

Monetary policy decision

February 2019

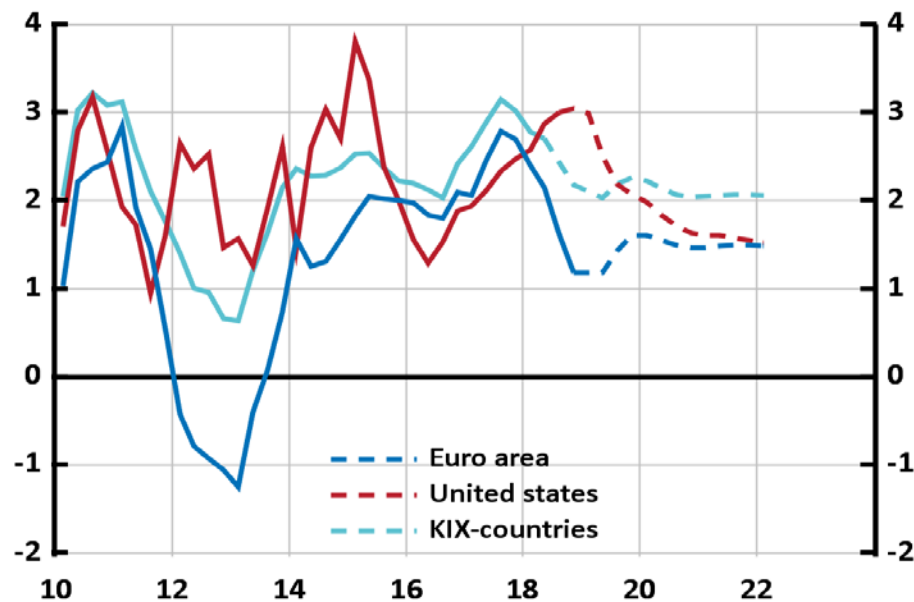


Economic outlook and inflation prospects broadly unchanged

Good conditions for inflation on-target going forward

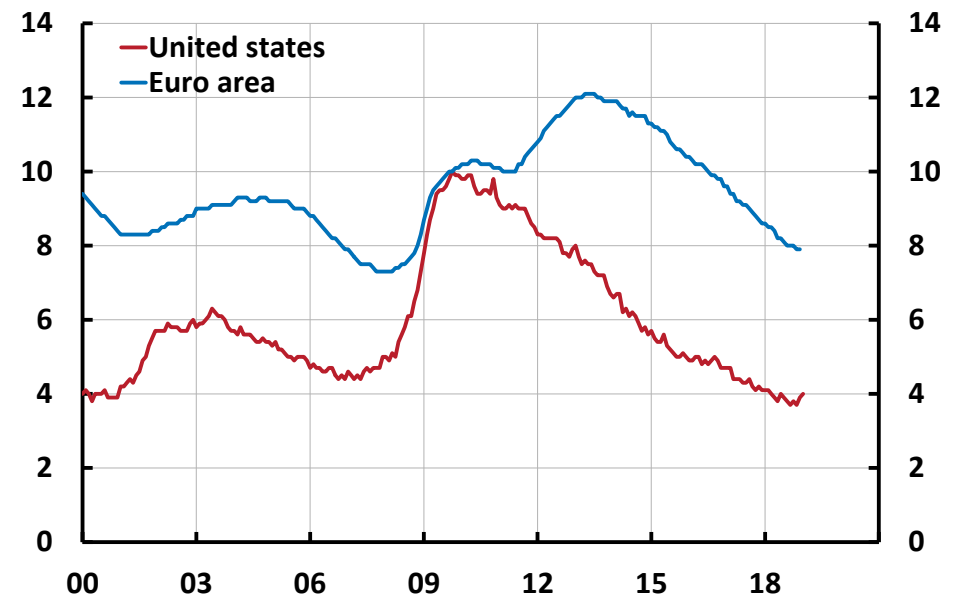
Global economy in a calmer phase

Growth has been high



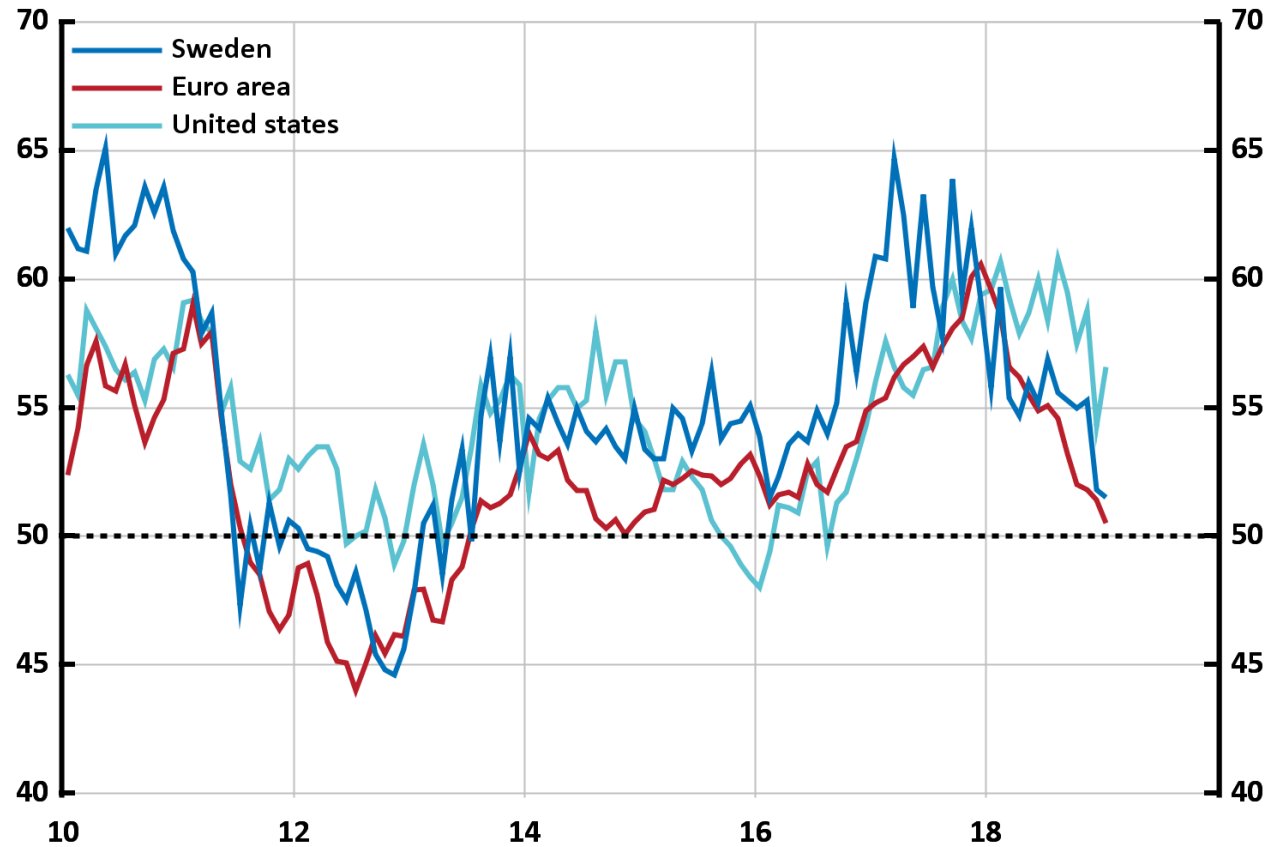
Annual percentage change and share of labour force.

Unemployment has fallen



Source: Bureau of Economic Analysis, Eurostat, OECD and the Riksbank

Indicators confirm picture of slower development in the period ahead



Purchasing managers' index for the manufacturing sector.
Figures over 50 denote growth.

Source: ISM, IHS Markit and Swedbank

Uncertainty abroad



Strength of the European economy



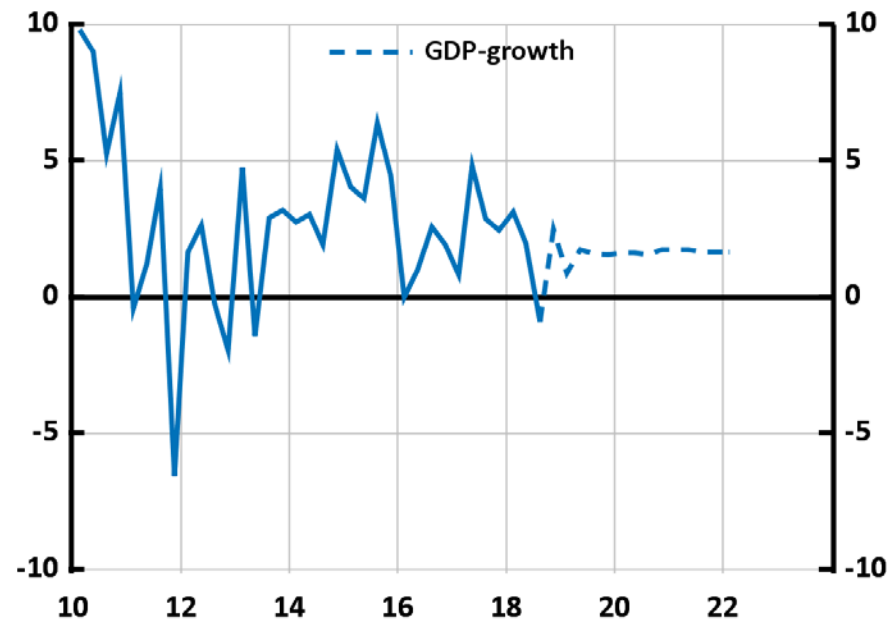
Trade conflict between the US and China



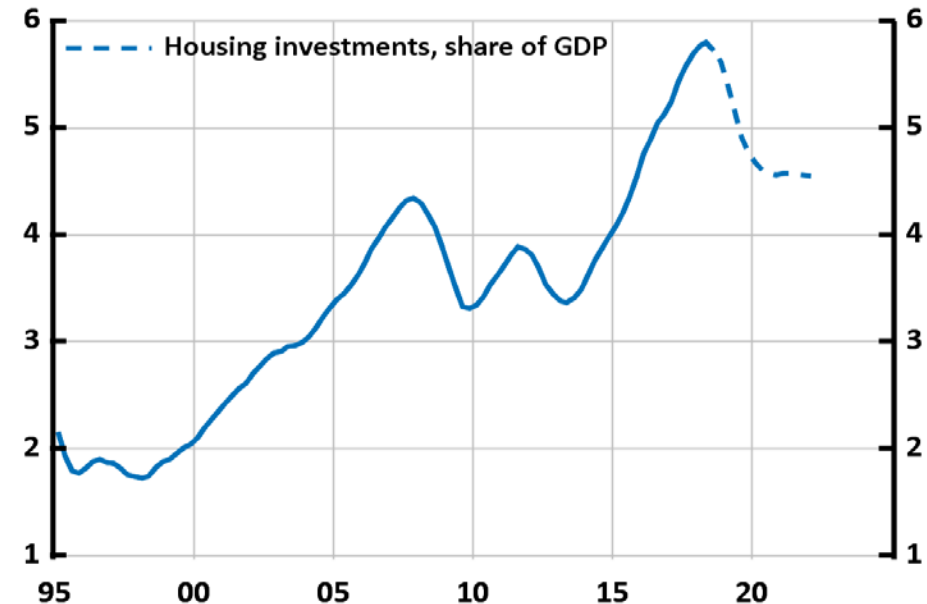
Brexit

Weaker housing investment to subdue Swedish growth this year

Lower GDP growth rate going forward



Construction declining from a high level



Quarterly change in per cent in annualised terms and share of GDP in current prices respectively, four-quarterly moving average.

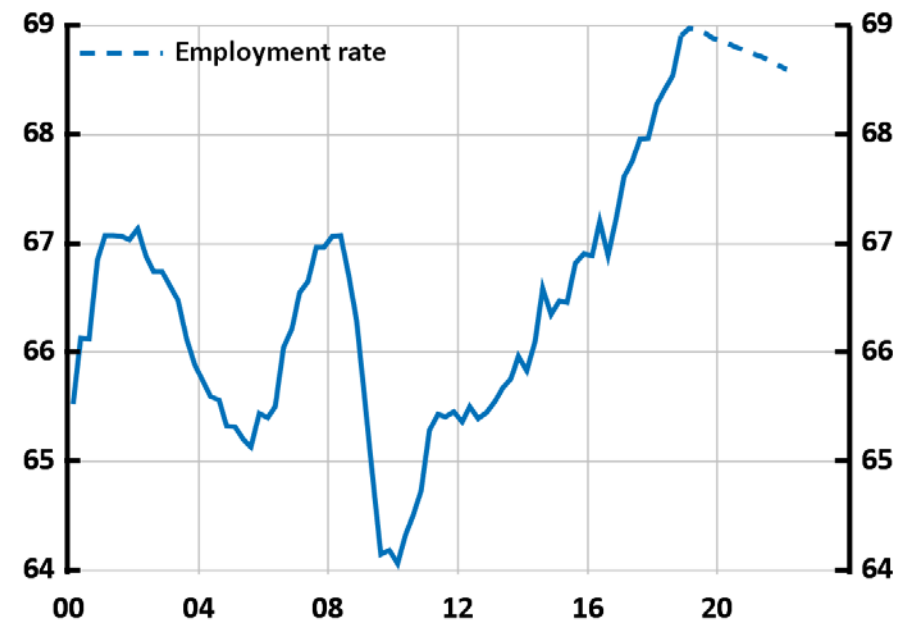
Sources: Statistics Sweden and the Riksbank

Economic situation remains strong

Strong demand for labour



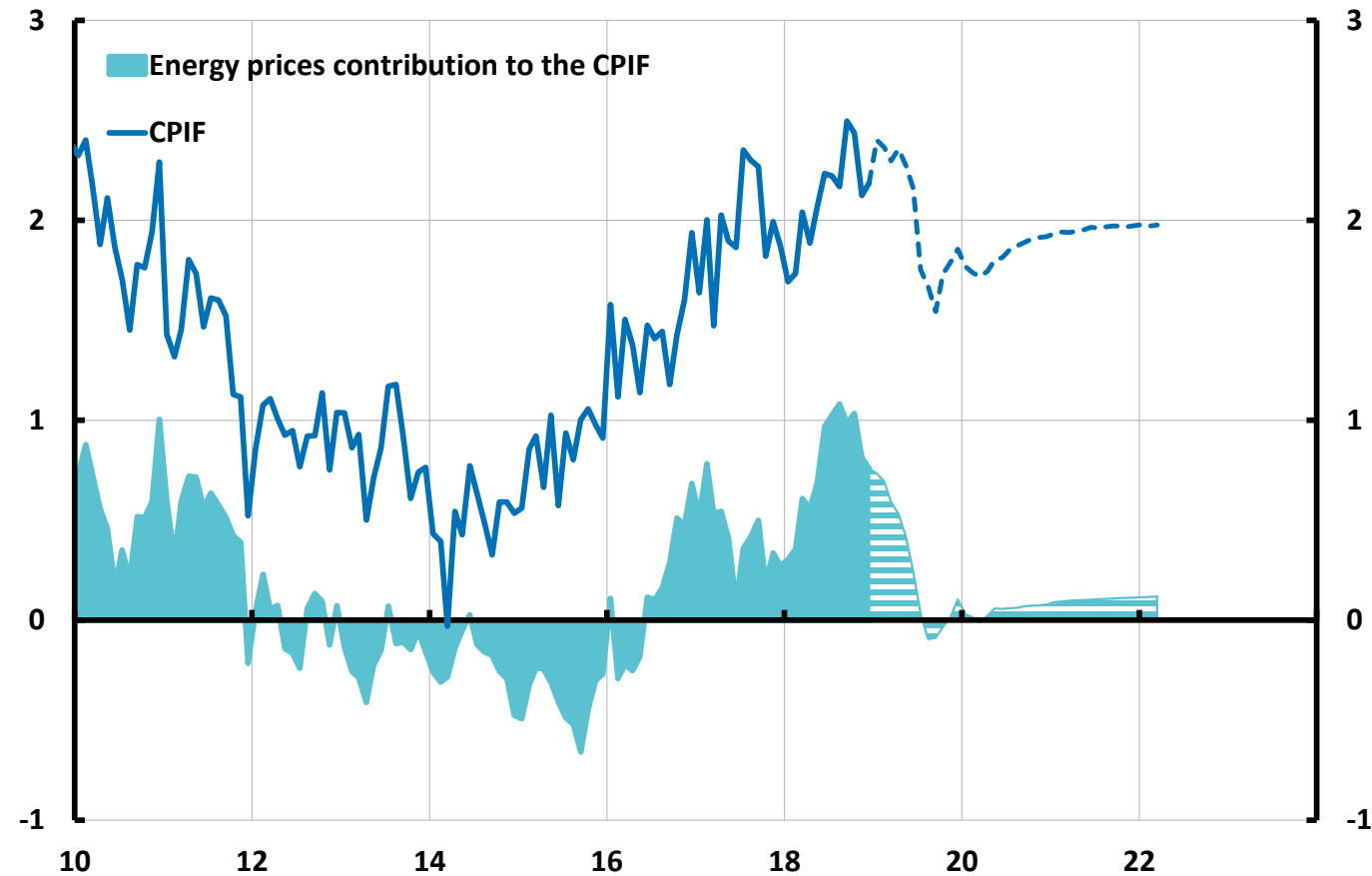
Historically high employment rate



Net figures and annual per cent of population aged 15-74 years. Recruitment plans refer to expectations of the number of employed in the business sector three months ahead. Broken blue lines represents historical average between 2000 and 2018.

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

Monetary policy is forward-looking



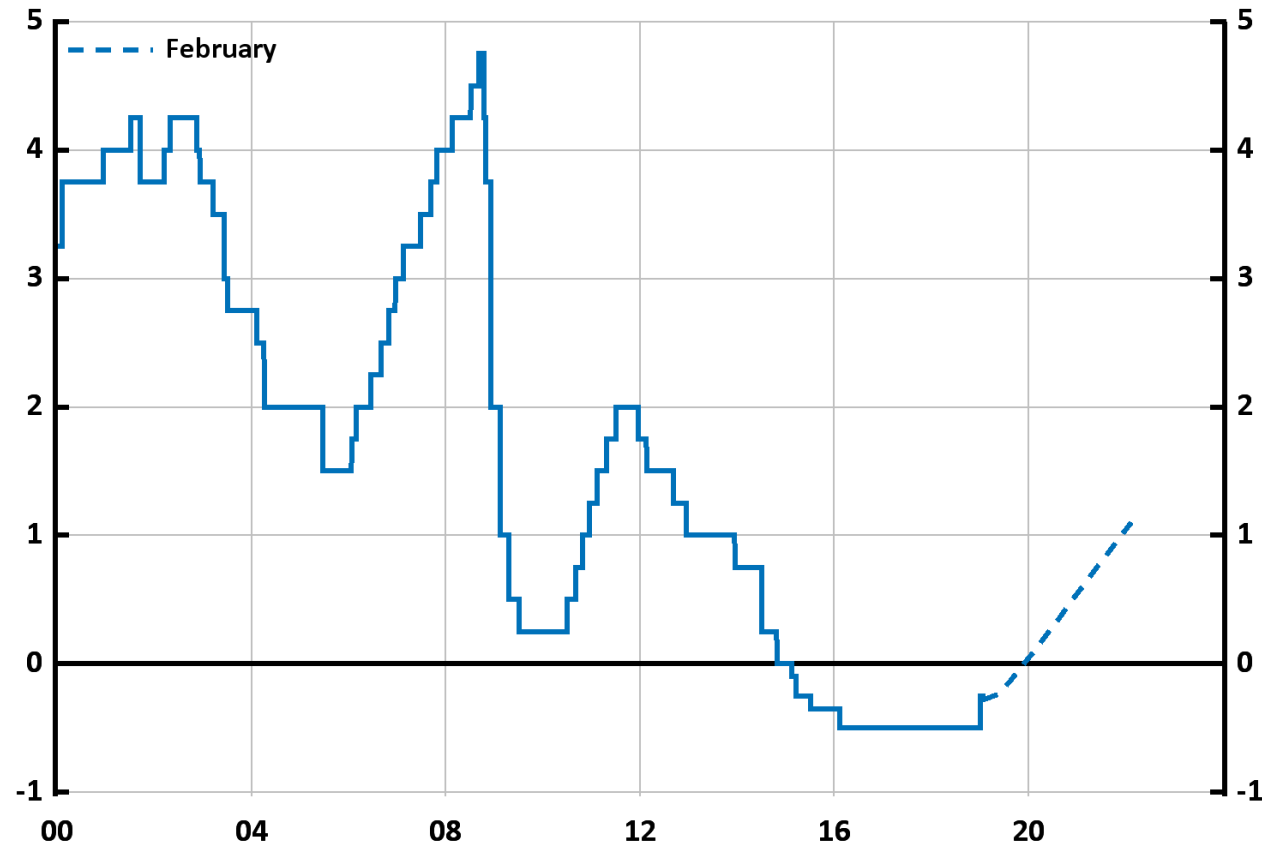
Annual percentage change. The contribution of energy prices to the CPIF in the forecast is calculated as the annual percentage change in energy prices multiplied by their current weight in the CPIF.

Sources. Statistics Sweden and the Riksbank

Good conditions for on-target inflation, even when energy prices make smaller contribution

- Strong Swedish economic activity
- Rising cost pressures
- Inflation expectations at 2 per cent
- Gradually rising inflation abroad

Interest rate to be raised slowly going forward



Per cent

Source: The Riksbank

The rate path is a forecast, not a promise

- Risks and uncertainty abroad
- Strength of the domestic economy
- Need to be vigilant about inflationary pressures

Monetary policy adapted according to economic outlook and inflation prospects

Economic outlook and inflation prospects broadly unchanged

Good conditions for inflation on-target going forward