



Monetary policy decision

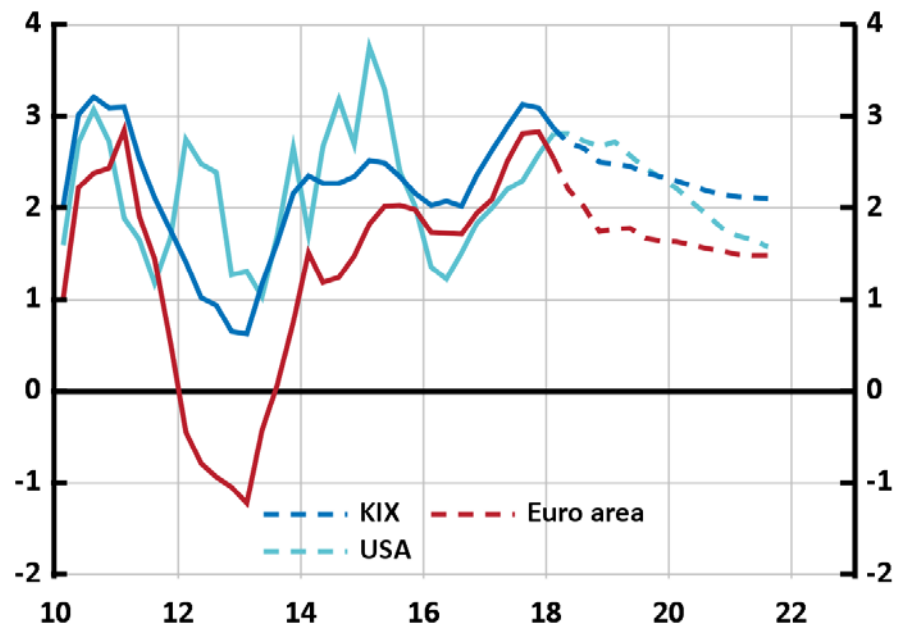
July 2018

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

Expansionary monetary policy for continued on-target inflation going forward

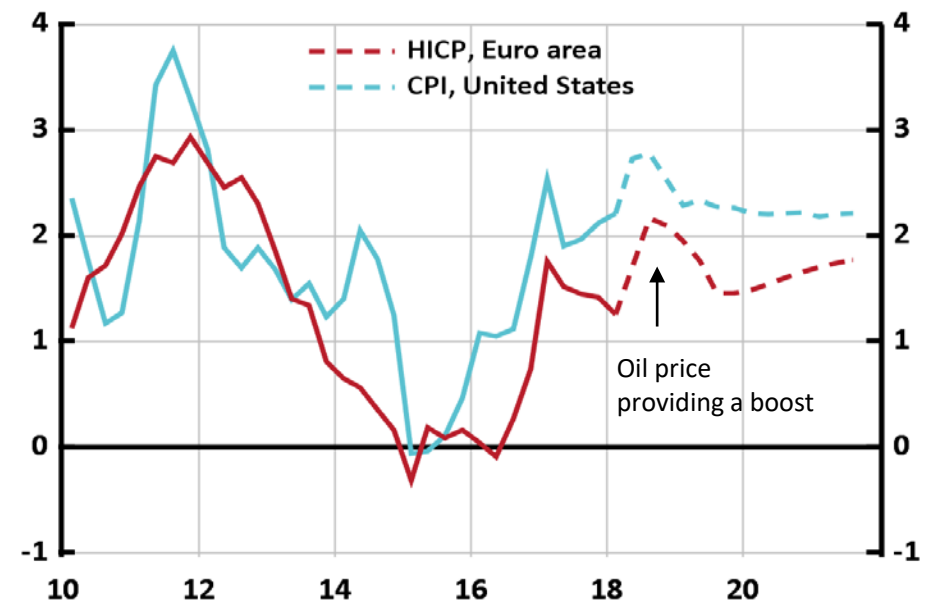
Favourable international economic activity, moderate inflation

GDP growth



Annual percentage change. The KIX is an aggregate of GDP in countries that are important for Sweden's international transactions.

Inflation



Sources: Bureau of Economic Analysis, Eurostat, national sources and the Riksbank

Greater uncertainty abroad

Increased trade barriers

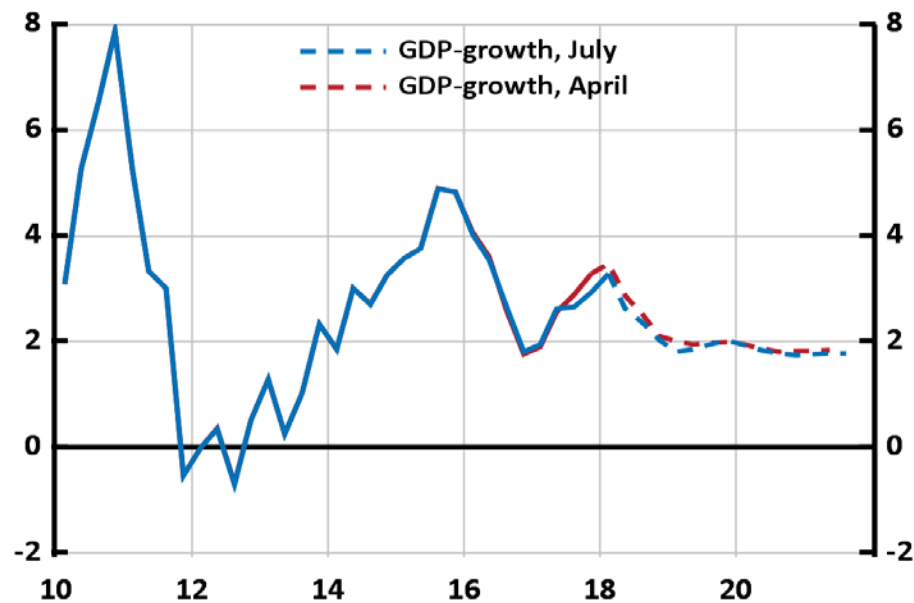
Economic policy situation in Italy

Unease in some emerging market economies



Strong economic activity in Sweden

Growth subdued in line with expectations



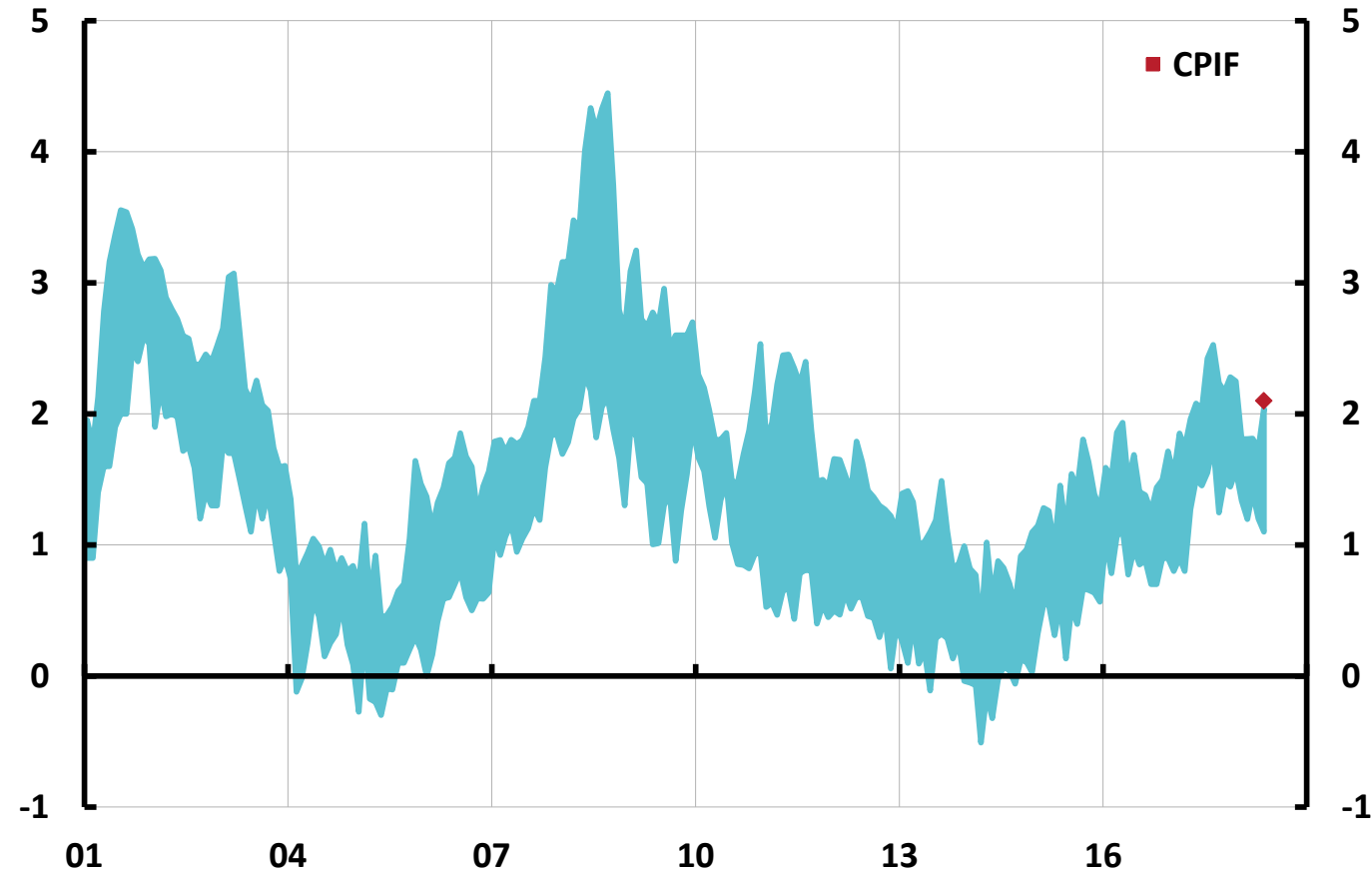
Continued strong labour market



Annual percentage change and net figures respectively. Recruitment plans refer to expectations of the number of employed in the business sector three months ahead. Broken line in the figure to the right is the average for 2000–2017.

Source: National Institute of Economic Research, Statistics Sweden and the Riksbank

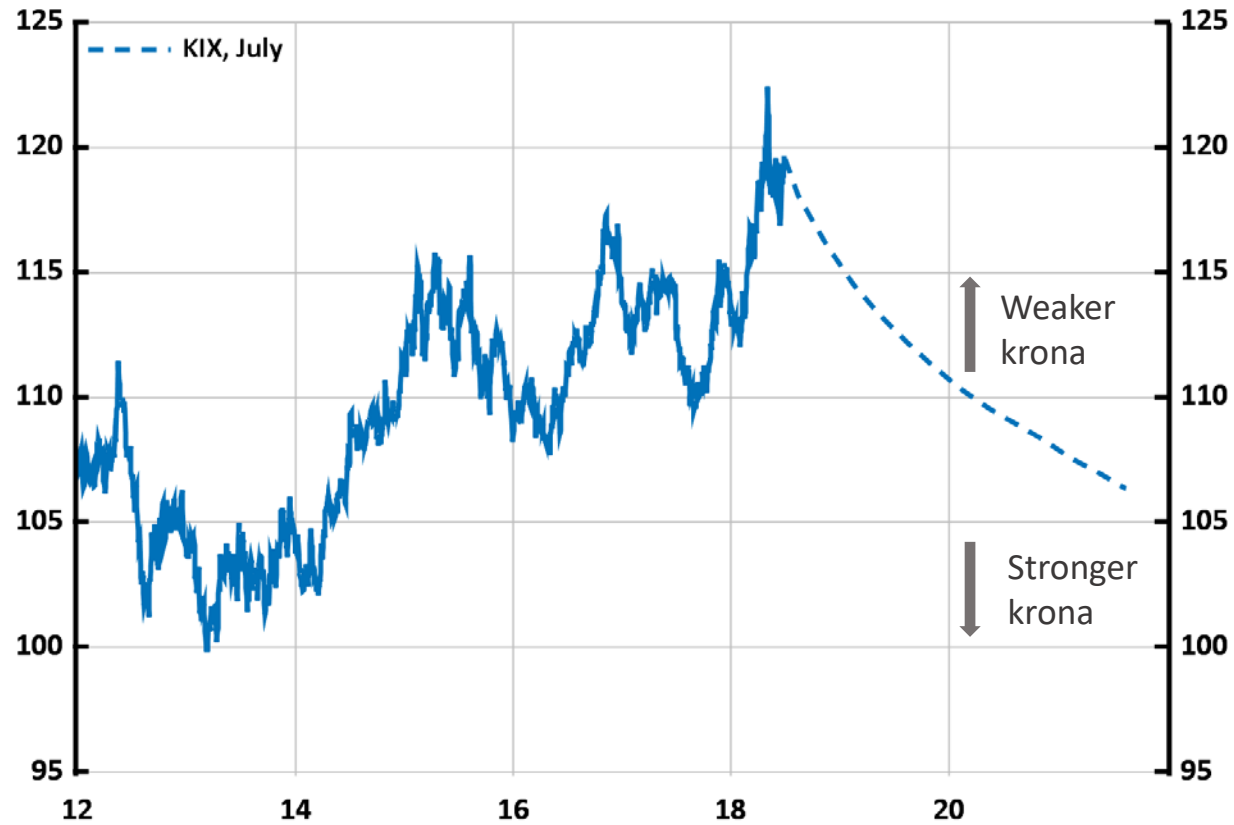
Inflationary pressure rising, but slowly



Annual percentage change. The field shows the highest and lowest outcome for different measures of underlying inflation, see note. Fig 3:3 in MPR. The dot represents the latest outcome for the CPIF.

Sources: Statistics Sweden and the Riksbank

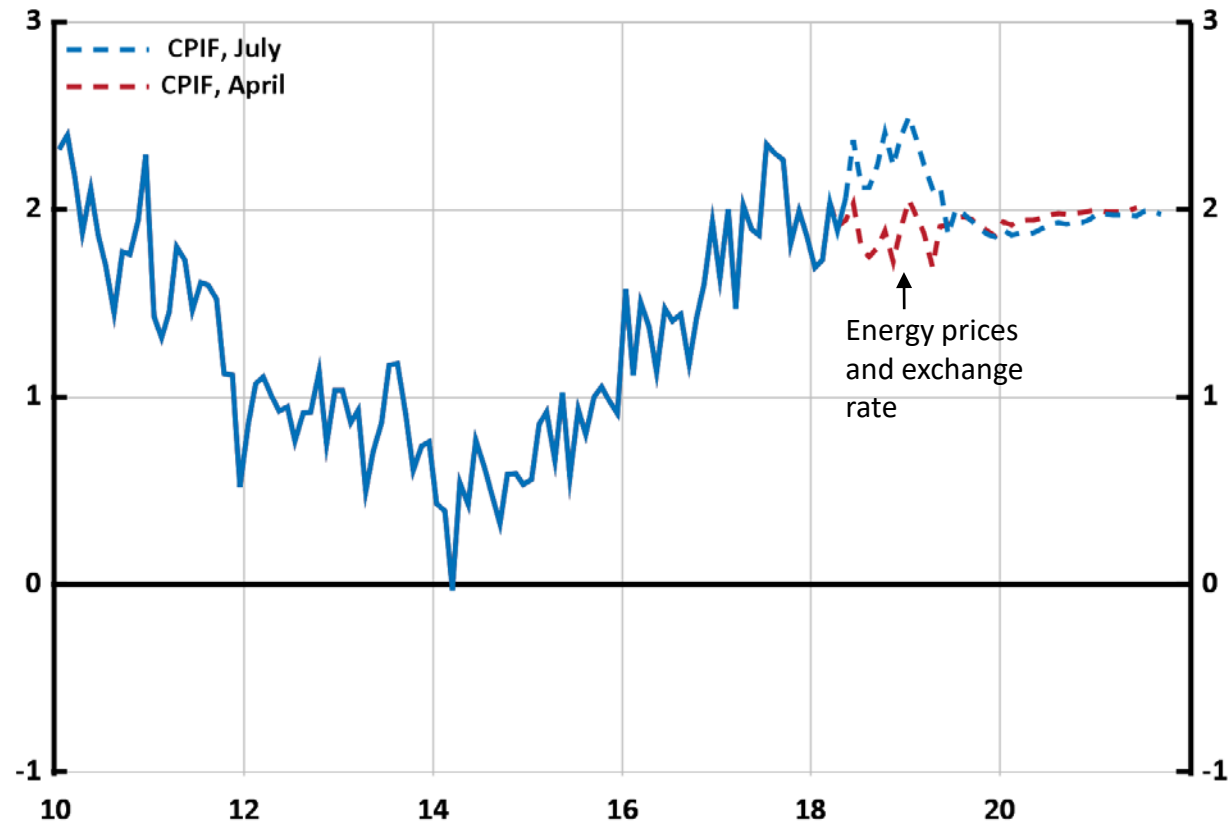
Weaker krona



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

Inflation on target with support from monetary policy



Annual percentage change.

Sources: Statistics Sweden and the Riksbank

Monetary policy considerations

Developments largely in line with the forecast.

Inflation on target, energy prices providing a boost

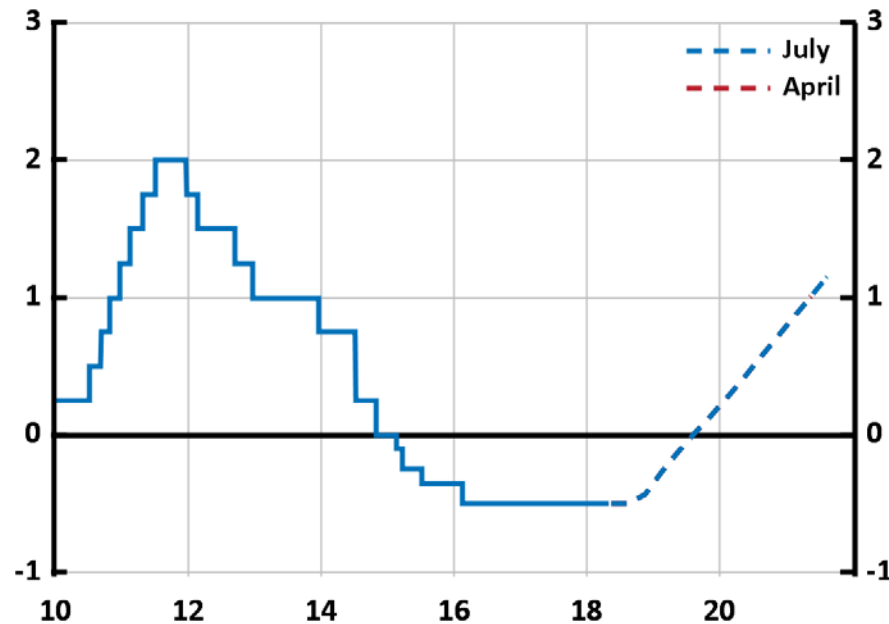
As before, inflationary pressure deemed moderate

Greater uncertainty abroad

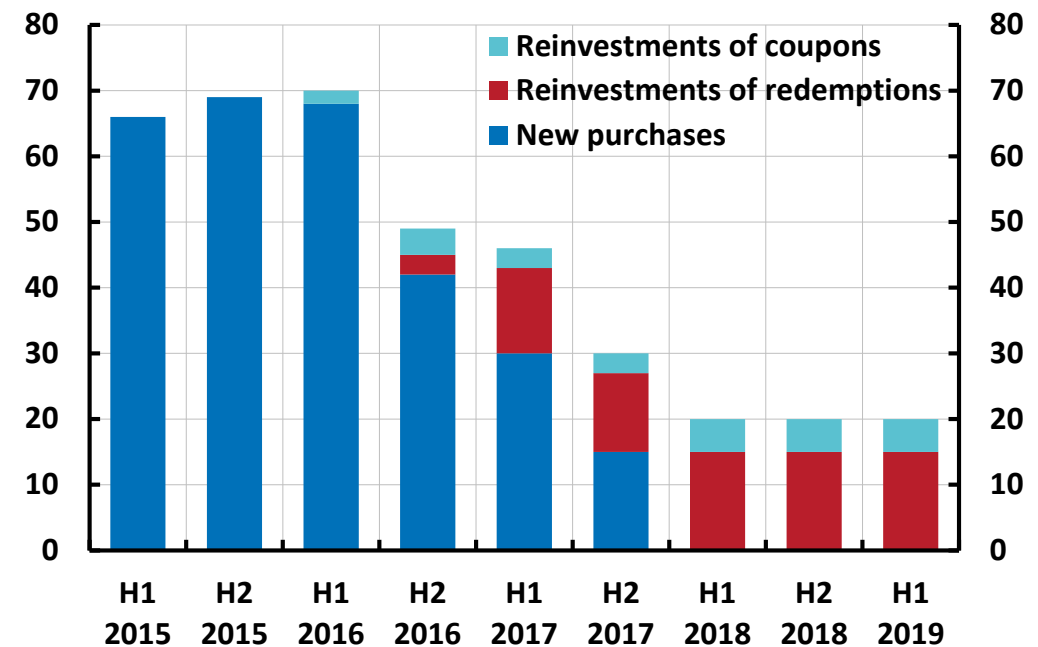
Argument for continuing down chosen path and waiting until the end of the year to raise the interest rate

Continued expansionary monetary policy

Interest rate expected to be increased towards end of year



Reinvestments in bond portfolio



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: Sveriges Riksbank

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