



# Account of monetary policy 2020

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

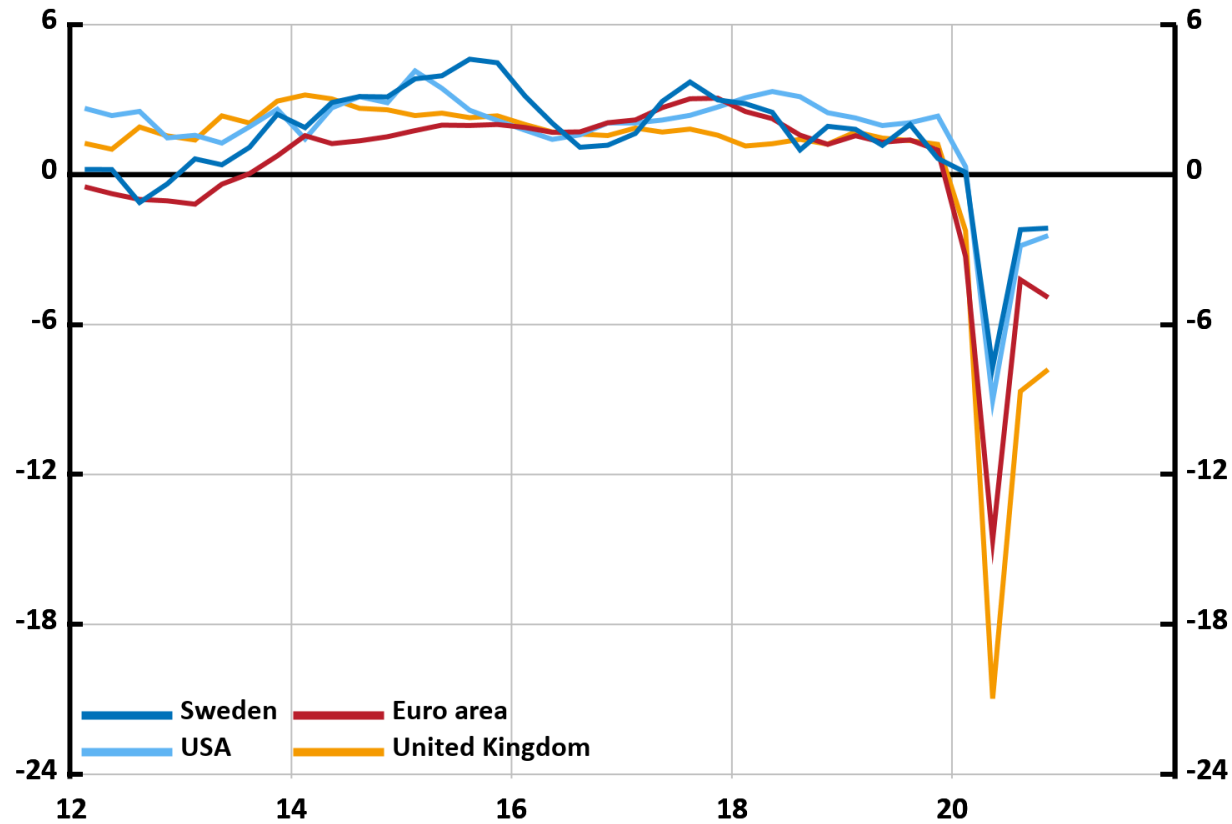
# Chapter 1



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

# Figure 1. GDP-growth in Sweden and abroad

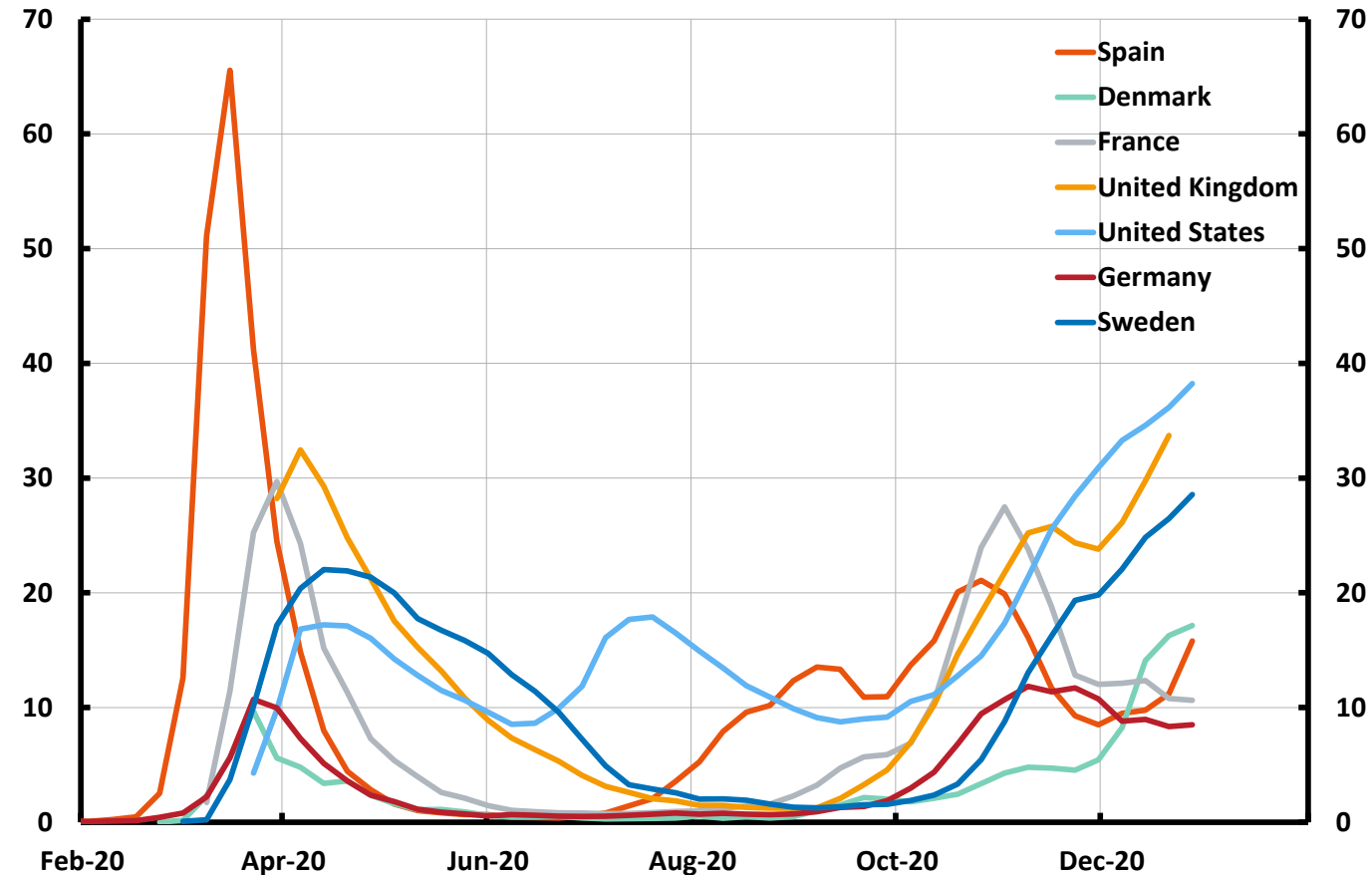
Annual percentage change, seasonally- and calendar adjusted data



Sources: Bureau of Economic Analysis, Eurostat, Office for national statistics and Statistics Sweden.

# Figure 2. Number of patients in hospital with COVID-19

Number of patients per 100,000 inhabitants

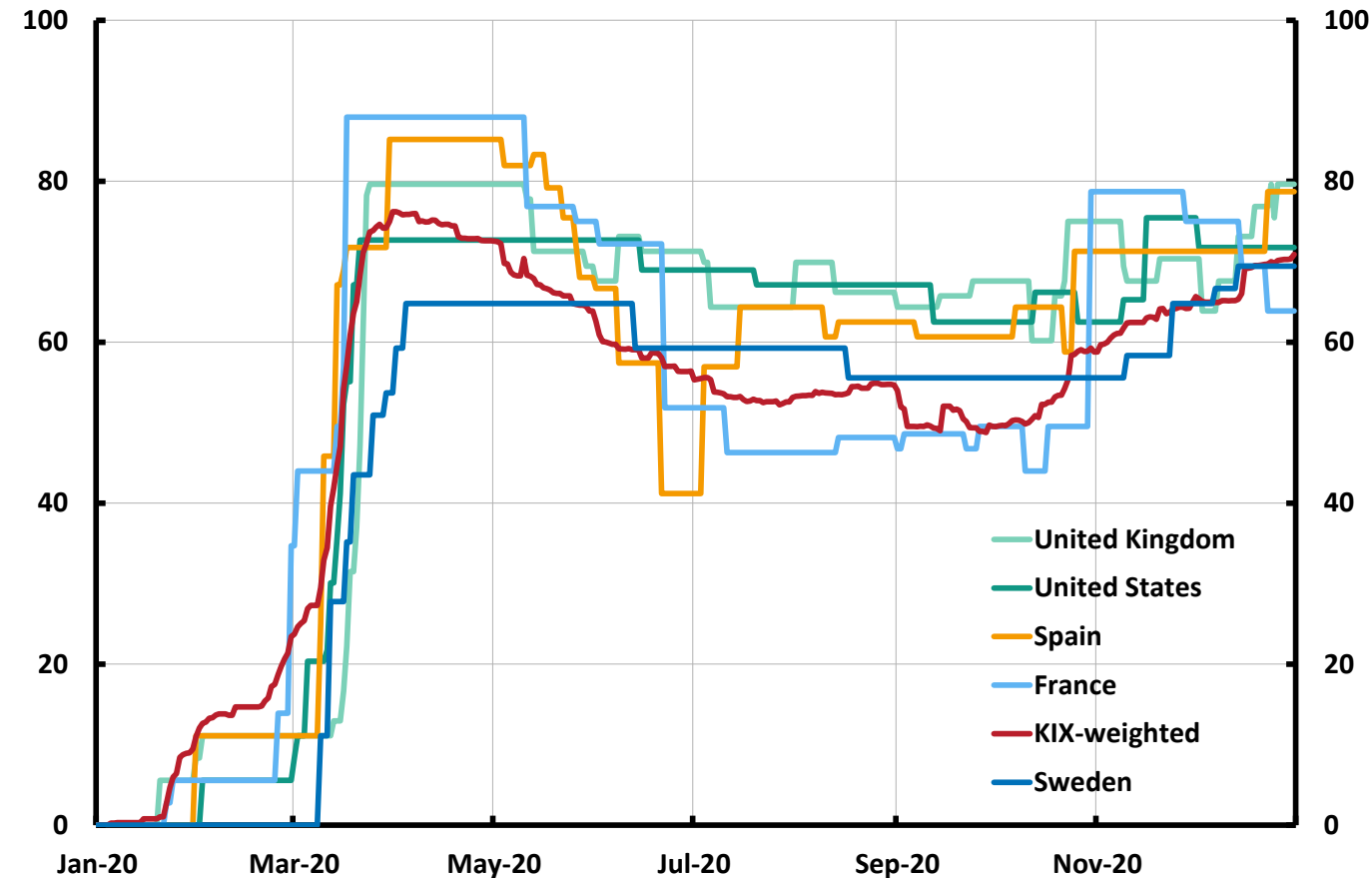


Note. The series show the number of patients in hospital with COVID-19 in 2020, weekly data.

Sources: European Centre for Disease Prevention and Control (ECDC), national sources and the COVID Tracking Project.

# Figure 3. Measures of the extent of government restrictions to reduce the spread of infection

Index

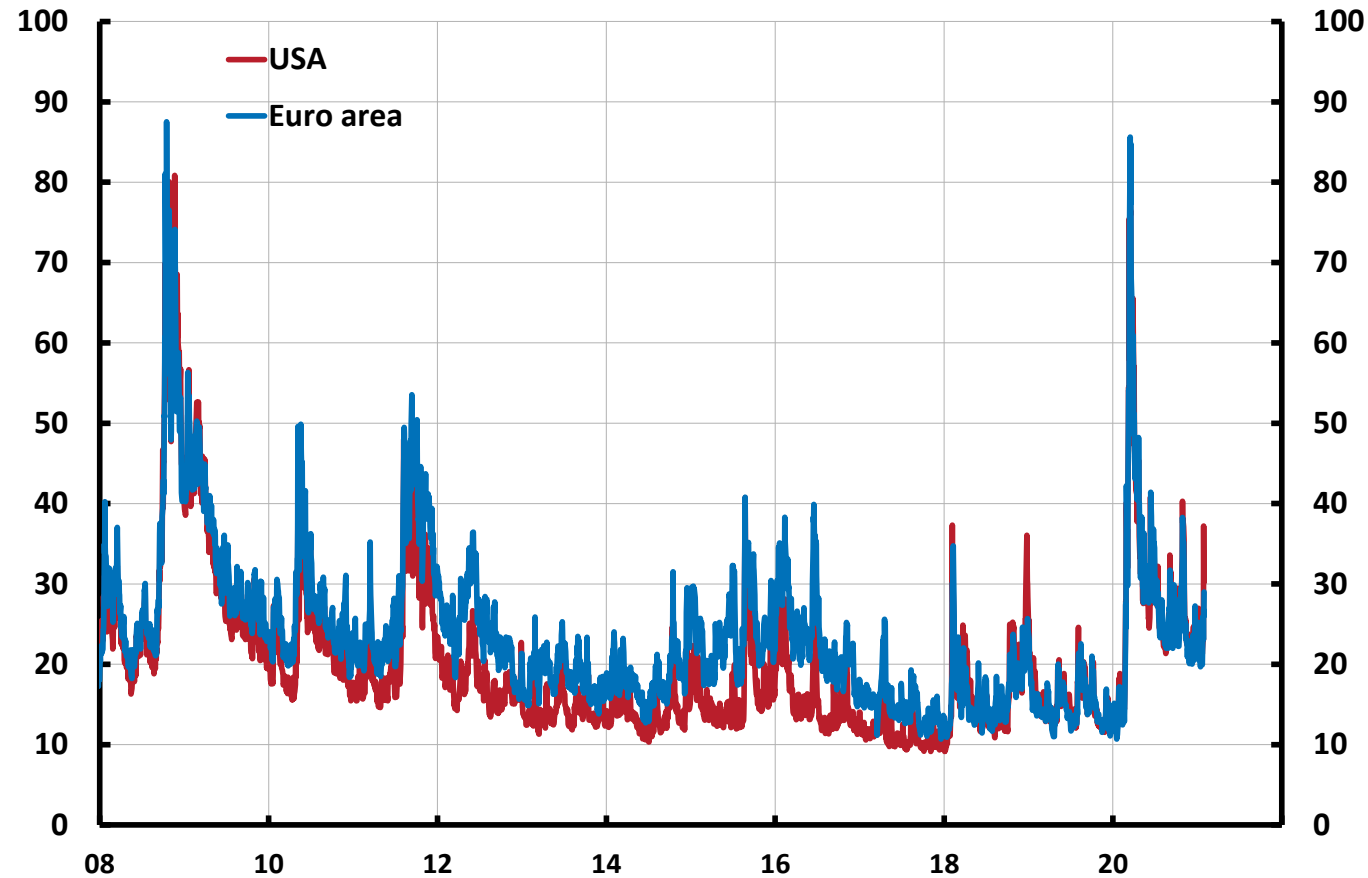


Note. The index measures the extent of measures to combat the spread of COVID-19. The index consists of nine components that describe different types of restrictions, school closures, travel bans, etc. Each component usually has a three-point scale corresponding to “no measures”, “some kind of instruction” and “a ban”. The index corresponds to the average of all components. KIX-weighted refers here to an aggregate of 31 countries that are important for Sweden’s international trade for 2020.

Sources: Oxford COVID-19 Government Response Tracker (OxCGRT) and the Riksbank.

# Figure 4. Volatility index for stock markets in the United States and euro area

Per cent

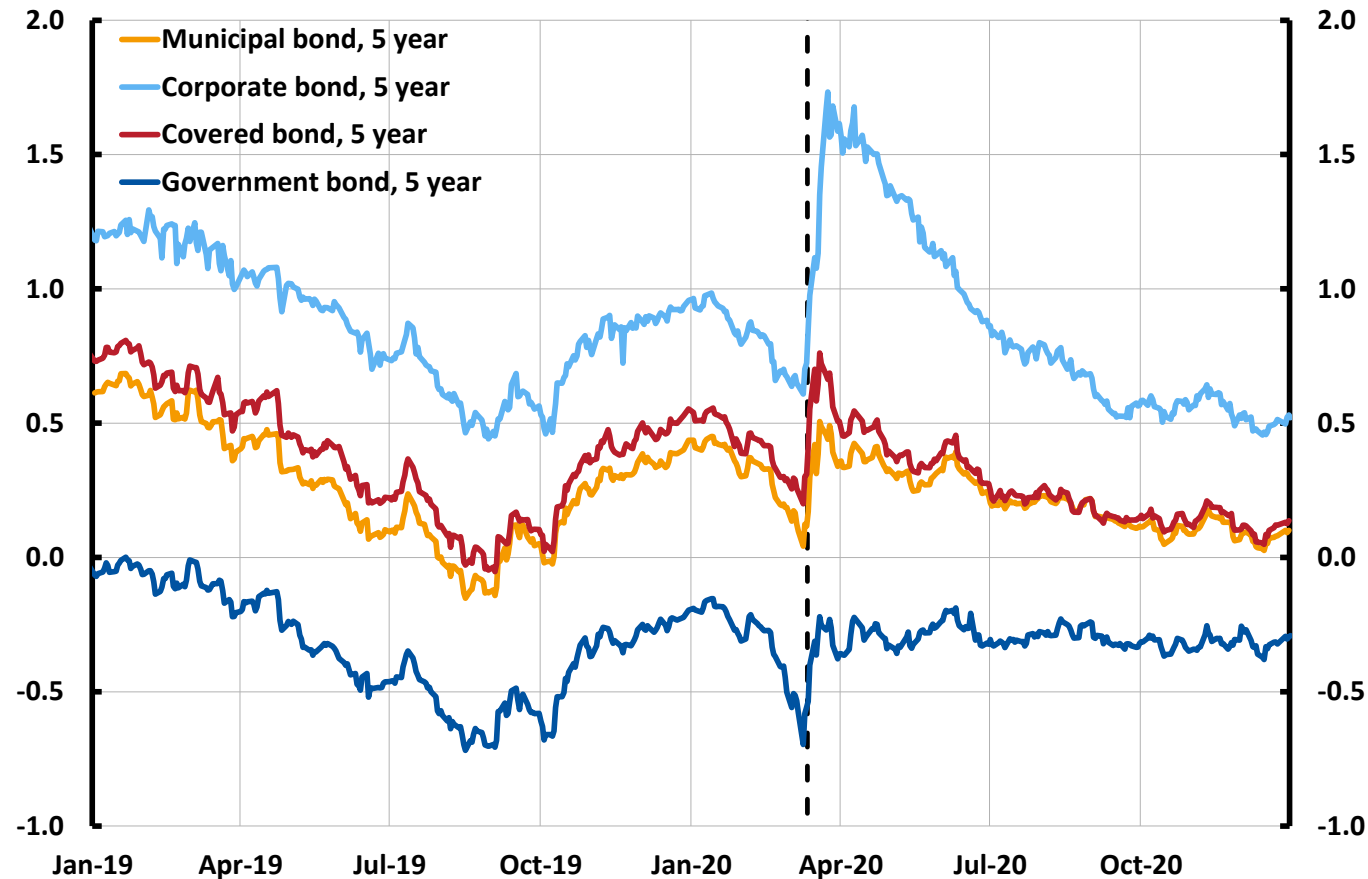


Note. The volatility index shows the expected volatility on the US and European stock markets, based on options prices.

Sources: Chicago Board Options Exchange,  
Deutsche Börse Group and Macrobond.

# Figure 5. Yield rates for Swedish bonds with 5-year maturities

Per cent

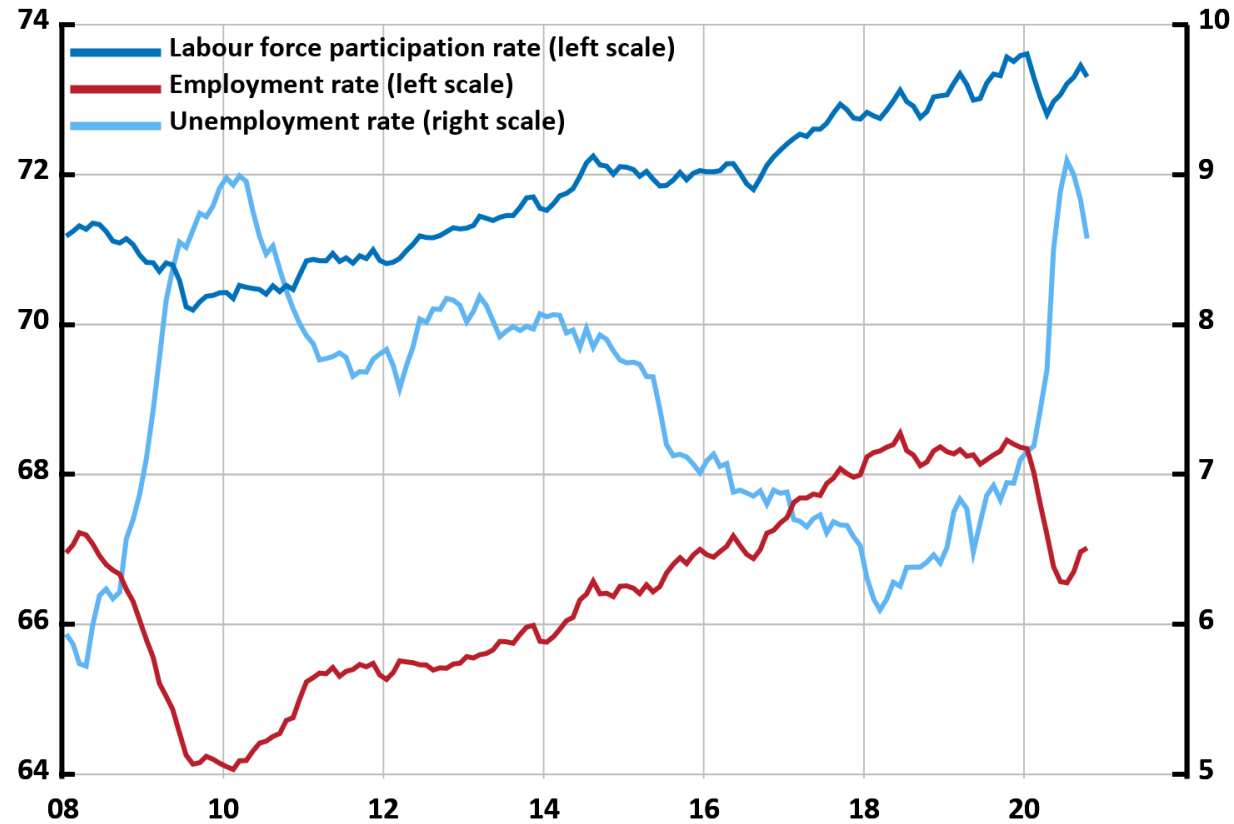


Note. Zero coupon rates calculated using the Nelson-Siegel method. The corporate bond series illustrates a heterogeneous group of bonds for companies with credit ratings of BBB or higher. Municipal bonds are issued by Kommuninvest i Sverige AB. The broken vertical line marks 11 March, when the WHO declared that COVID-19 was a pandemic.

Sources: Macrobond, Refinitiv and the Riksbank.

# Figure 6. Labour force, employment and unemployment

Per cent, seasonally-adjusted data, three-month moving averages



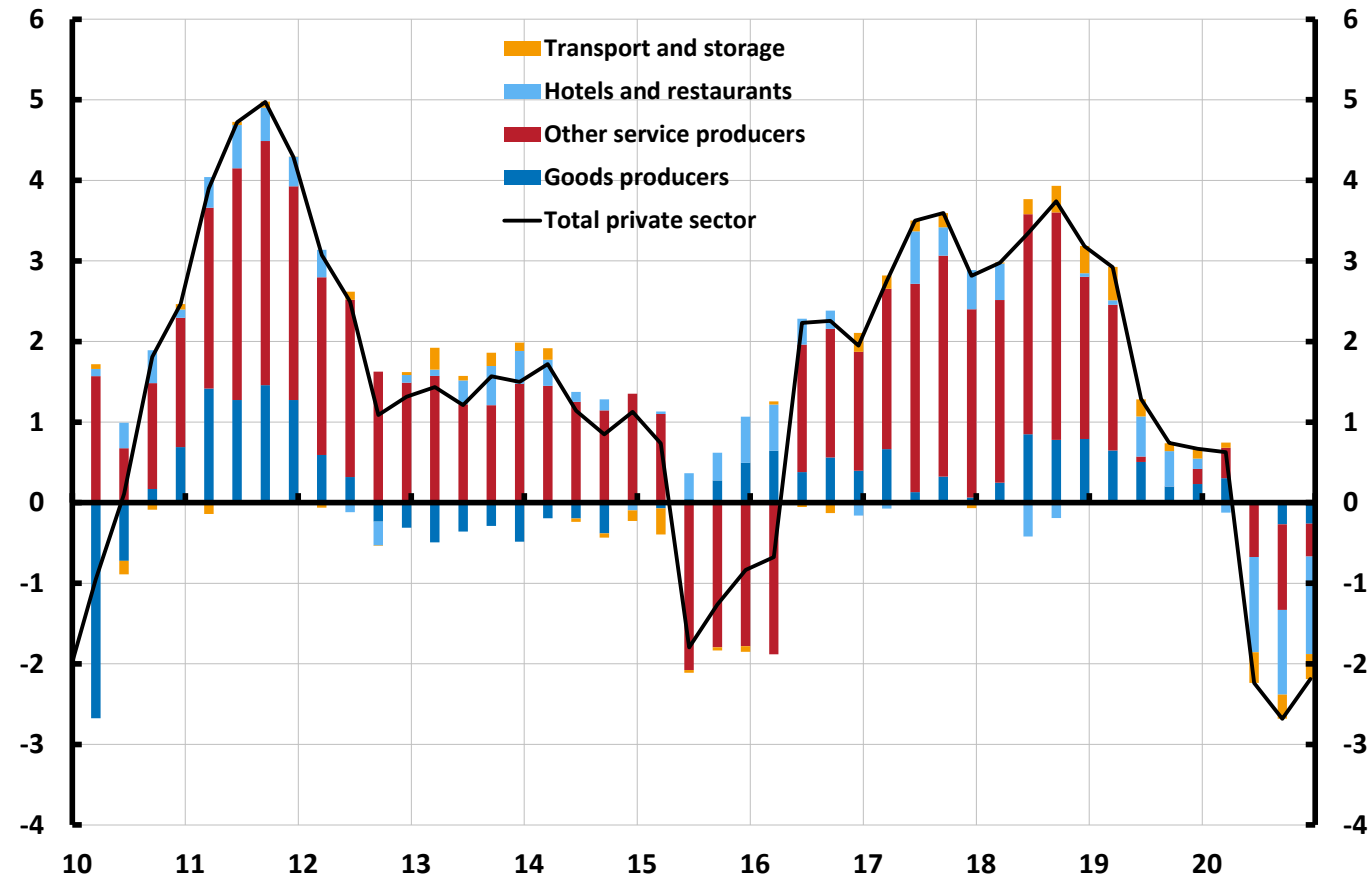
Note. Three-month moving averages. Per cent of population and labour force respectively, 15-74 years.

Source: Statistics Sweden.



# Figure 7. Change in number of employees in the business sector, by industry

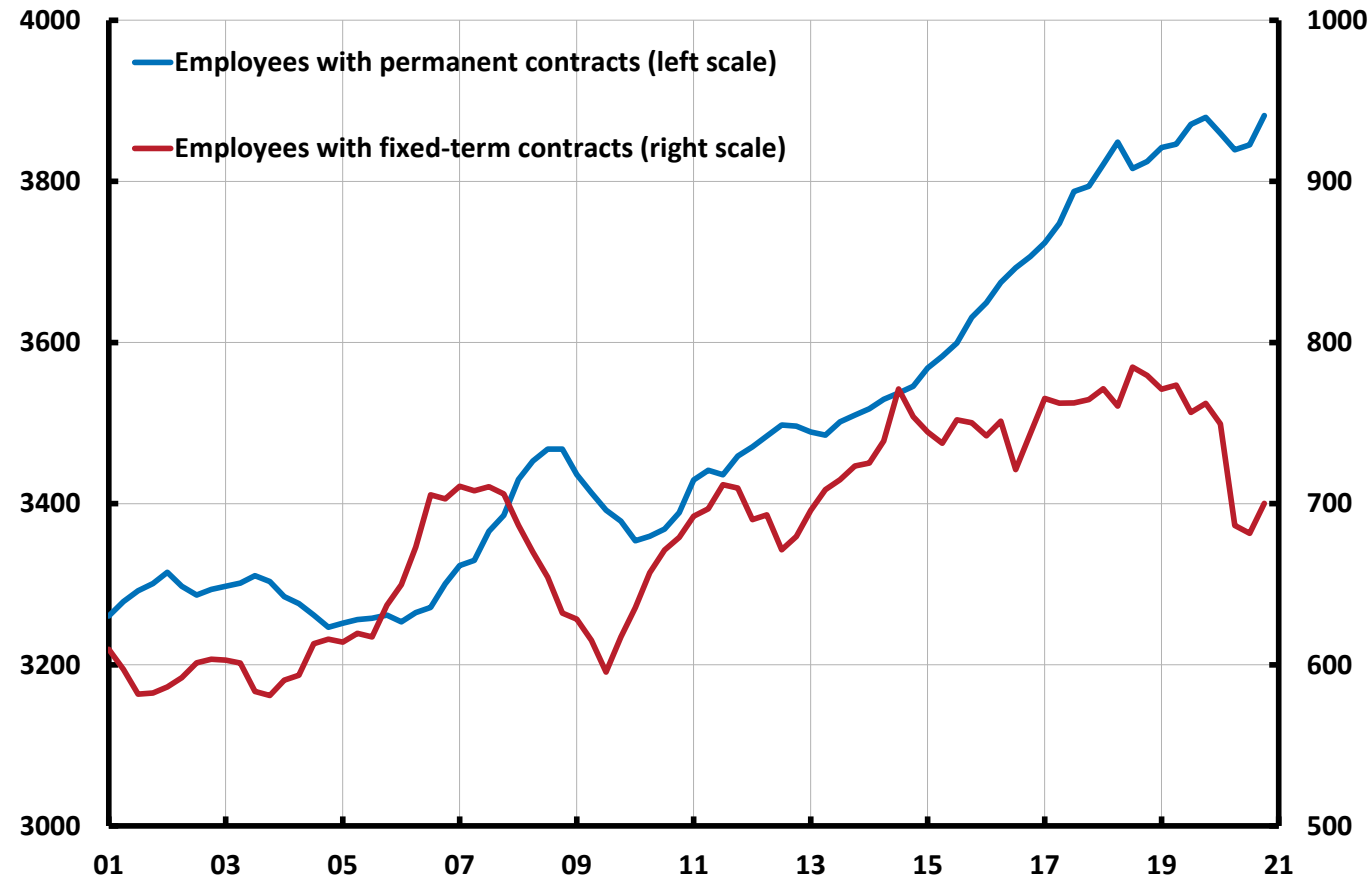
Annual percentage change and contribution in per cent, quarterly data



Source: Statistics Sweden (short-term employment statistics).

# Figure 8. Number of persons employed, by form of employment

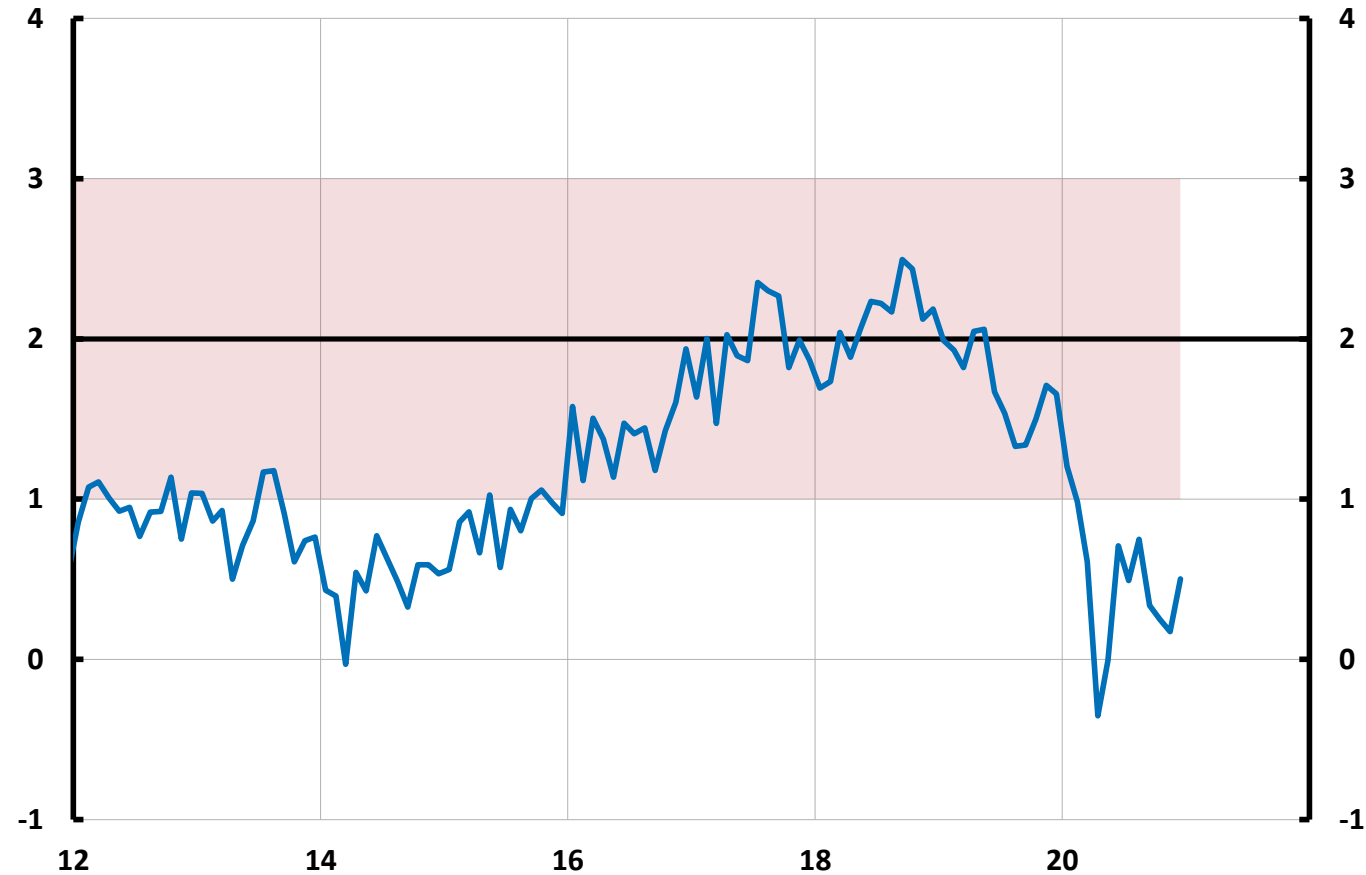
Thousands, seasonally-adjusted quarterly data



Source: Statistics Sweden.

# Figure 9. CPIF and variation band

Annual percentage change

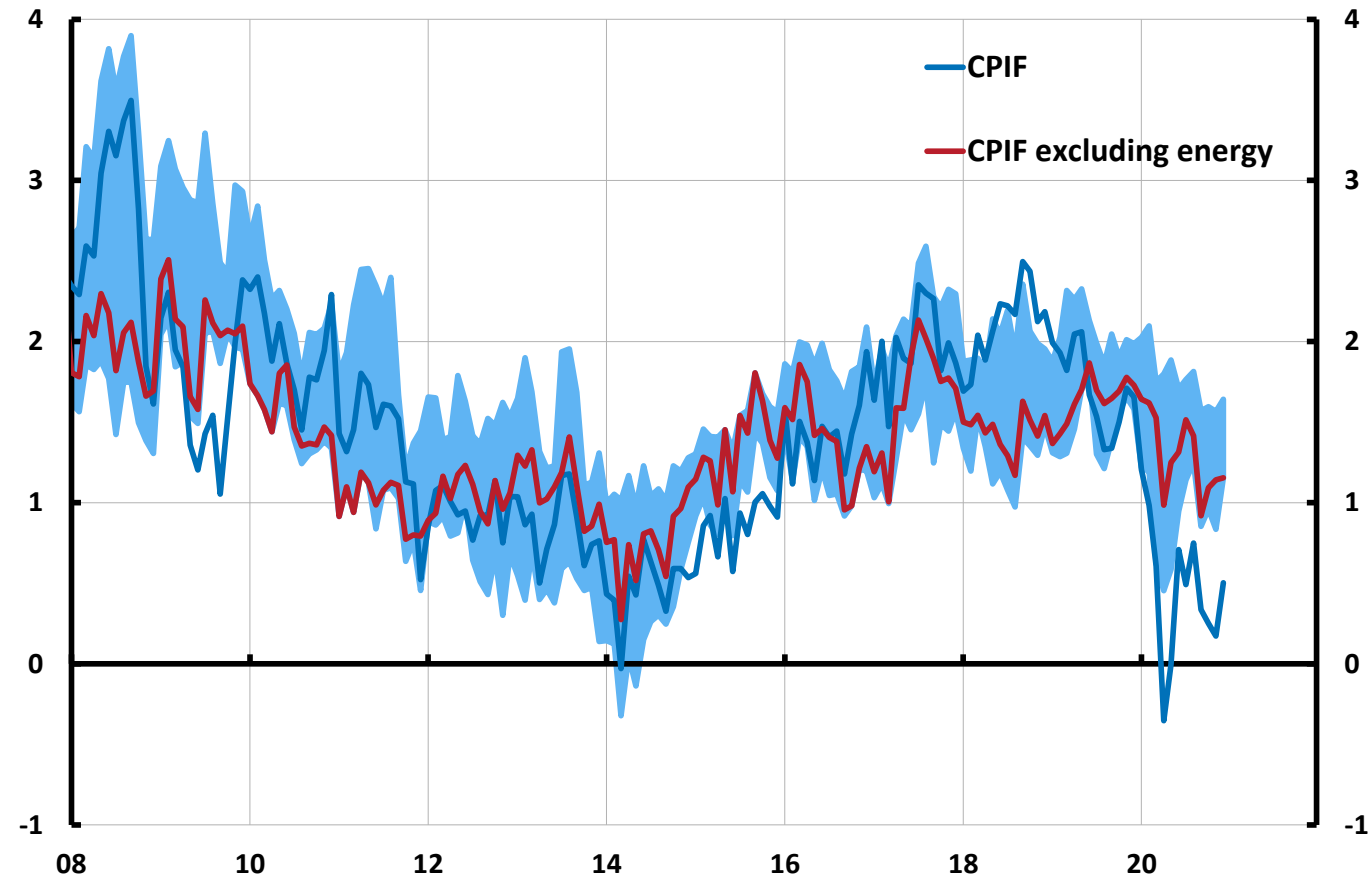


Note. The pink area shows the Riksbank's variation band and covers about three-quarters of the outcomes since January 1995. The variation band is a means of showing whether the deviation from the inflation target is unusually large.

Sources: Statistics Sweden and the Riksbank.

# Figure 10. CPIF, CPIF excluding energy and core inflation

Annual percentage change

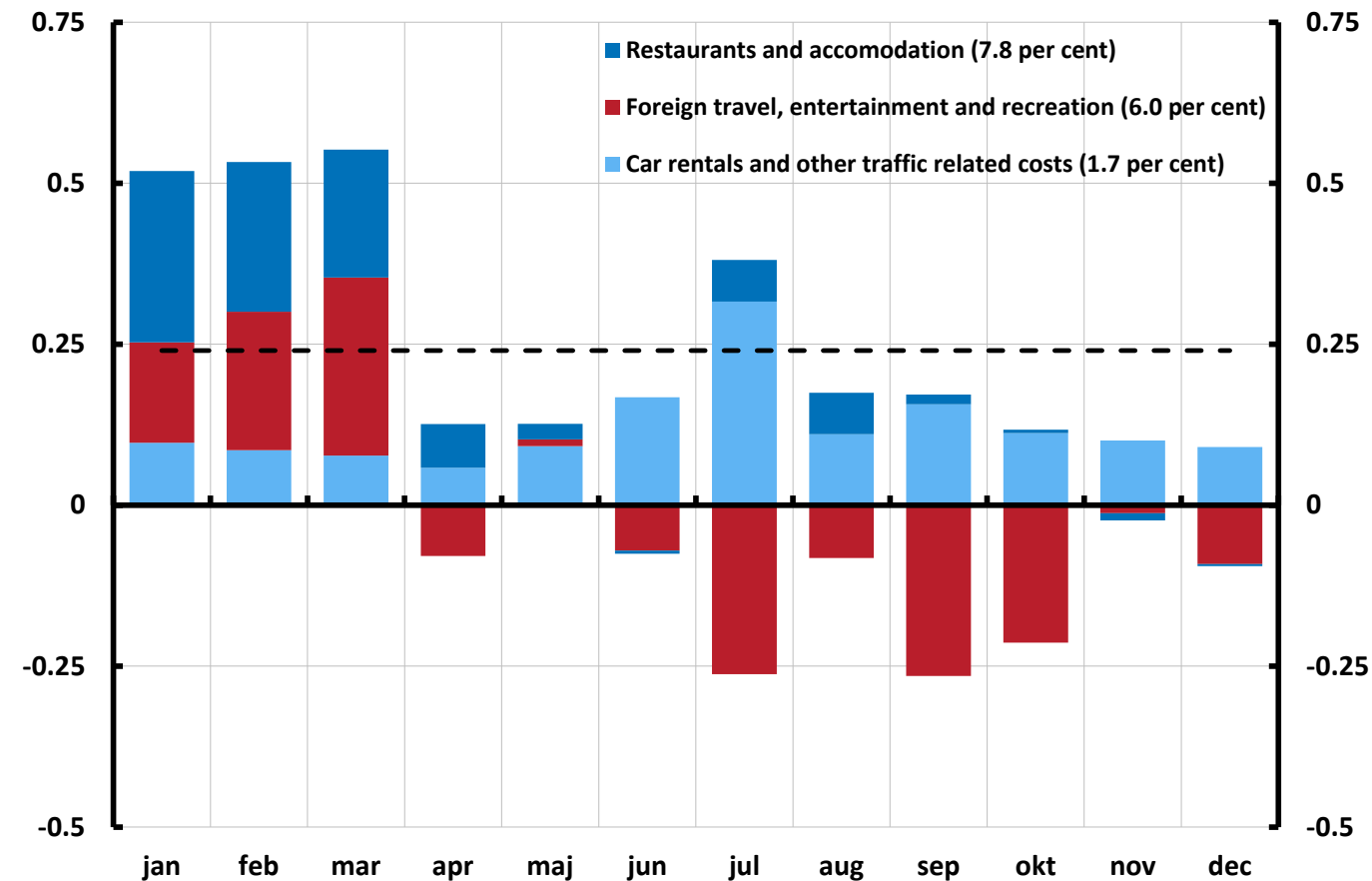


Note. The field shows the highest and lowest outcome among 7 different measures of underlying inflation: CPIF excluding energy, UND24, Trim85, CPIF excluding energy and perishables, persistence-weighted inflation (CPIFPV), factors from principal component analysis (CPIFPC) and weighted mean inflation (Trim1).

Sources: Statistics Sweden and the Riksbank.

# Figure 11. Contribution to CPIF inflation from prices especially affected during the pandemic

Percentage points

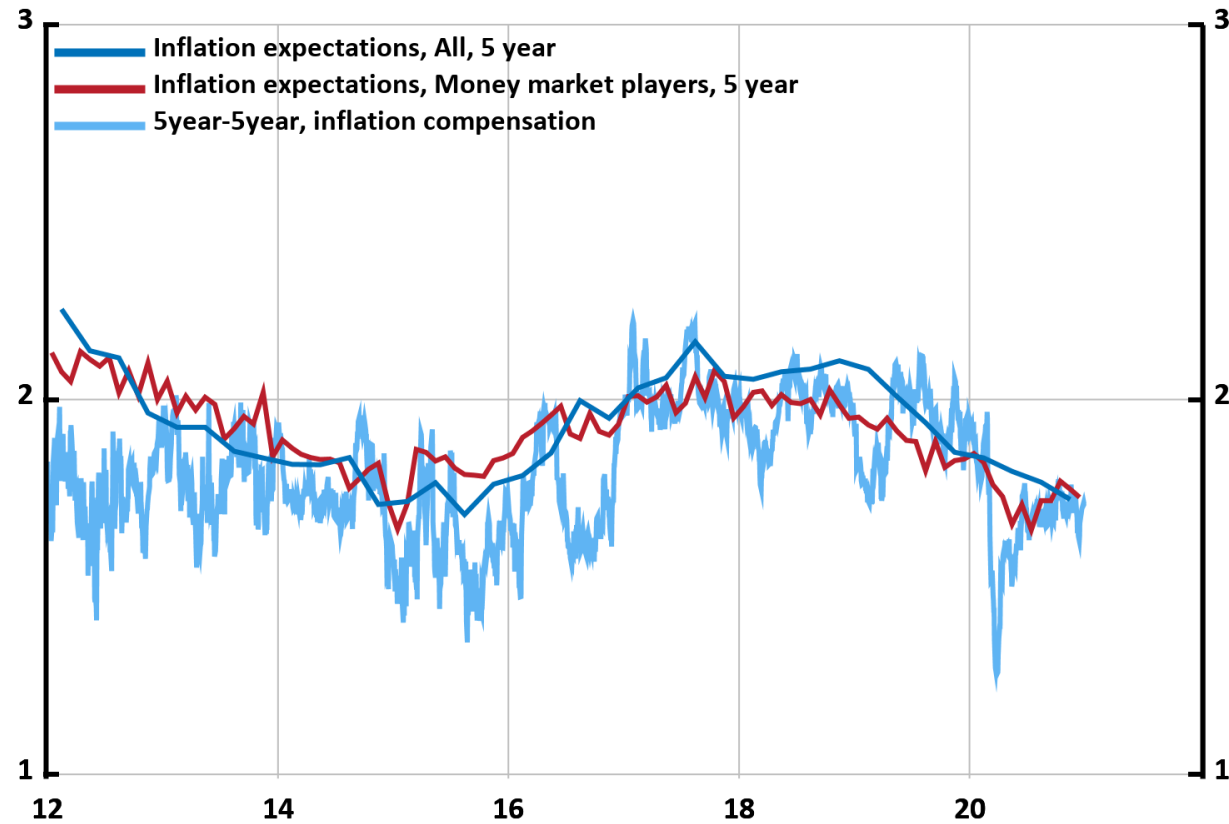


Note. The percentage in brackets refers to the product groups' weight in the CPIF. The broken line represents the mean value of the contributions from the three product groups since 2012.

Sources: Statistics Sweden and the Riksbank.

# Figure 12. Long-term inflation expectations, Sweden

Per cent



Note. Inflation compensation refers to a 5-year period starting in 5 years' time, calculated on the basis of bond yields.

Sources: Kantar Sifo Prospera and the Riksbank.

# Kapitel 2

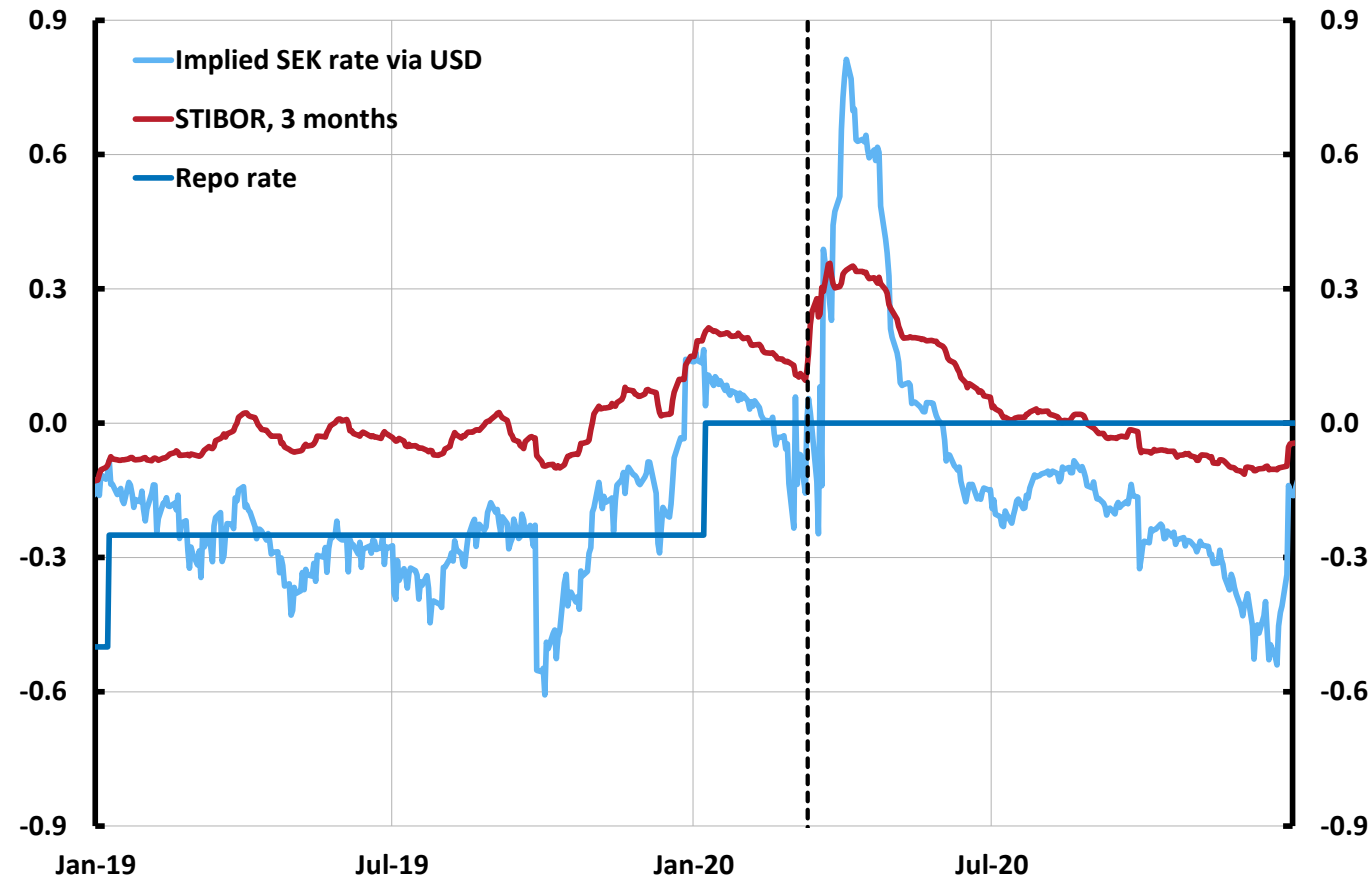


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# Figure 13. The banks' costs for obtaining funds with dollars increased in the initial phase of the pandemic



Per cent



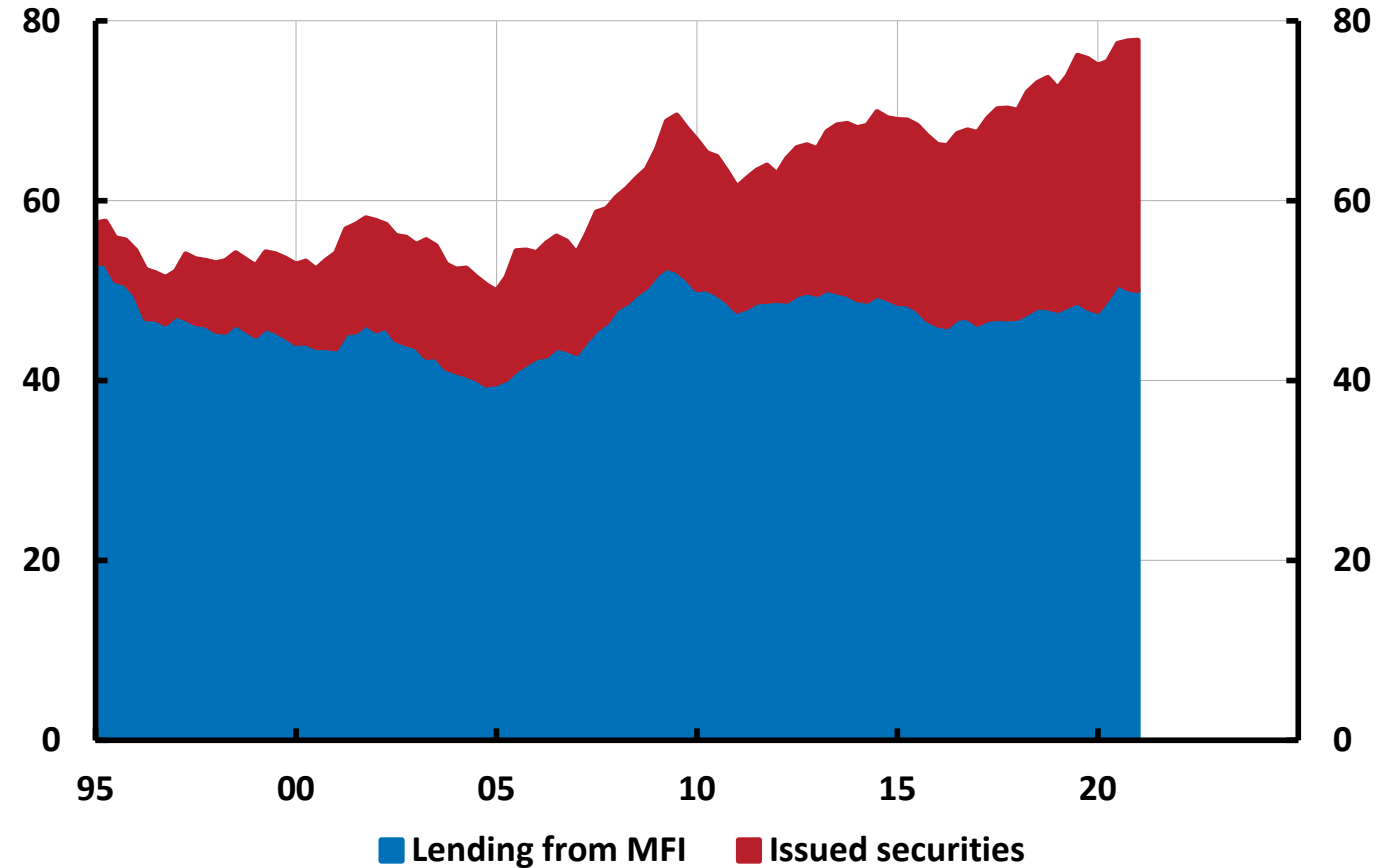
Note. The implied SEK interest rate is calculated using spot rates and forward exchange rates, as well as 3-month interest rates (USD LIBOR). The broken line marks the date, 11 March, on which the WHO declared COVID-19 a pandemic.

Sources: Bloomberg, Macrobond and the Riksbank.



# Figure 14. Borrowing among non-financial corporates

Percentage of GDP, quarterly data

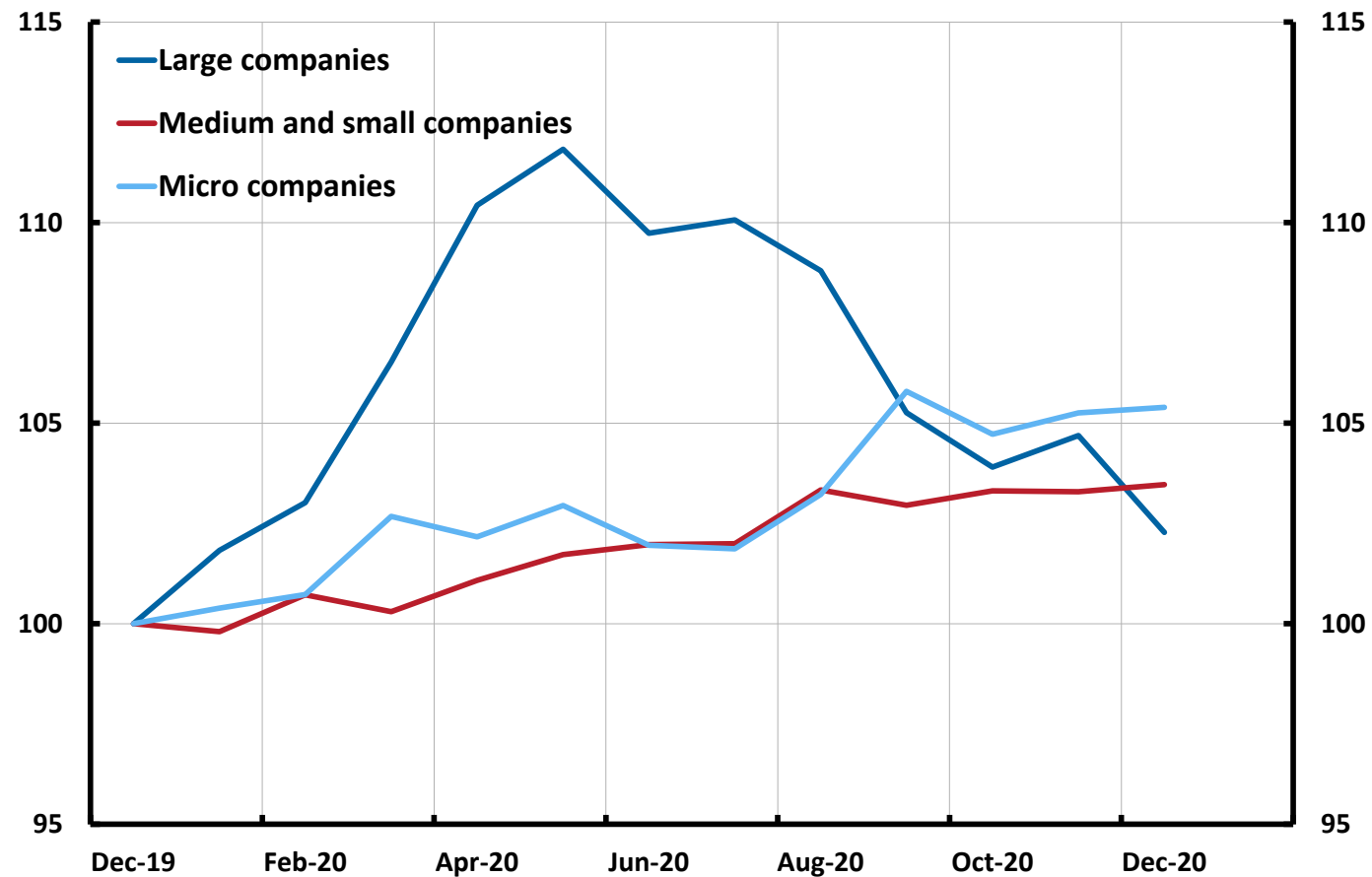


Note. Includes securities borrowing in both Swedish kronor and foreign currency.

Sources: Statistics Sweden and the Riksbank.

# Figure 15. Bank loans by company size

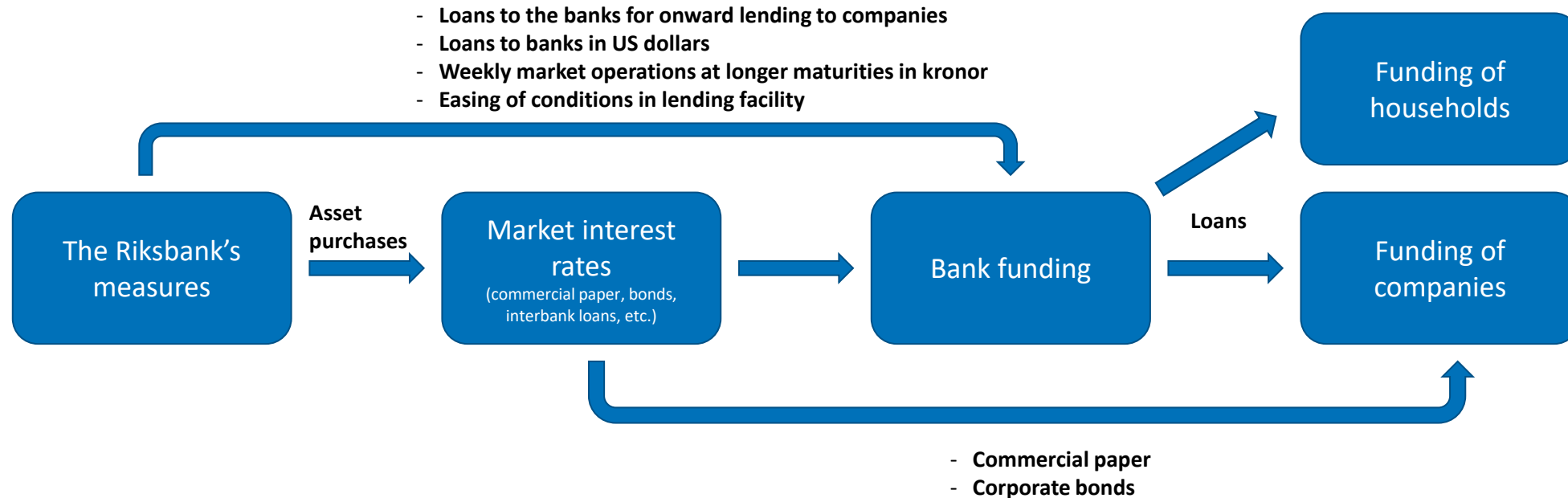
Index, December 2019 = 100, monthly data



Note. Loans in all currencies. Outstanding loans to Swedish non-financial corporations. Size breakdown in accordance with European Commission Recommendation (2003/361/EC). Excluding loans to housing cooperatives.

Sources: Statistics Sweden and the Riksbank.

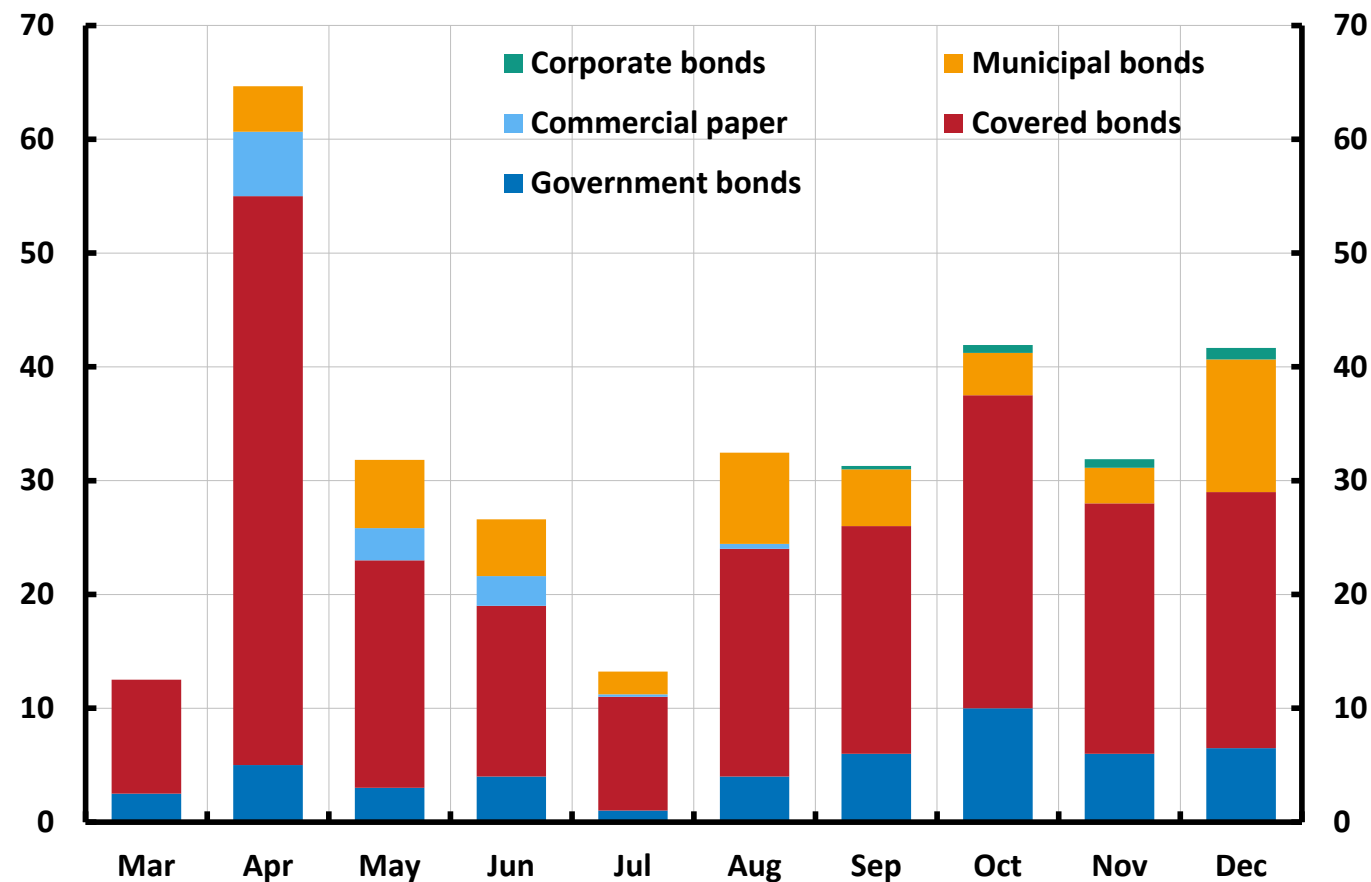
# Figure 16. The Riksbank's measures and their impact on credit granting



Source: Peter Gustafsson and Tommy von Brömsen, "The coronavirus pandemic: The Riksbank's measures and financial developments in spring and summer 2020", Sveriges Riksbank Economic Review 2021:1.

# Figure 17. The Riksbank's purchases of securities in 2020

SEK billions, nominal amount

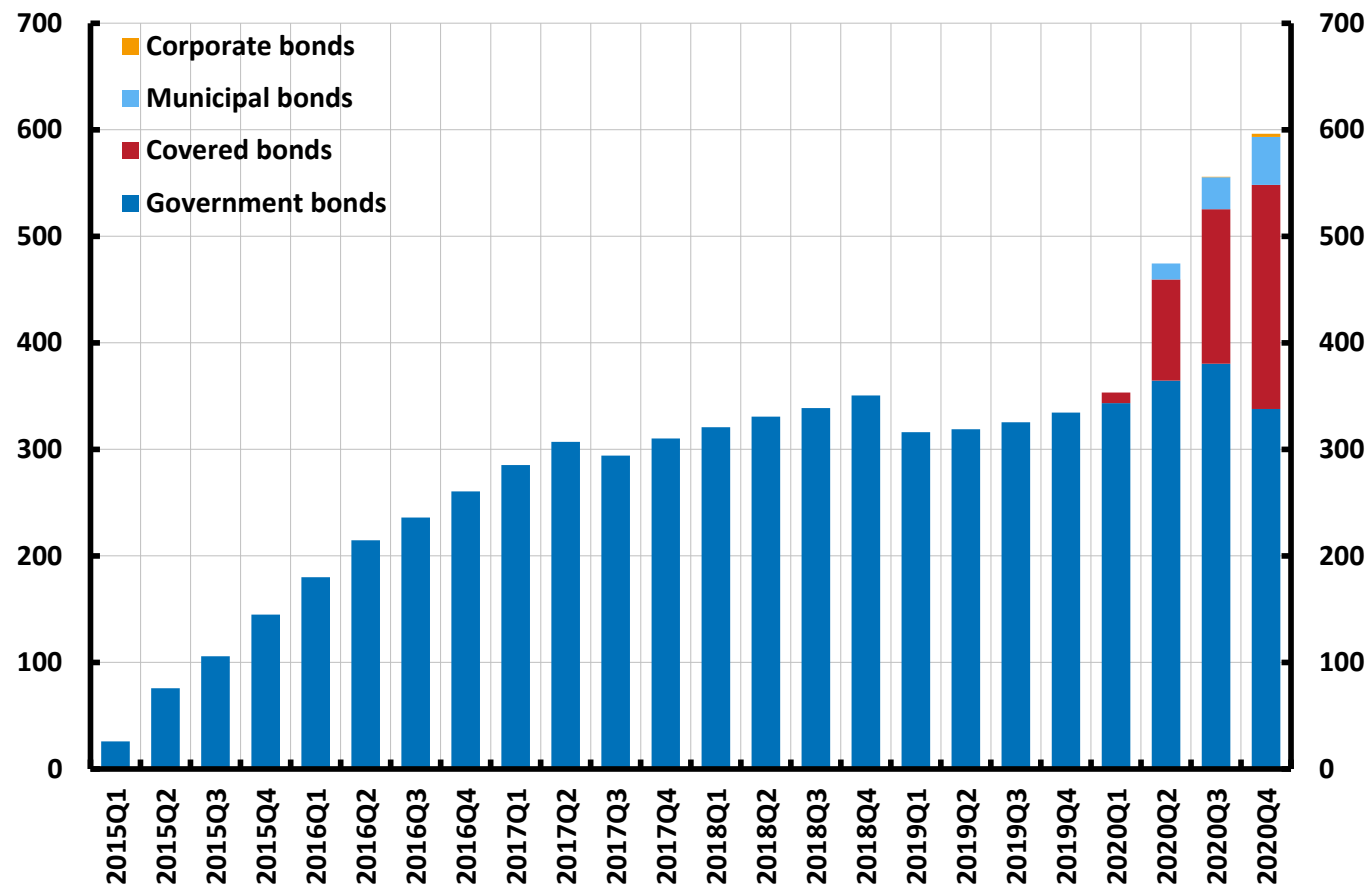


Note. The figures show the total purchases made within the scope of the asset purchase programme initiated in March 2020.

Source: The Riksbank.

# Figure 18. The Riksbank's holdings of securities by asset type

Nominal amount, SEK billion, end of respective quarter

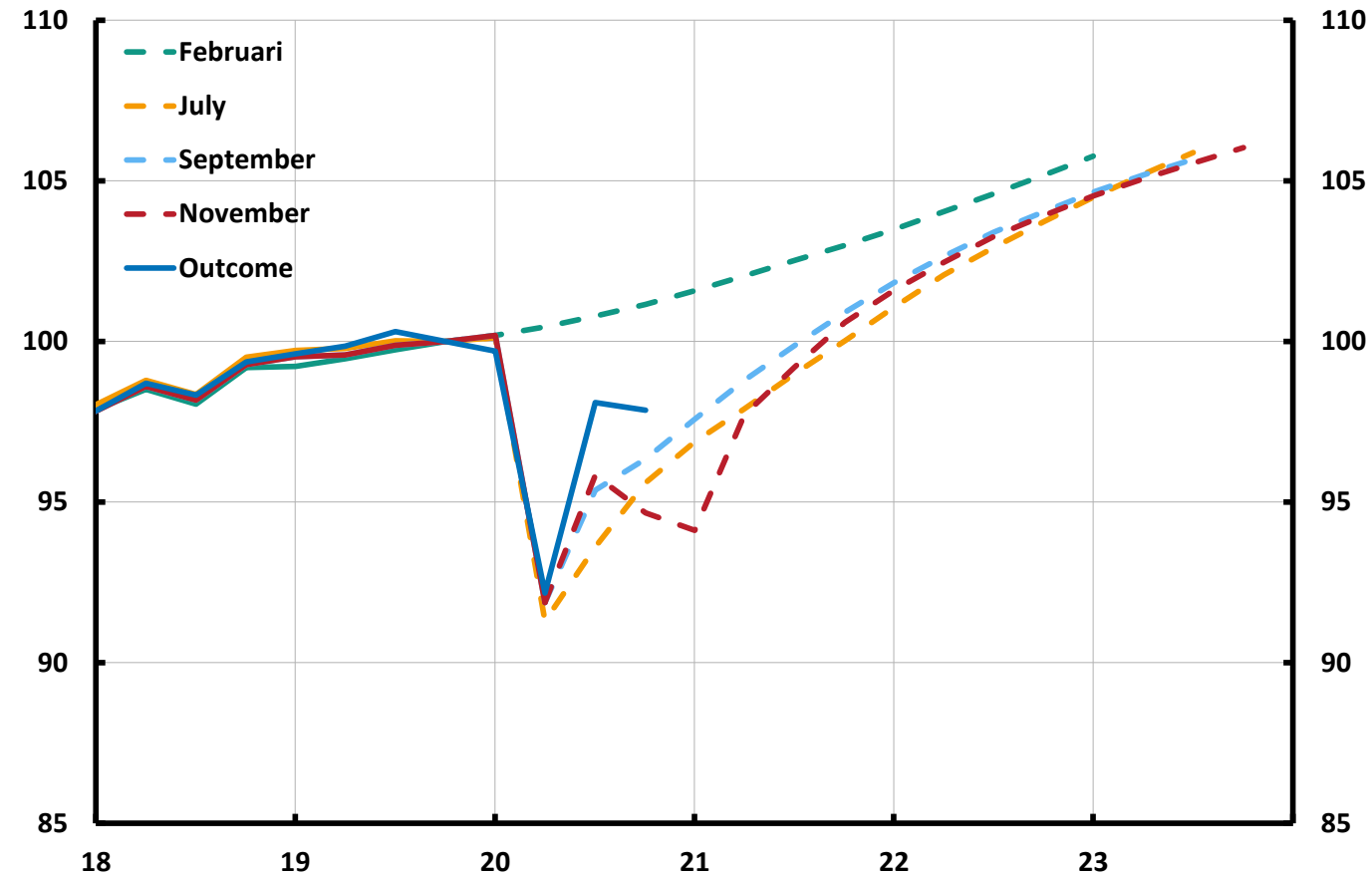


Note. Holdings of securities, excluding commercial paper, issued in Swedish kronor.

Source: The Riksbank.

# Figure 19. GDP level, forecasts 2020

Index, 2019 Q4 = 100, seasonally adjusted data

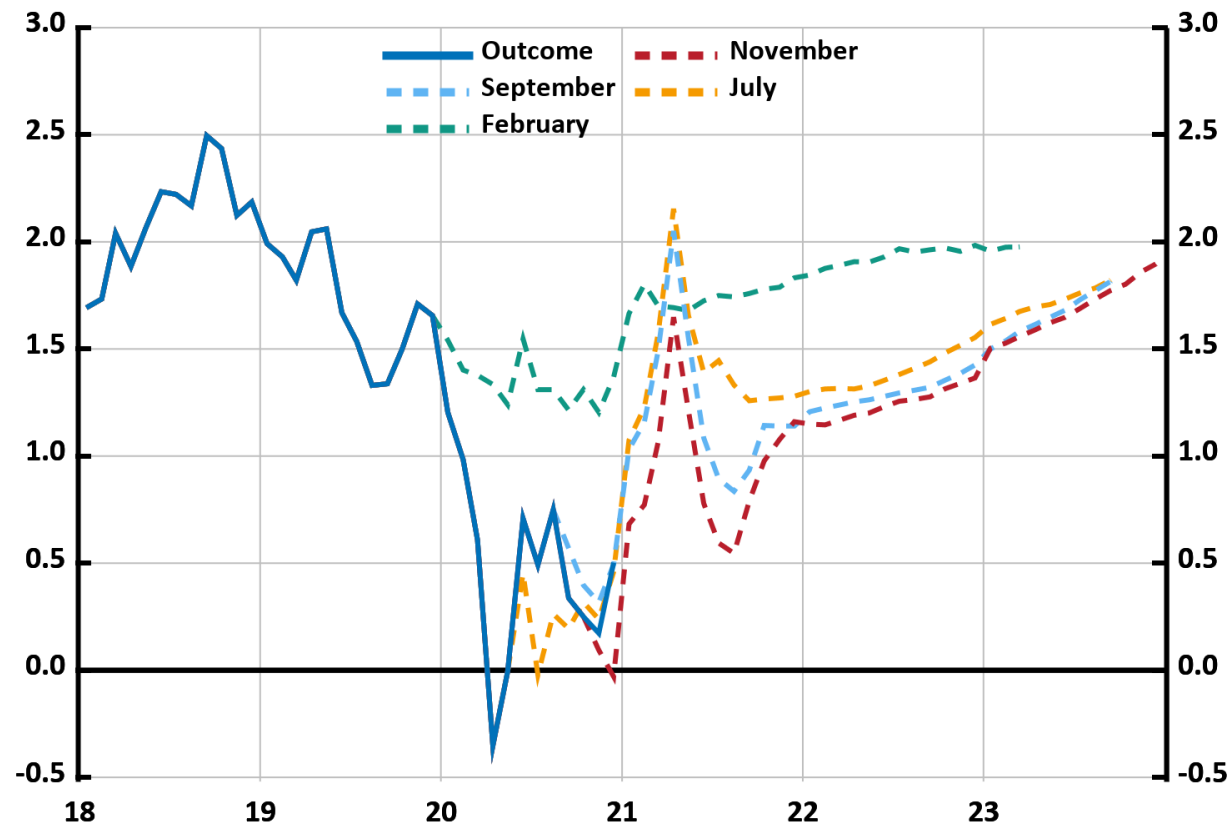


Note. Several outcome lines are shown in the figure. This is because the outcomes have been revised by Statistics Sweden.

Sources: Statistics Sweden and the Riksbank.

# Figure 20. CPIF, forecasts 2020

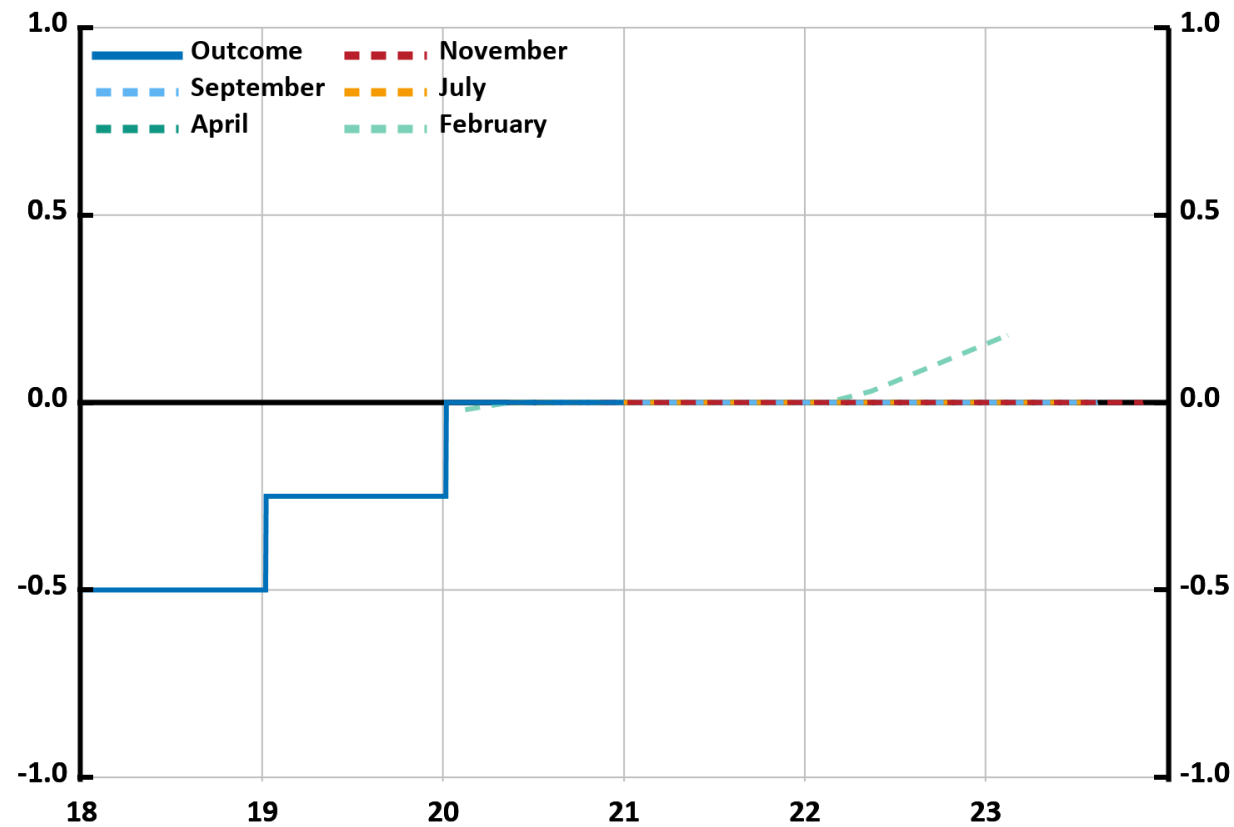
Annual percentage change



Sources: Statistics Sweden and the Riksbank.

# Figure 21. Repo rate, forecasts 2020

Per cent



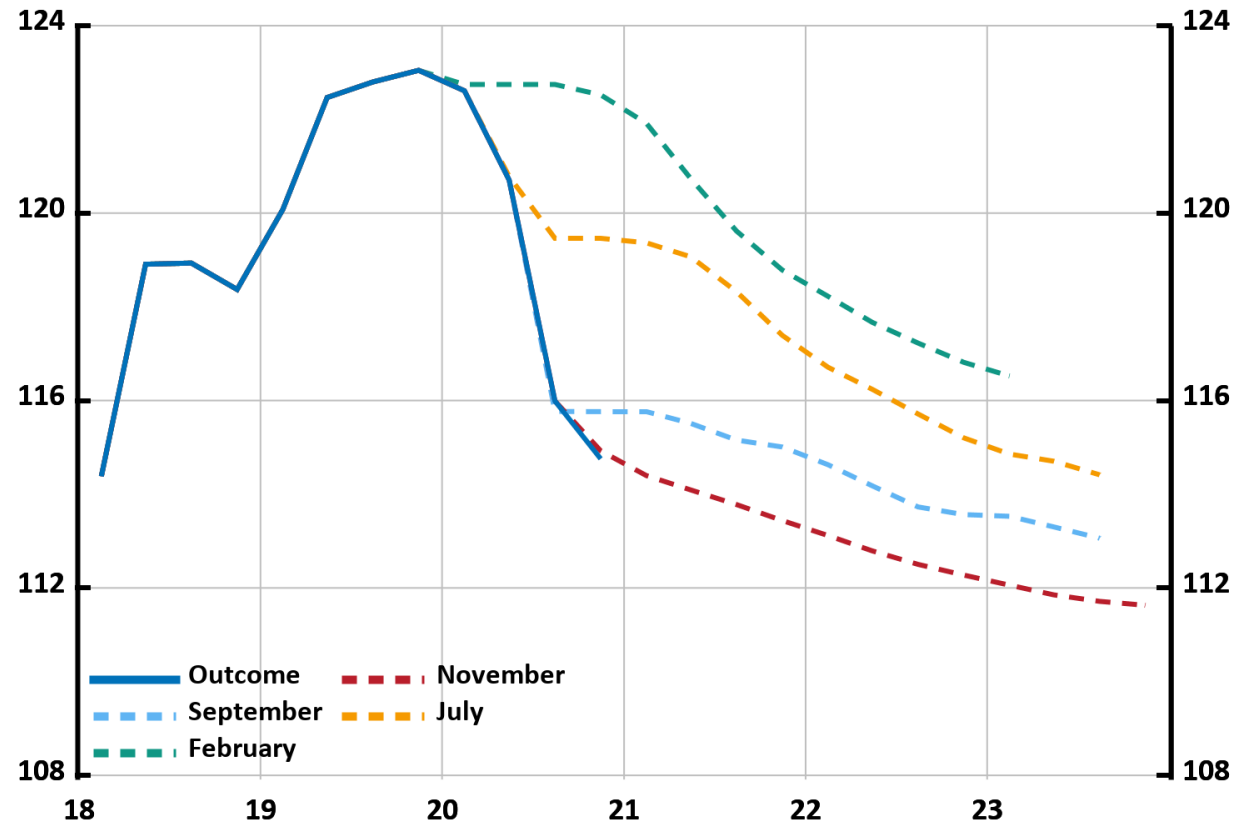
Note. Outcome data are daily rates and forecasts are quarterly averages. In April only a scenario of the repo rate with a one year horizon was published.

Source: The Riksbank.



# Figure 22. Competition-weighted nominal exchange rate, KIX, 2020 forecasts

Index, 18 November 1992 = 100

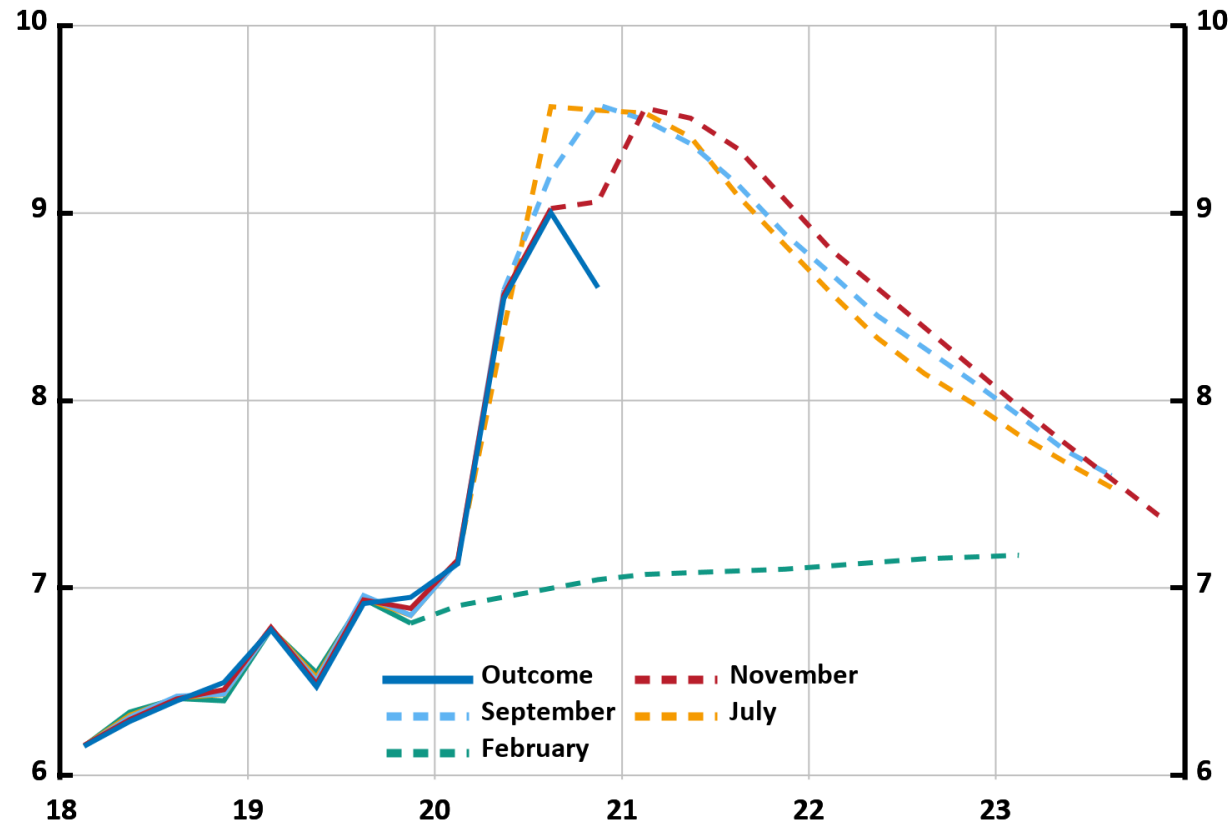


Note. The KIX (krona index) is a weighted average of the currencies in the countries that are important for Sweden's international trade.

Sources: National sources and the Riksbank.

# Figure 23. Unemployment, forecasts 2020

Per cent of the labour force, 15–74 years, seasonally-adjusted data



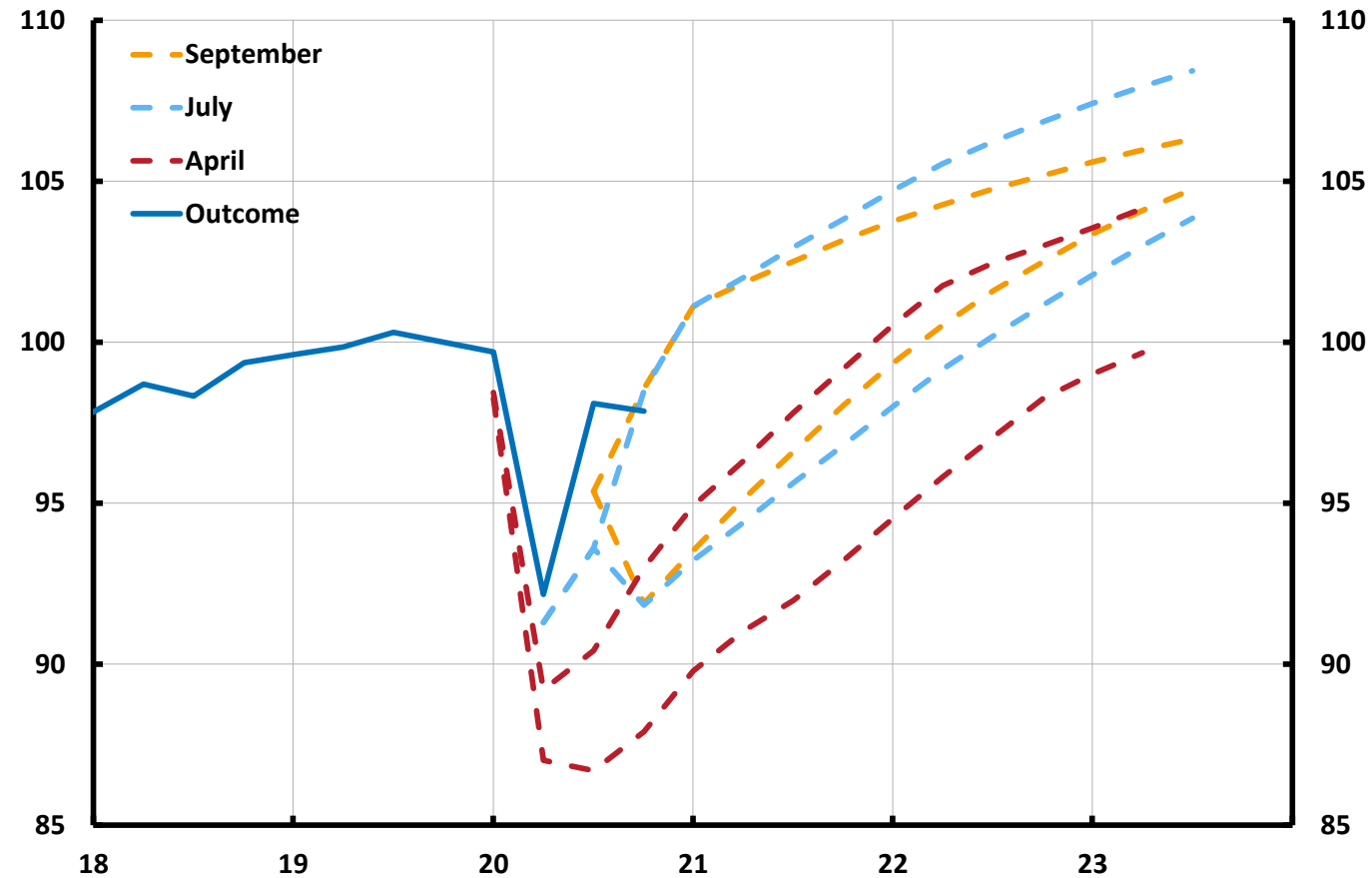
Note. Several outcome lines are shown in the figure. This is because the series have been seasonally adjusted and the seasonal adjustment can change when a new outcome is published.

Sources: Statistics Sweden and the Riksbank.

# Kapitel 3

# Figure 24. GDP level, alternative scenarios

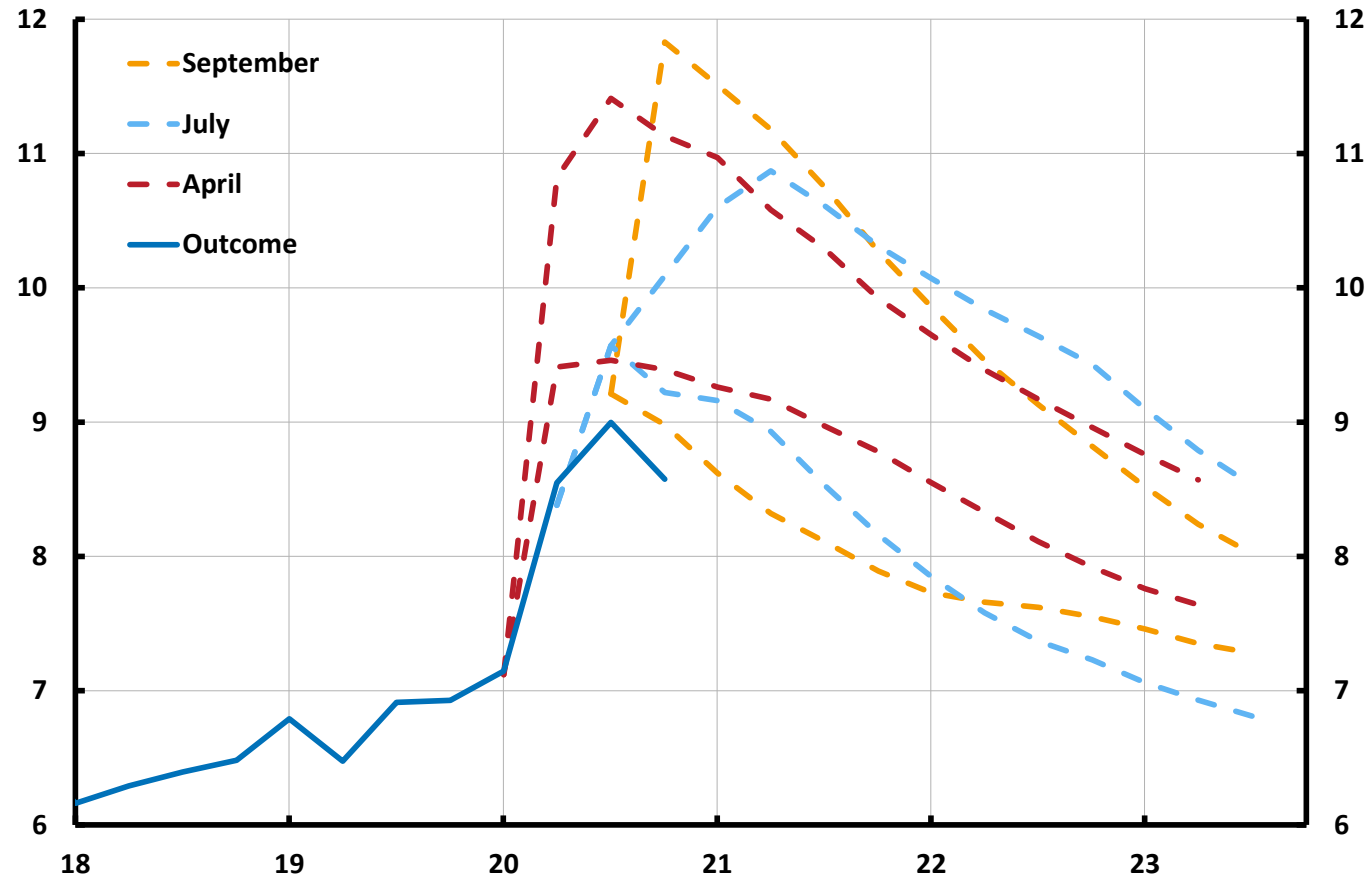
Index 2019 q4= 100, seasonally adjusted data



Sources: Statistics Sweden and the Riksbank.

# Figure 25. Unemployment, alternative scenarios

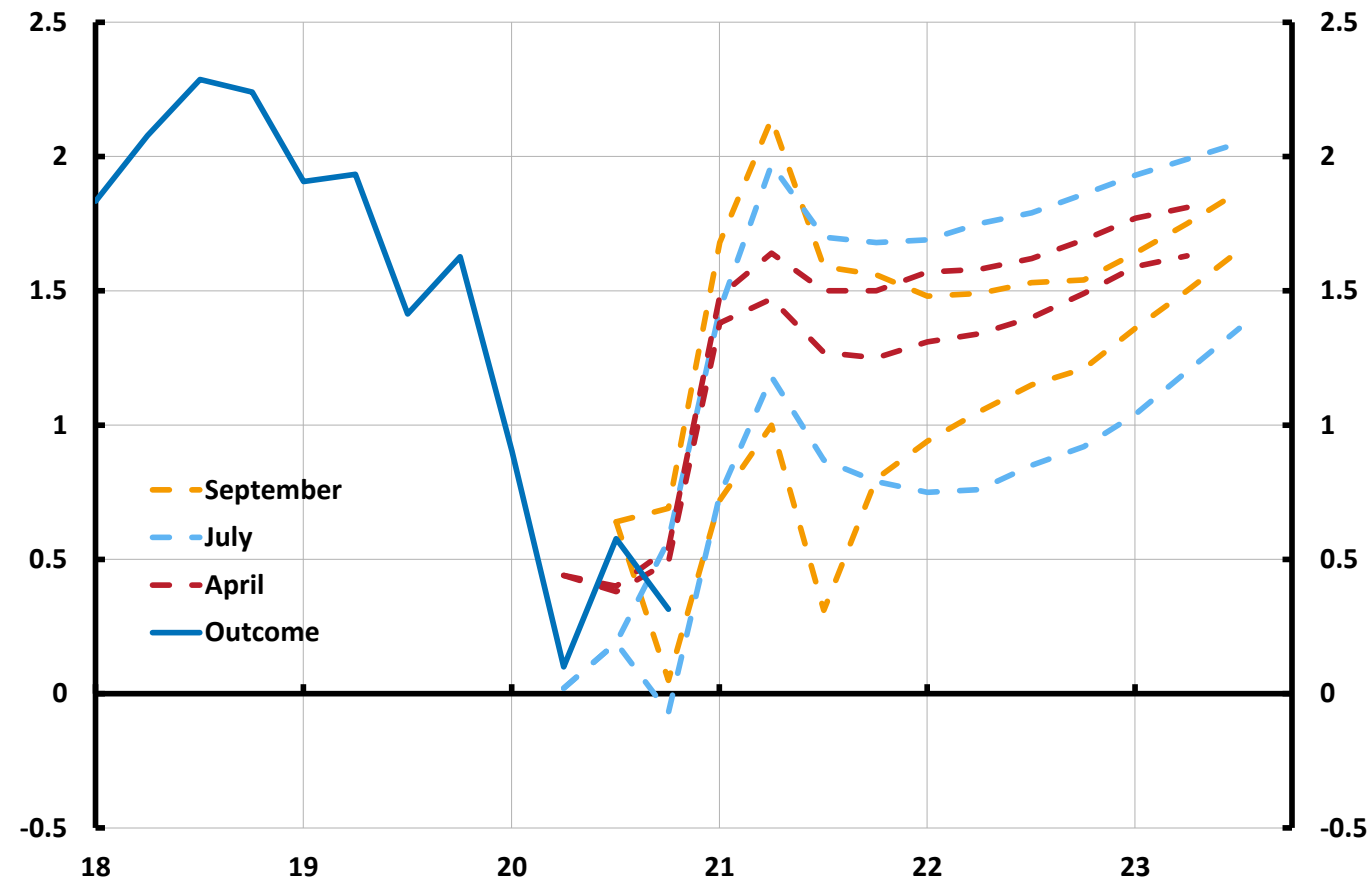
Per cent



Sources: Statistics Sweden and the Riksbank.

# Figure 26. CPIF, alternative scenarios

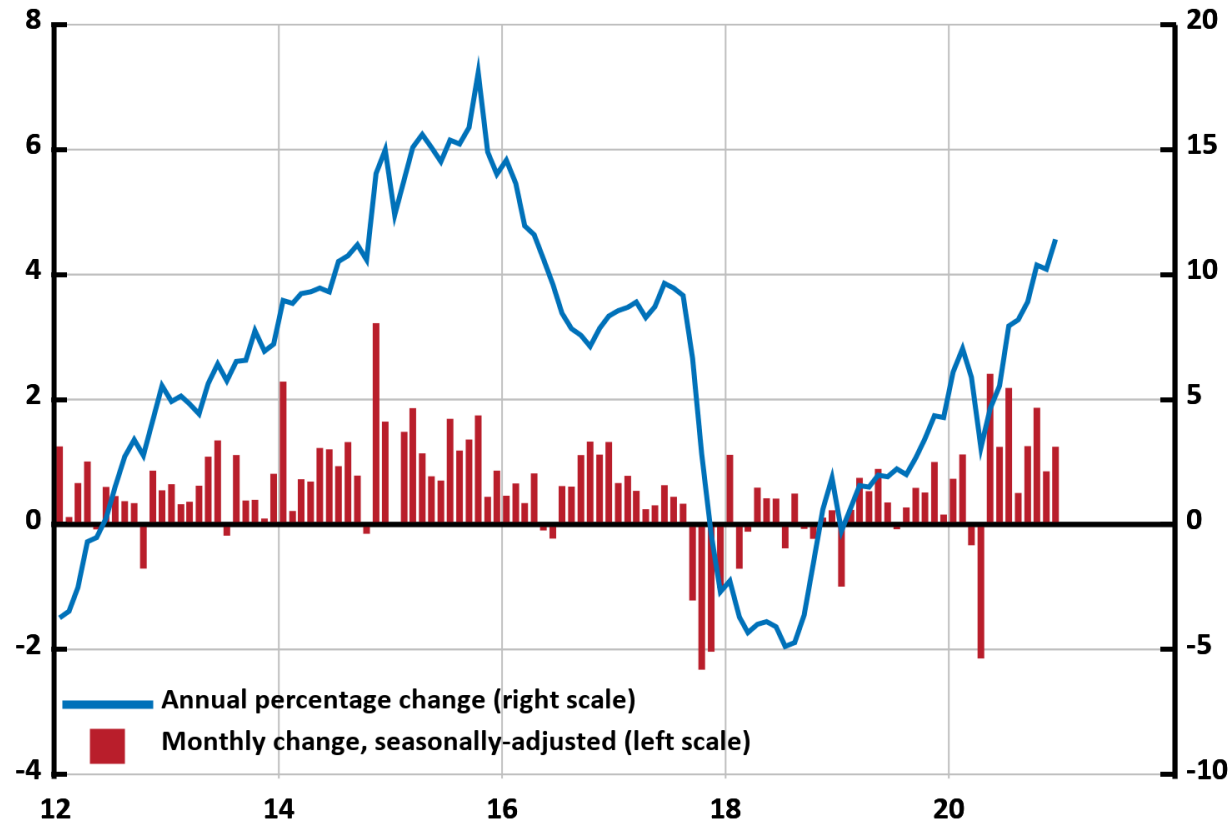
Annual percentage change



Sources: Statistics Sweden and the Riksbank.

# Figure 27. House prices according to HOX Sweden

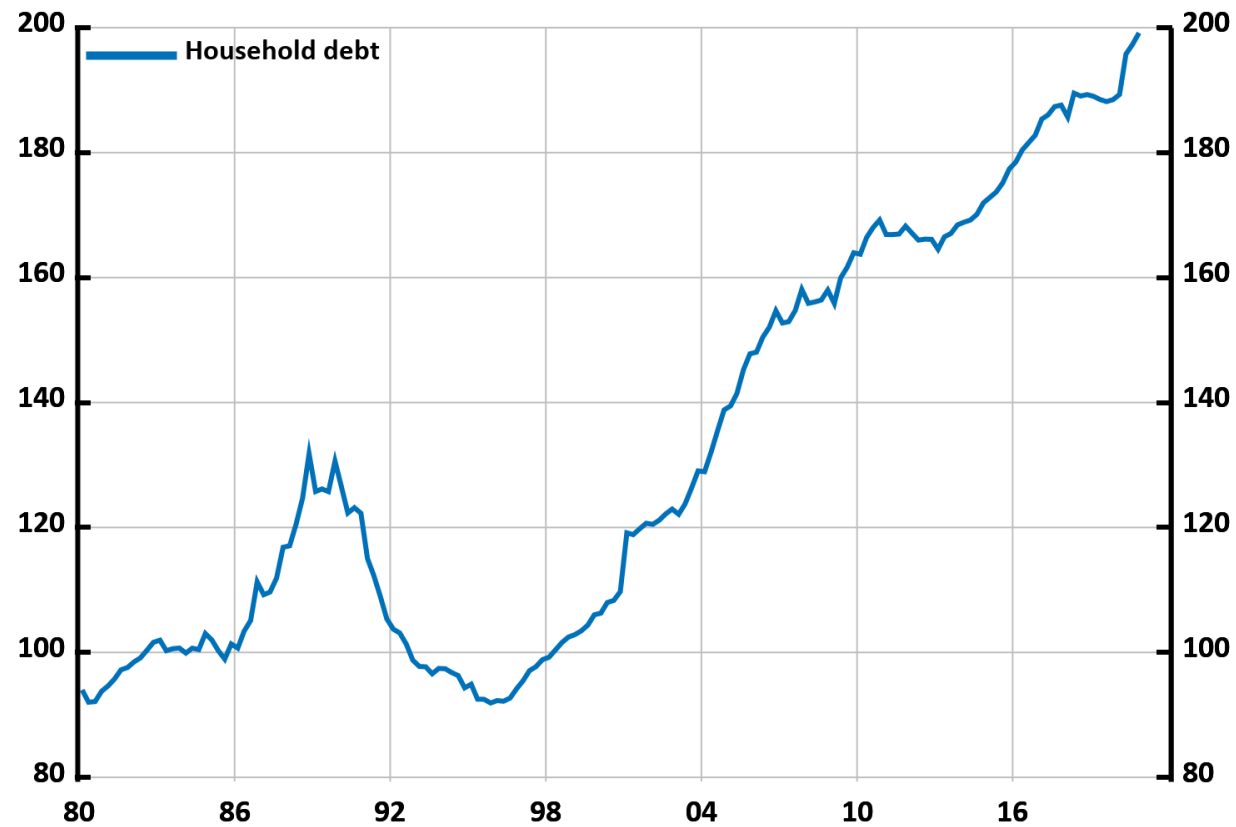
Per cent



Sources: Valueguard and the Riksbank.

# Figure 28. Household debt

Per cent of annual disposable income



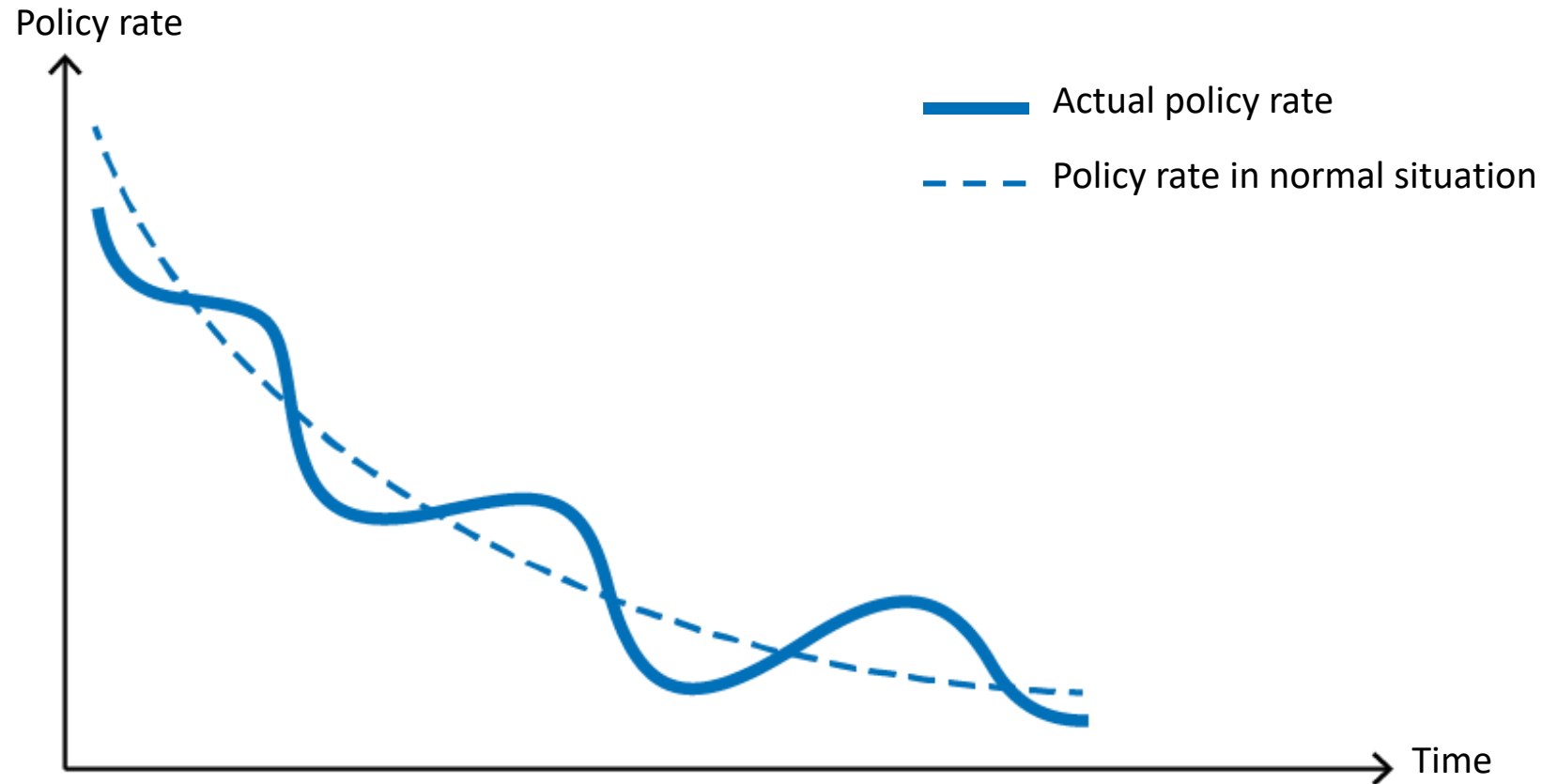
Note. Total household debt as a share of disposable household income added together over the last four quarters.

Sources: Statistics Sweden and the Riksbank.



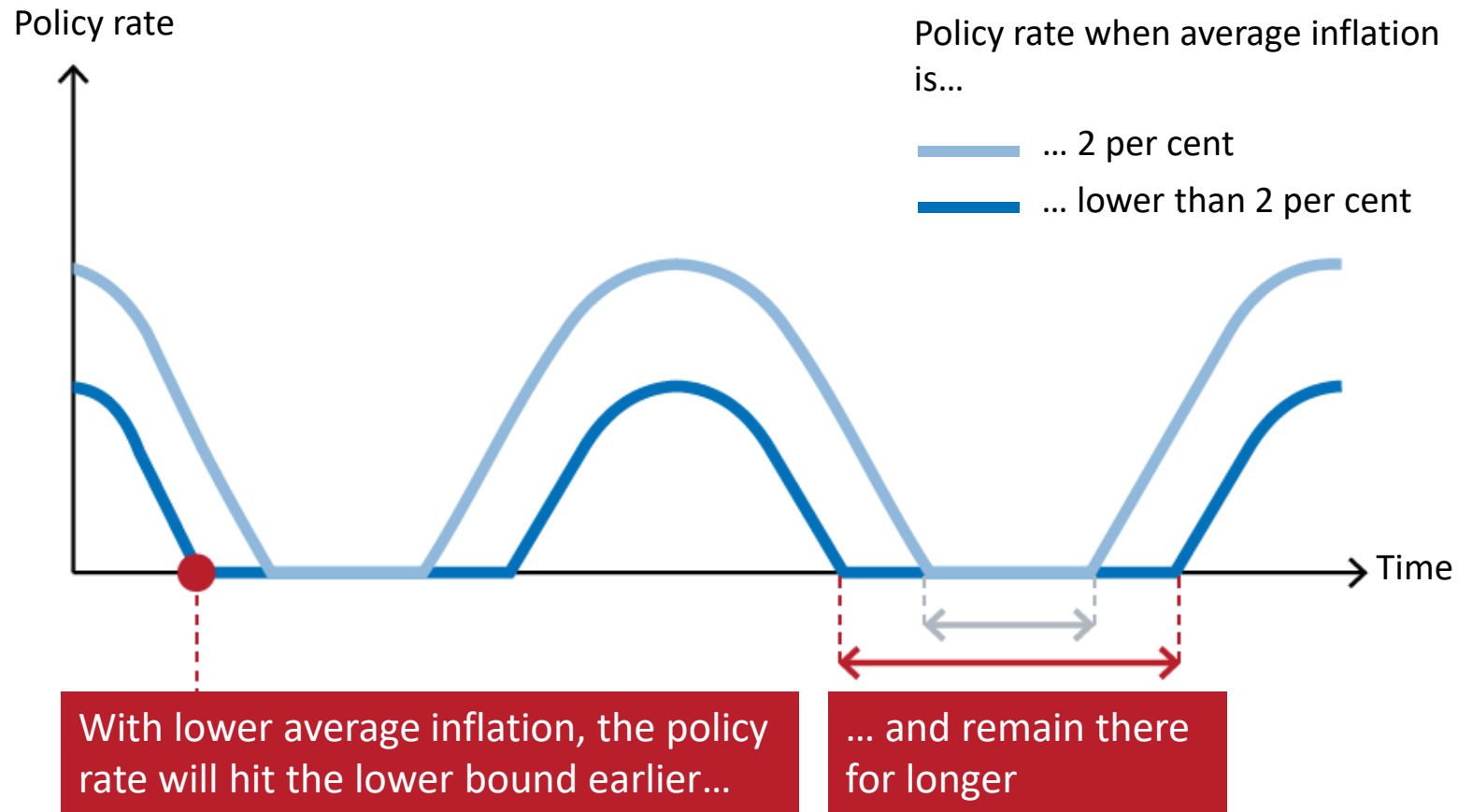
# Kapitel 4

# Figure 29. When general interest rates fall, the policy rate needs to follow



Source: The Riksbank.

# Figure 30. More difficult to conduct expansionary monetary policy with lower average inflation than the target



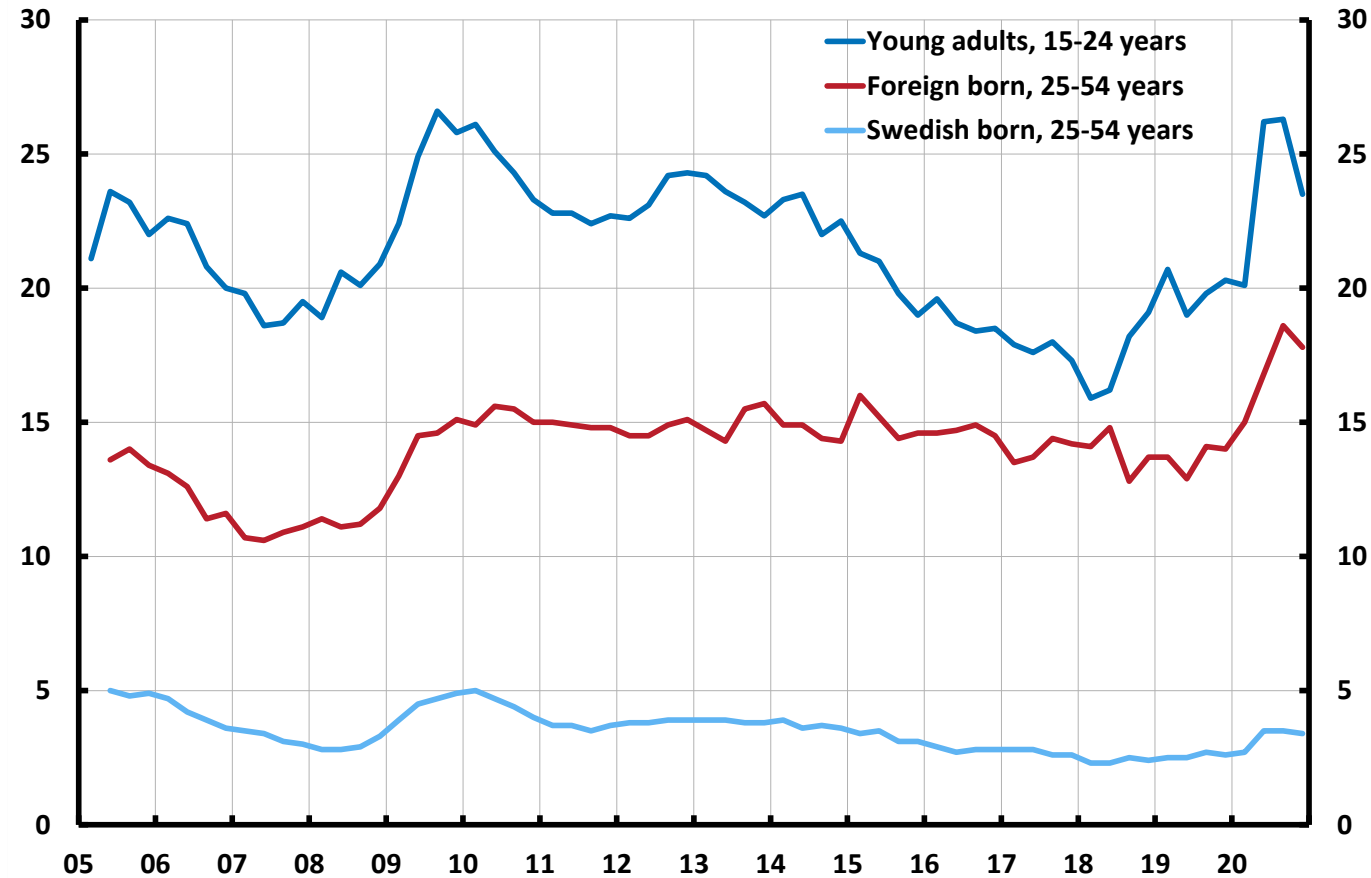


# Fördjupning – Långsiktiga effekter av coronapandemin

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

# Figure 31. Unemployment among young people, foreign-born persons and Swedish-born persons

Per cent of the labour force, seasonally adjusted data

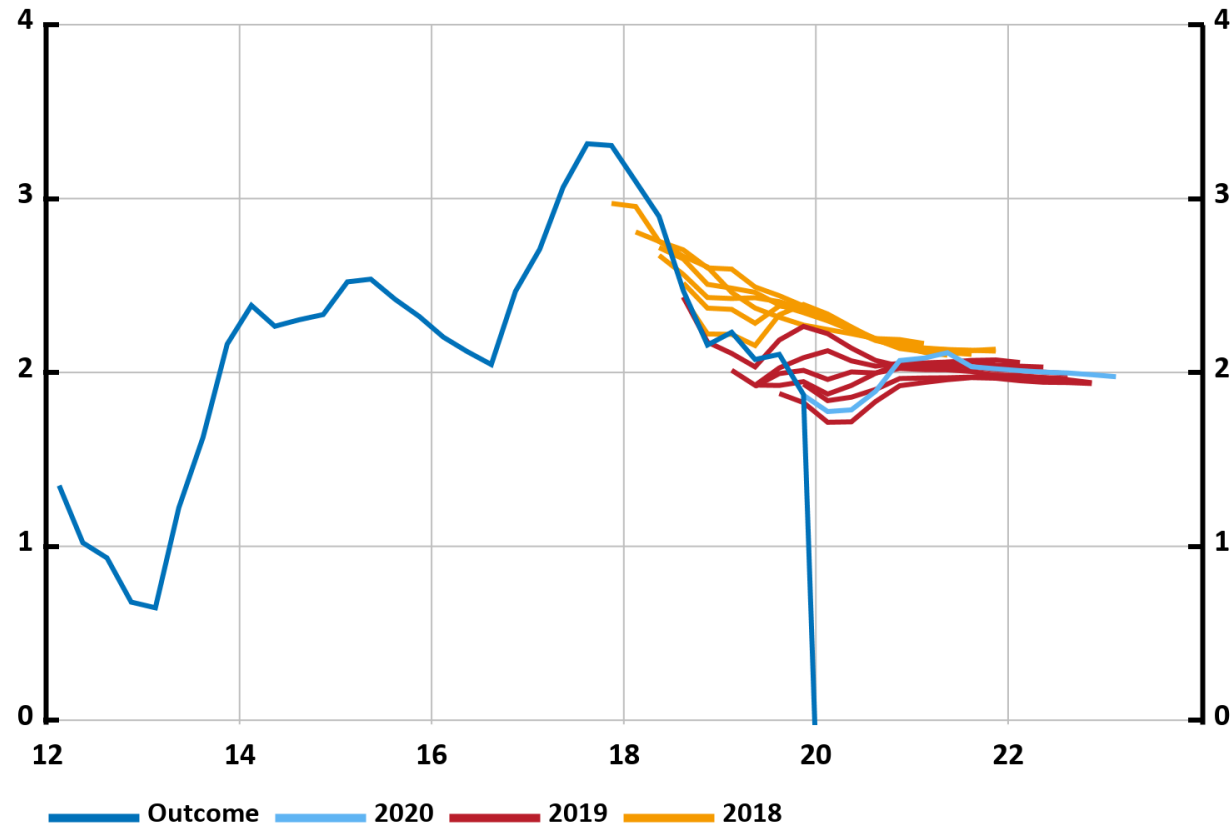


Source: Statistics Sweden.

# Appendix - Diagram

# Figure 32. GDP abroad, outcome and forecasts

KIX-weighted, annual percentage change

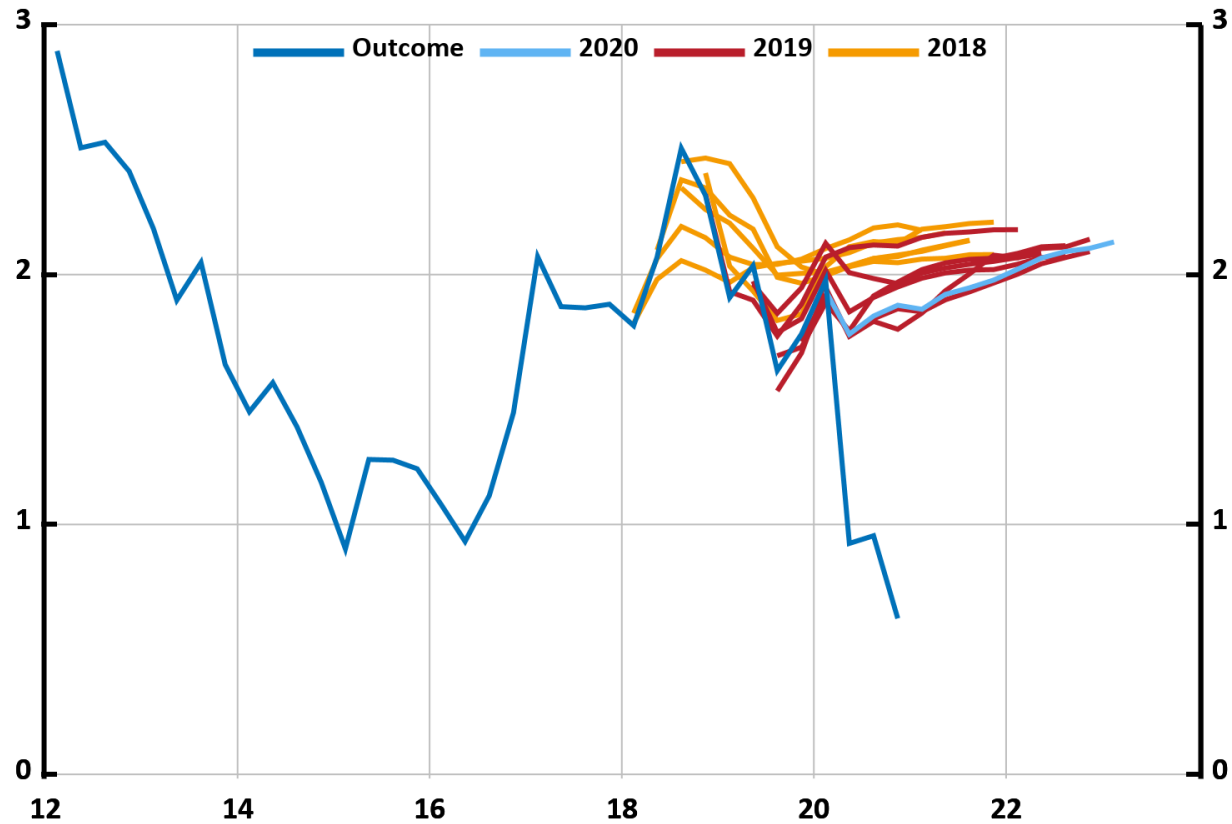


Note. The yellow and red lines represent the Riksbank's forecasts 2018 and 2019. The light blue line represent the Riksbank's forecast for February 2020. KIX refers to an aggregate of countries that are important for Sweden's international transactions.

Sources: National sources and the Riksbank.

# Figure 33. Inflation abroad, outcome and forecasts

KIX-weighted, annual percentage change



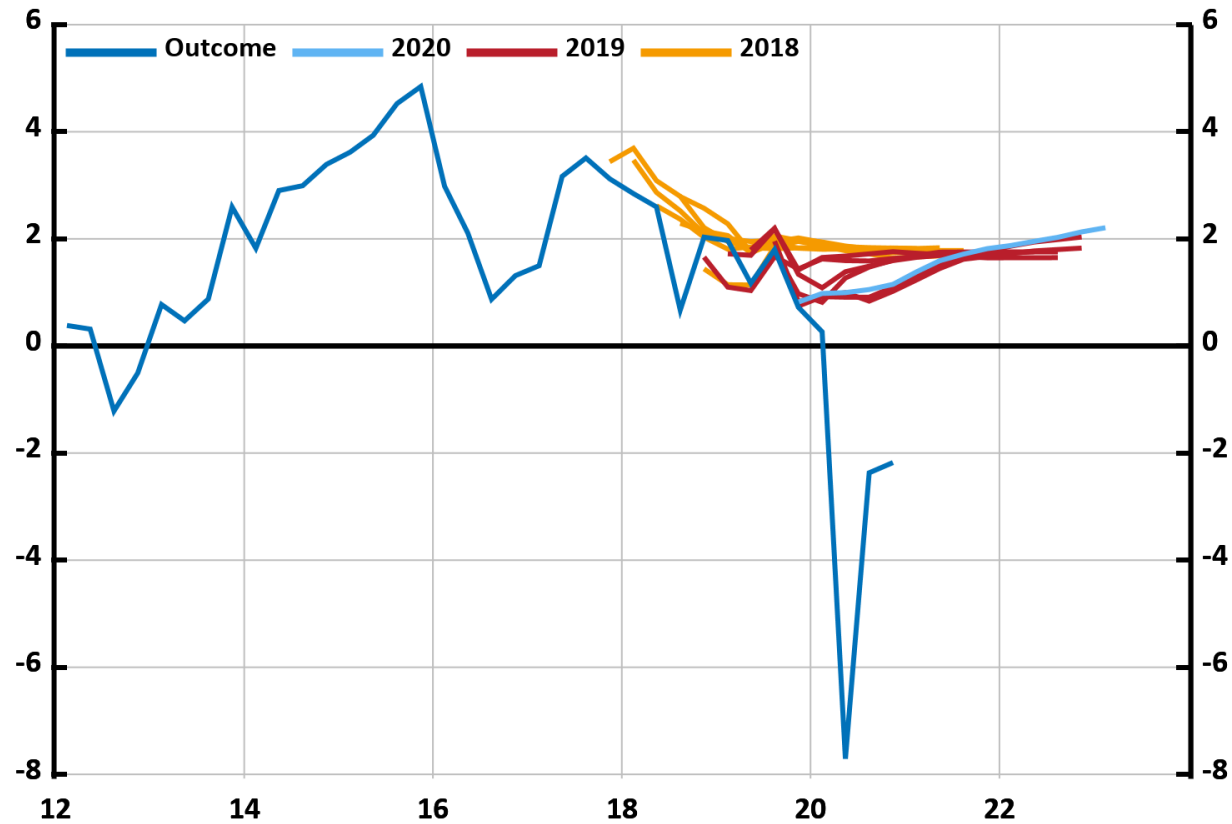
Note. The yellow and red lines represent the Riksbank's forecasts 2018 and 2019. The light blue line represent the Riksbank's forecast for February 2020. KIX refers to an aggregate of countries that are important for Sweden's international transactions.

Sources: National sources and the Riksbank.



# Figure 34. GDP, outcome and forecasts

Annual percentage change, calendar-adjusted data

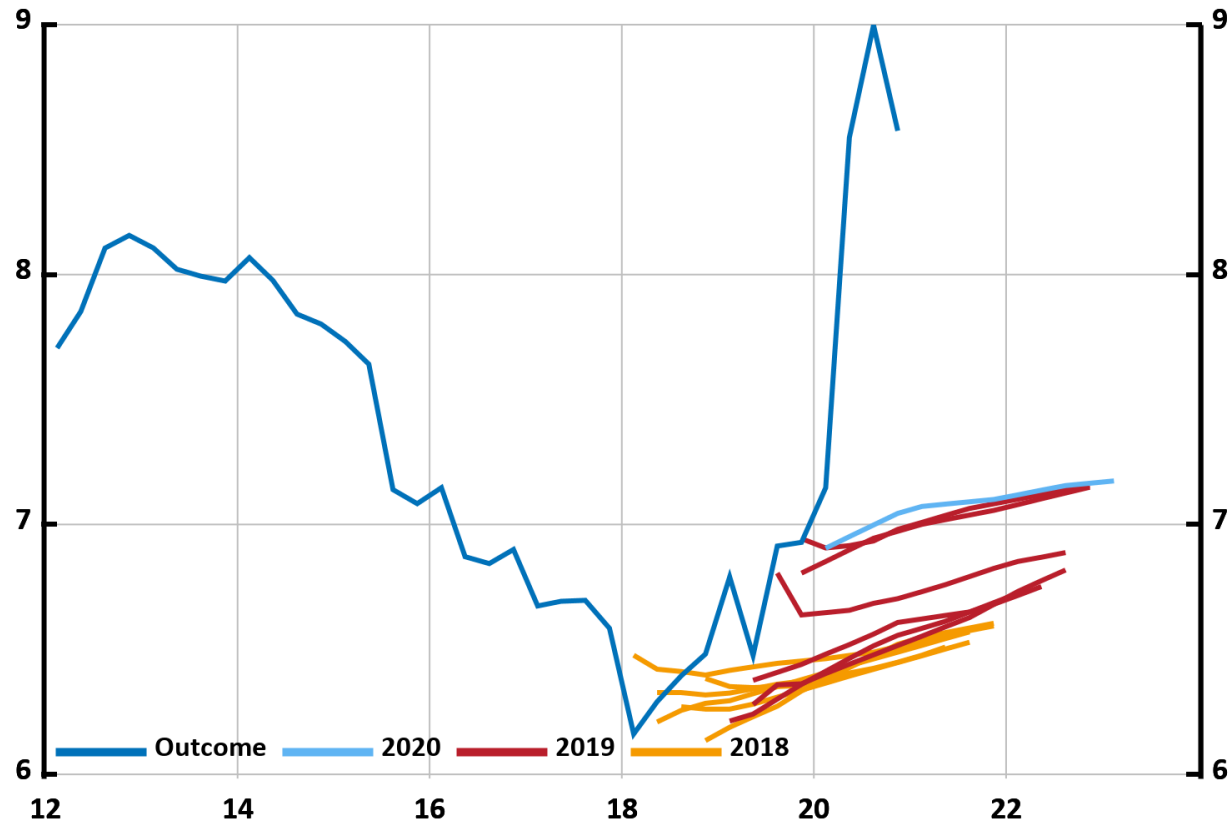


Note. The yellow and red lines represent the Riksbank's forecasts 2018 and 2019. The light blue line represent the Riksbank's forecast for February 2020.

Sources: Statistics Sweden and the Riksbank.

# Figure 35. Unemployment, outcome and forecasts

Per cent of the labour force, aged 15-74, seasonally-adjusted data

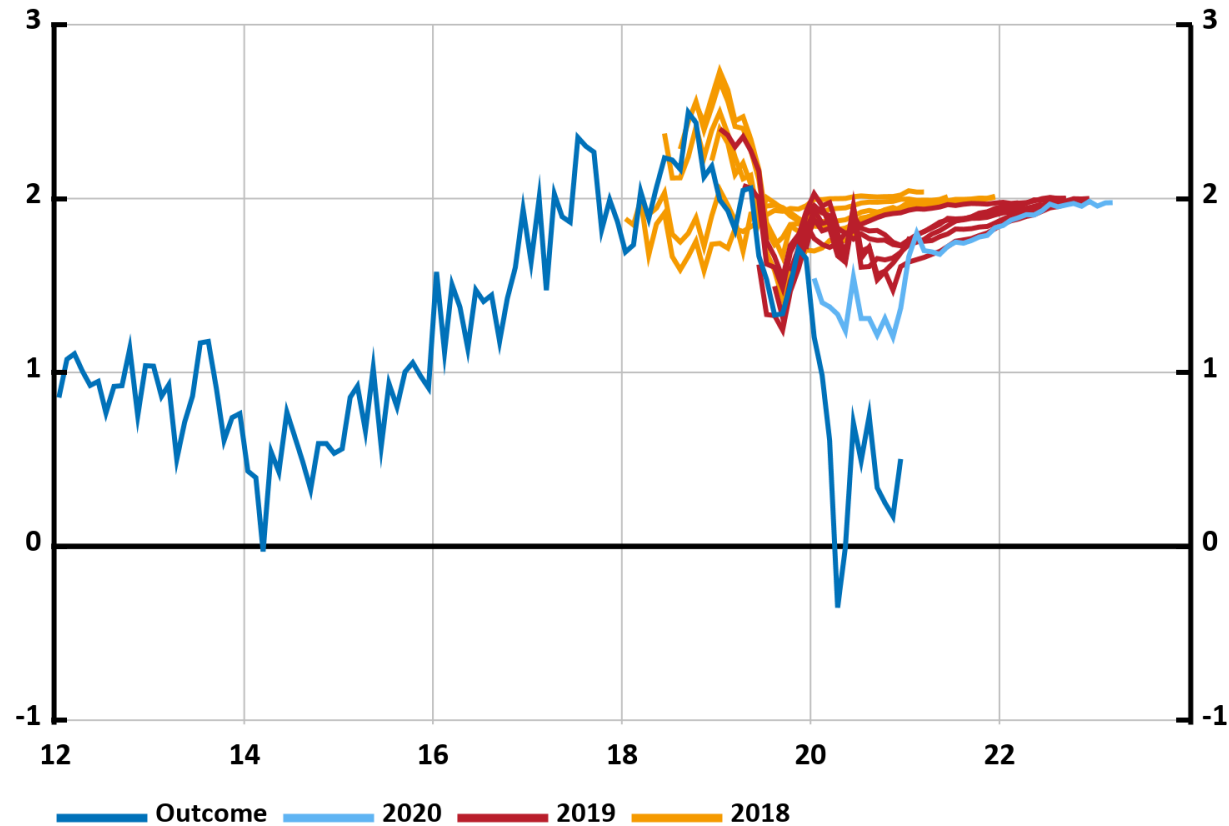


Note. The yellow and red lines represent the Riksbank's forecasts 2018 and 2019. The light blue line represent the Riksbank's forecast for February 2020.

Sources: Statistics Sweden and the Riksbank.

# Figure 36. CPIF, outcome and forecasts

Annual percentage change

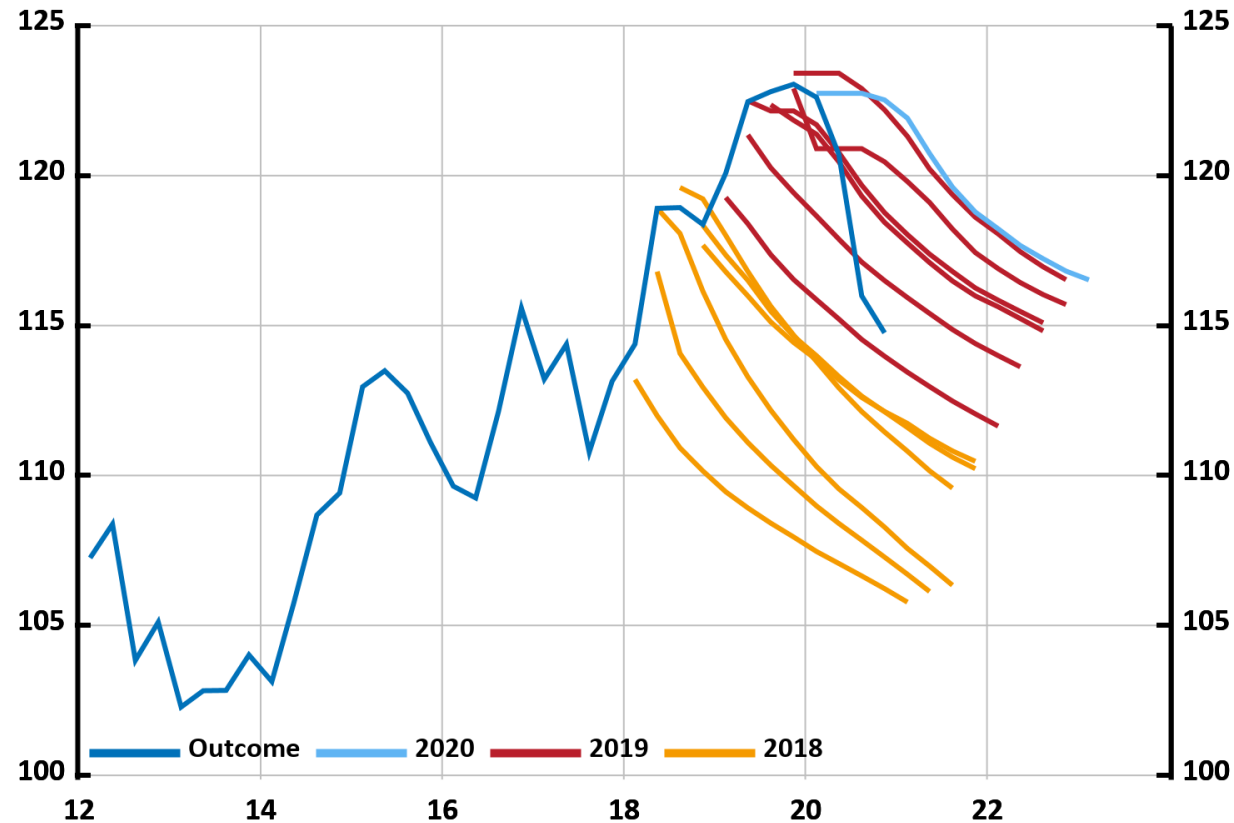


Note. The yellow and red lines represent the Riksbank's forecasts 2018 and 2019. The light blue line represent the Riksbank's forecast for February 2020.

Sources: Statistics Sweden and the Riksbank.

# Figure 37. KIX-weighted nominal exchange rate, outcome and forecasts

Index, 18 November 1992 = 100

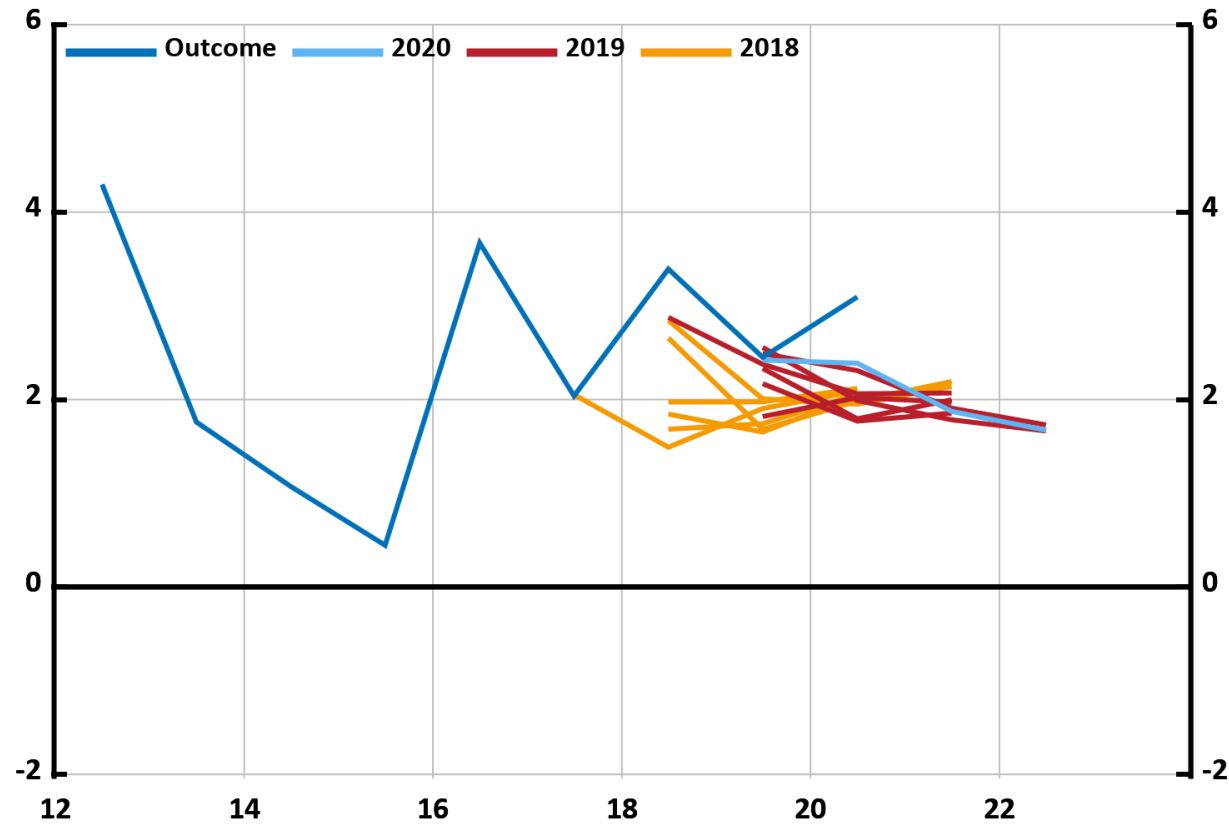


Note. The yellow and red lines represent the Riksbank's forecasts 2018 and 2019. The light blue line represent the Riksbank's forecast for February 2020. The KIX (krona index) is a weighted average of the krona exchange rate against currencies in countries that are important for Sweden's international transactions. A higher value indicates a weaker exchange rate.

Sources: National sources and the Riksbank.

# Figure 38. Unit labour cost, outcome and forecasts

Annual percentage change

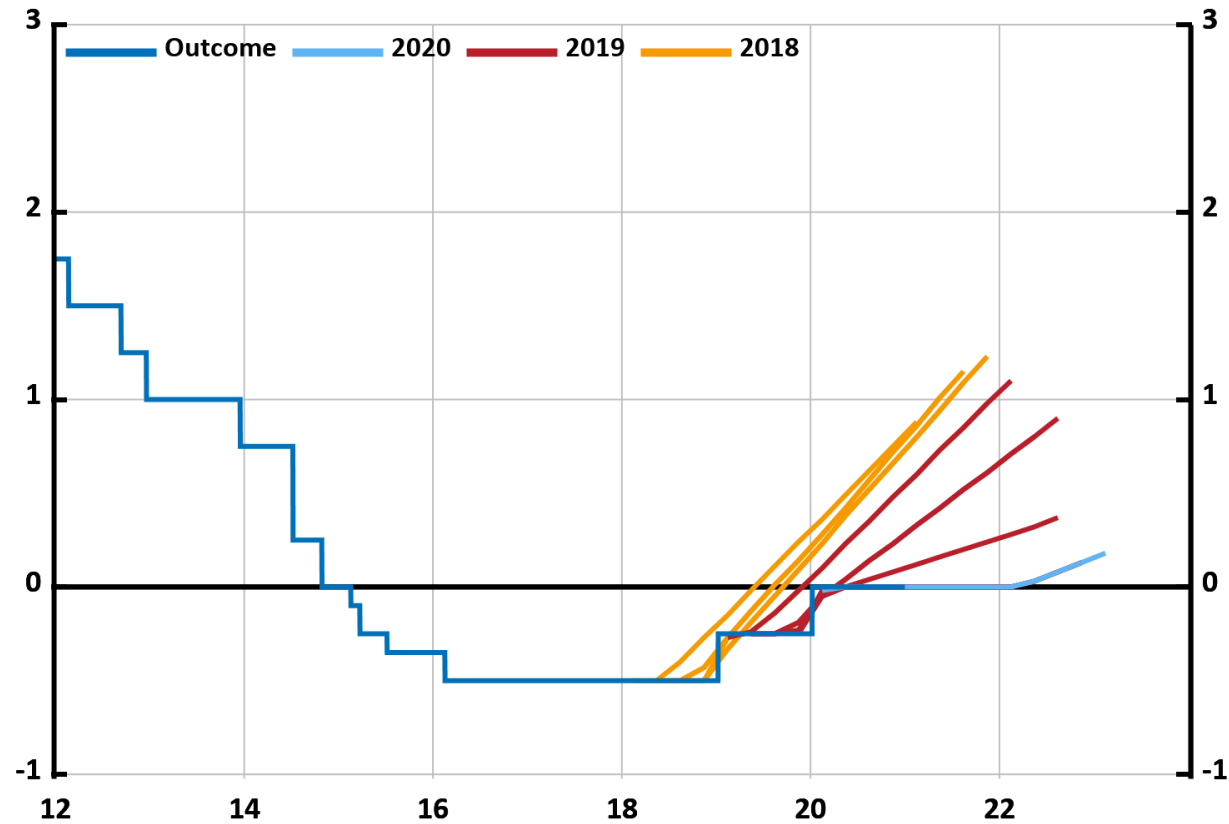


Note. The yellow and red lines represent the Riksbank's forecasts 2018 and 2019. The light blue line represent the Riksbank's forecast for February 2020.

Source: Statistics Sweden and the Riksbank.

# Figure 39. Repo rate, outcome and forecasts

Per cent



Note. The yellow and red lines represent the Riksbank's forecasts 2018 and 2019. The light blue line represent the Riksbank's forecast for February 2020. Outcomes are daily data and forecasts refer to quarterly averages.

Source: The Riksbank.