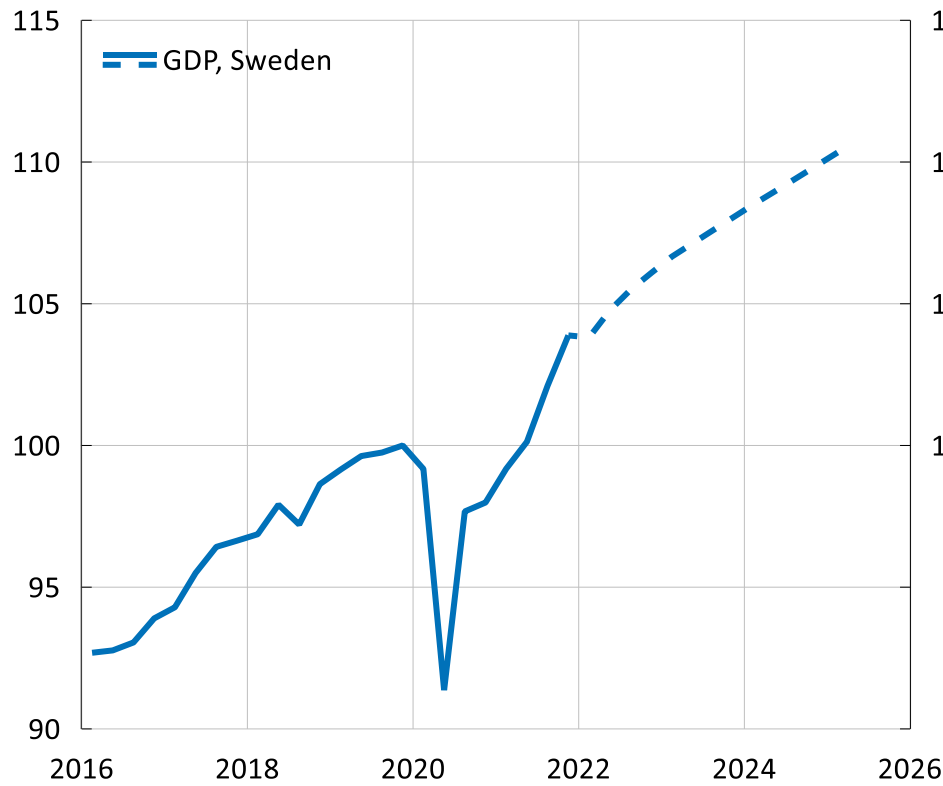
Annual percentage change.

Sources: Statistics Sweden and the Riksbank.

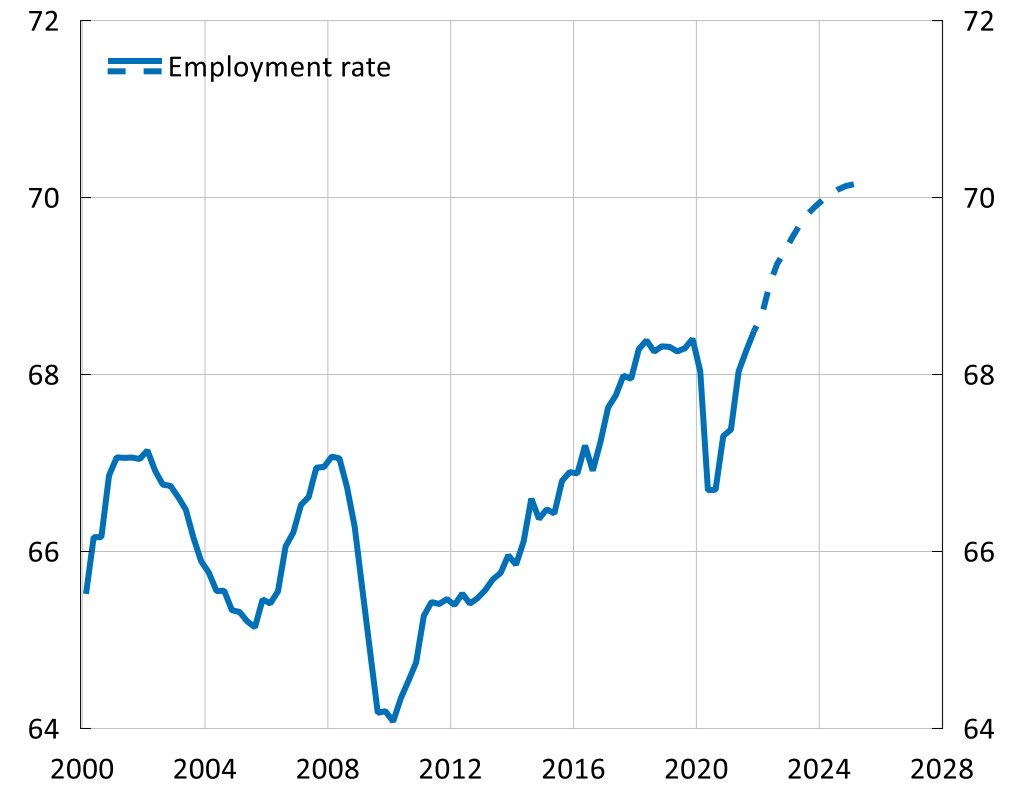


# Brighter prospects in Swedish economy

## Economy growing at a good pace



## Increasingly strong labour market

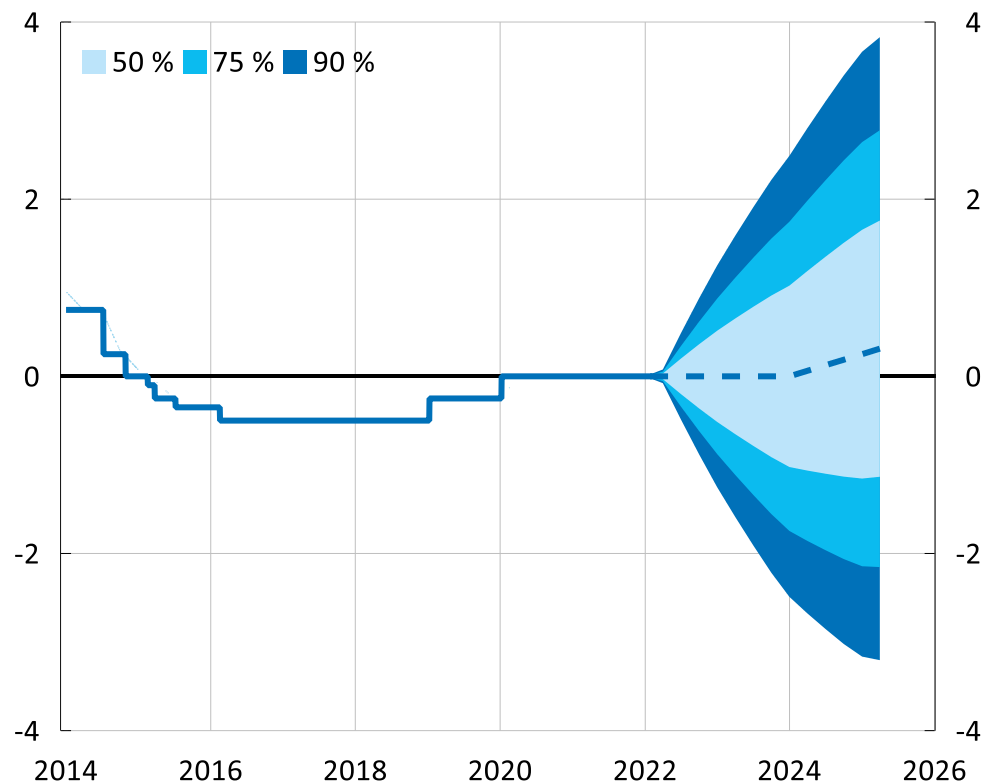


Index 2019 Q4=100 and per cent of the population 15-74 years respectively.

Sources: Statistics Sweden and the Riksbank.

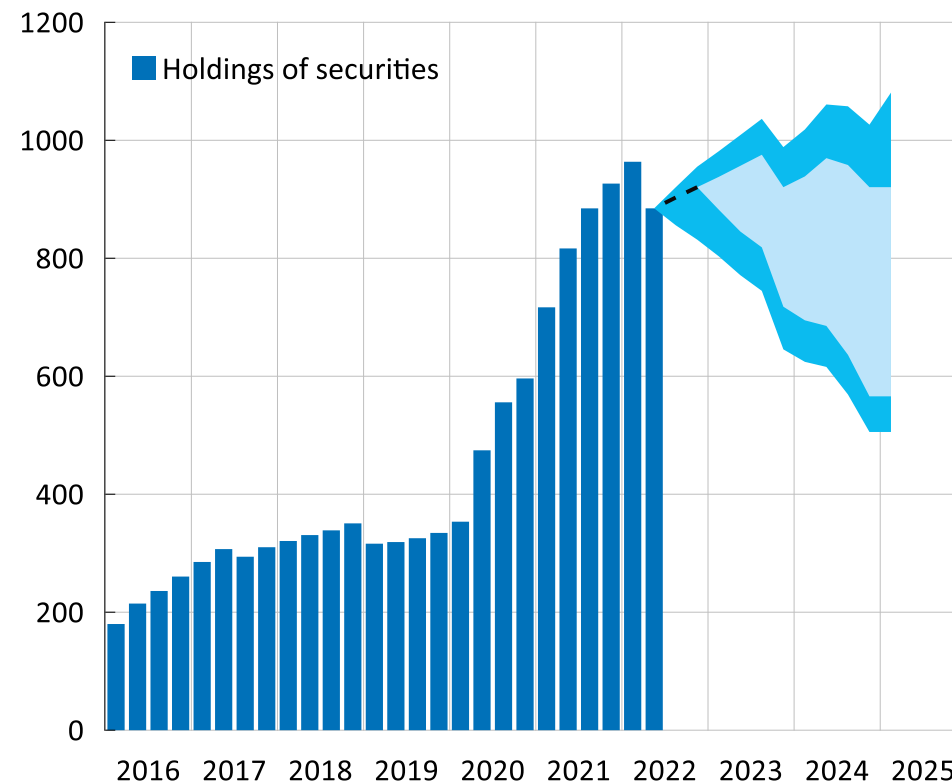
# Inflation on target with support from monetary policy

Interest rate to remain at zero for a while longer



Per cent and nominal amounts (SEK billion), respectively.

Net purchases concluded at turn of year, purchases to compensate for maturities



Source: The Riksbank.

# Despite higher inflation, repo rate needs to remain low

- The risk that inflation will be too low has declined, but still remains
- Slight risk that inflation will be significantly and lastingly higher than 2 per cent
- But the path of inflation is uncertain

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*We regularly assess how lasting the higher inflation is and adapt monetary policy if necessary.*

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# Inflation on target with support from monetary policy

February 2022