



Monetary policy decision

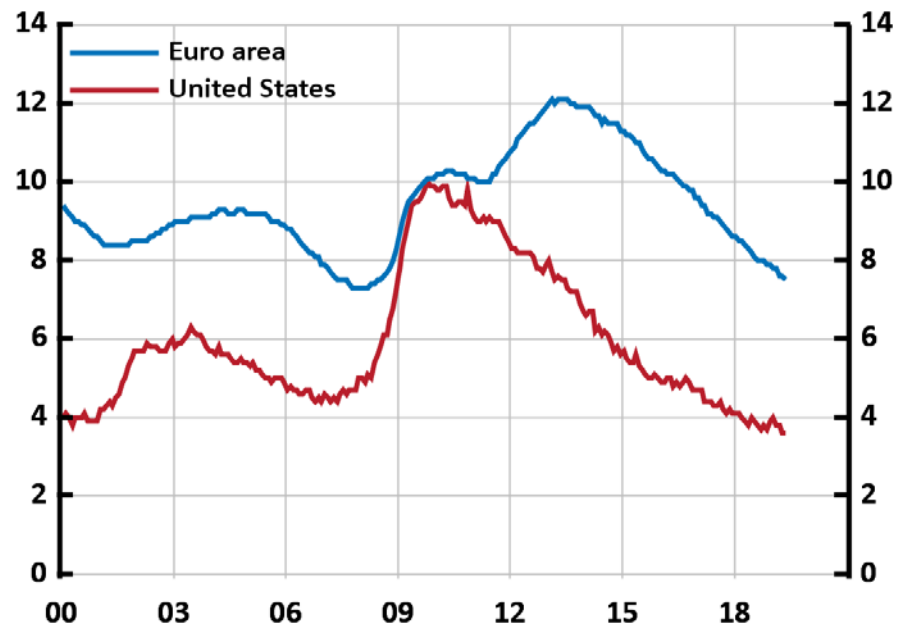
July 2019

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

**Good economic activity and inflation on target,
uncertainty abroad**

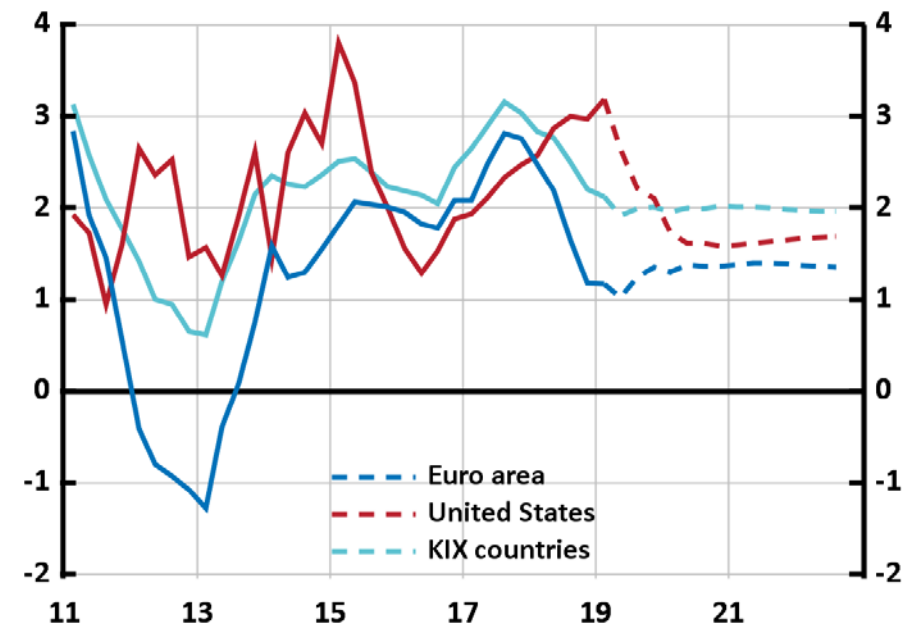
International economic activity remains good

Unemployment has fallen to low levels



Per cent of labour force and annual percentage change.

More normal GDP growth going forward



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

Increased uncertainty over international developments

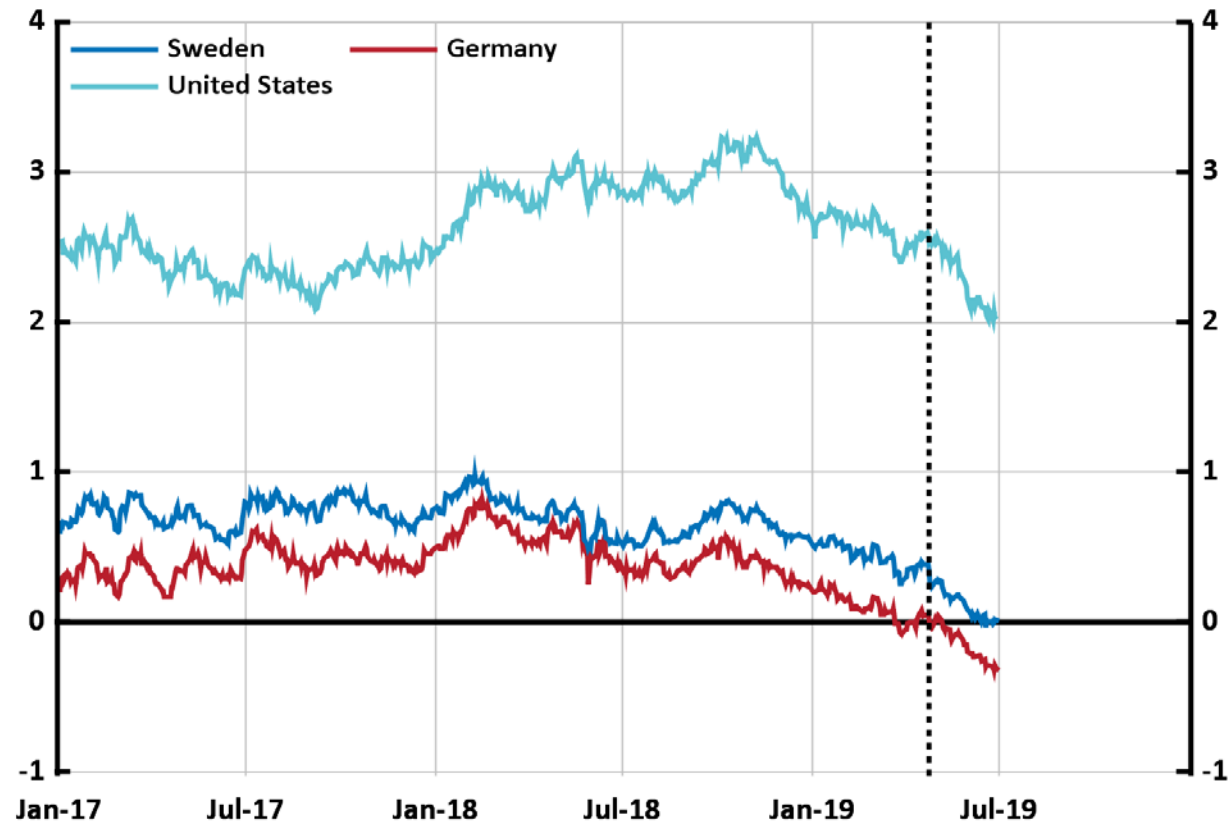
Strength of international economic activity

Concern over limits to global trade

Brexit and Italy



Lower interest rates in wake of increased uncertainty

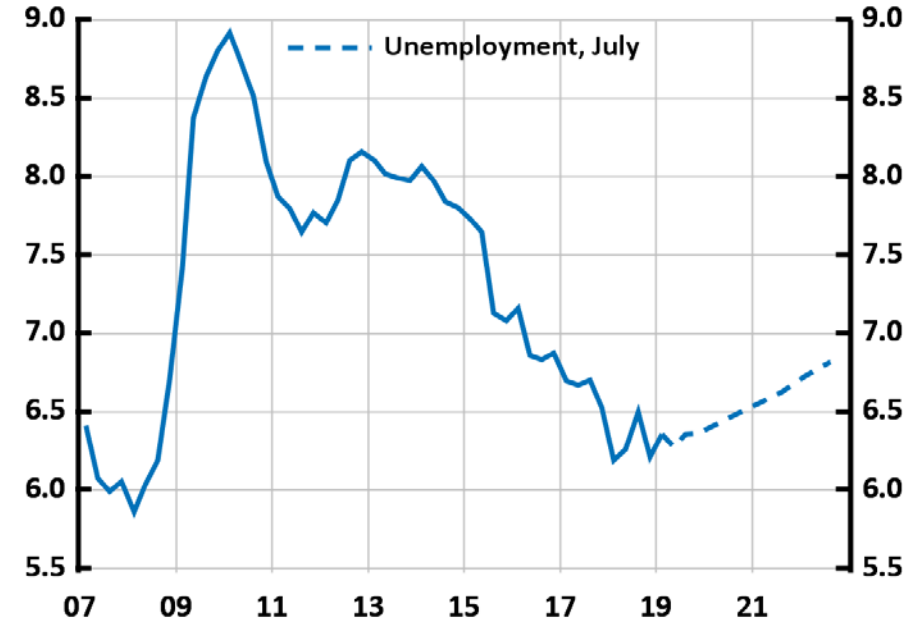


Per cent. Yields on 10-year government bonds.
The vertical line indicates the Monetary Policy Meeting in April.

Sources: National central banks and the Riksbank

Strong economic activity in Sweden, even with slower growth going forward

- Unexpectedly rapid GDP growth at beginning of year
- Economic activity as expected entering a calmer phase
- The labour market remains strong
- Resource utilisation higher than normal in the years ahead



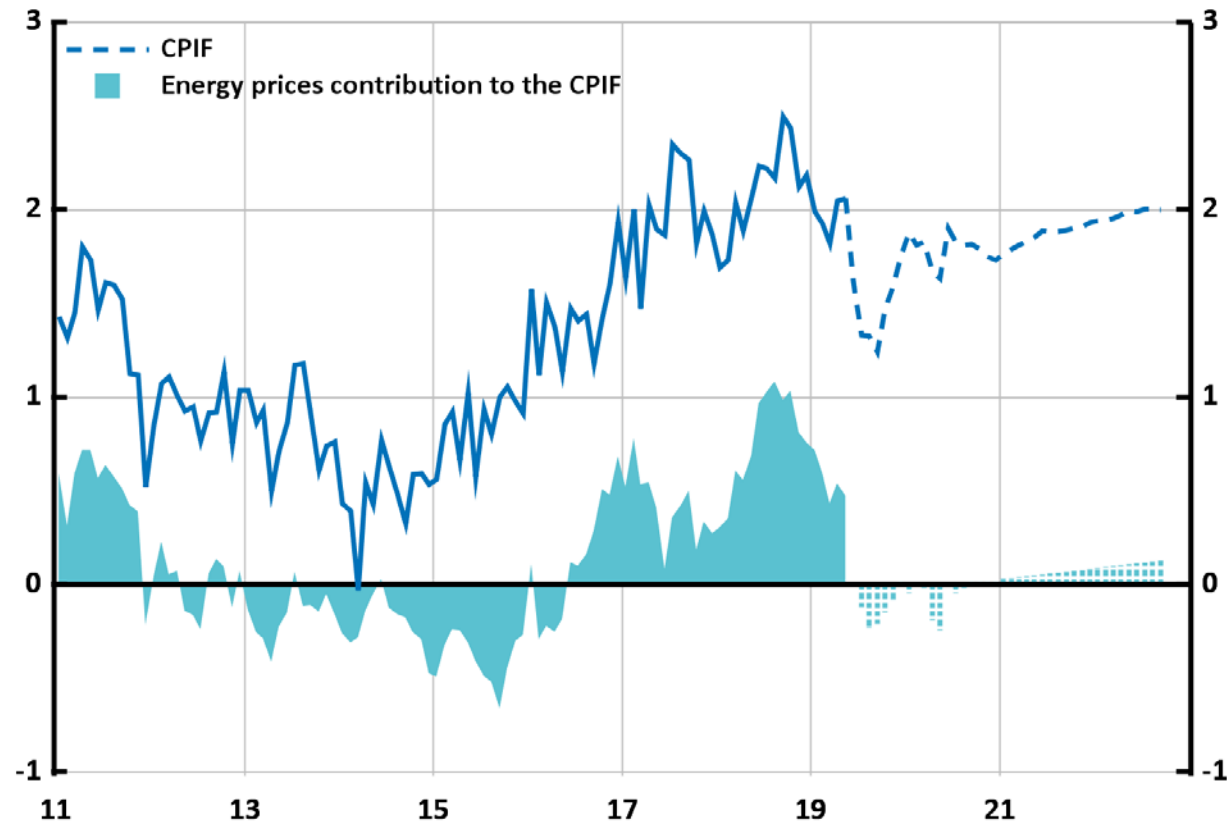
Inflation on target



Annual percentage change.

Source: Statistics Sweden

Energy prices to contribute to lower CPIF inflation in the months immediately ahead

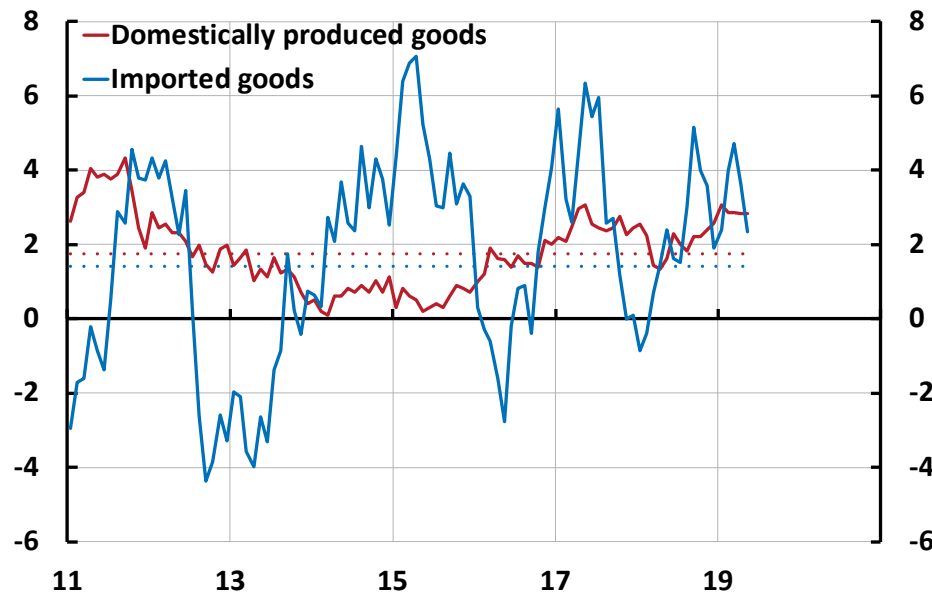


Annual percentage change and percentage points

Sources: Statistics Sweden and the Riksbank

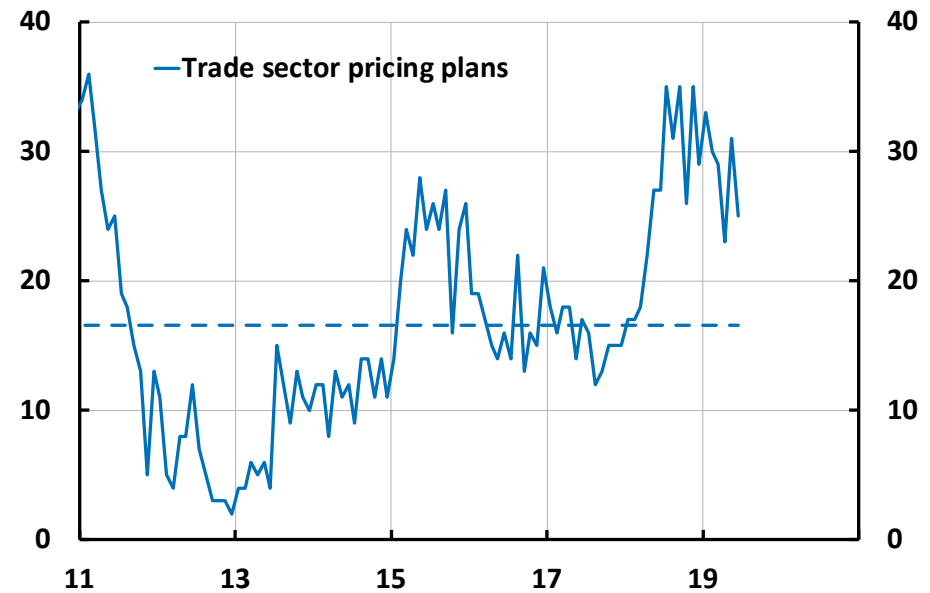
Companies expect higher prices

Faster rate of price increase in producer channel



Annual percentage change. Producer prices for consumer goods.
Broken lines refer to average rate of increase since the year 2000.
Sources: Statistics Sweden and the Riksbank.

More companies in retail planning to raise prices



Net figures, seasonally adjusted data
Broken line refers to average since May 2003.
Source: National Institute of Economic Research

Inflation at target even if krona gradually appreciates



Index, 18 November 1992 = 100. The KIX (krona index) is a weighted average of currencies in 32 countries that are important for Sweden's international transactions. A higher value indicates a weaker exchange rate.

Sources: National sources and the Riksbank

Inflation at 2 per cent

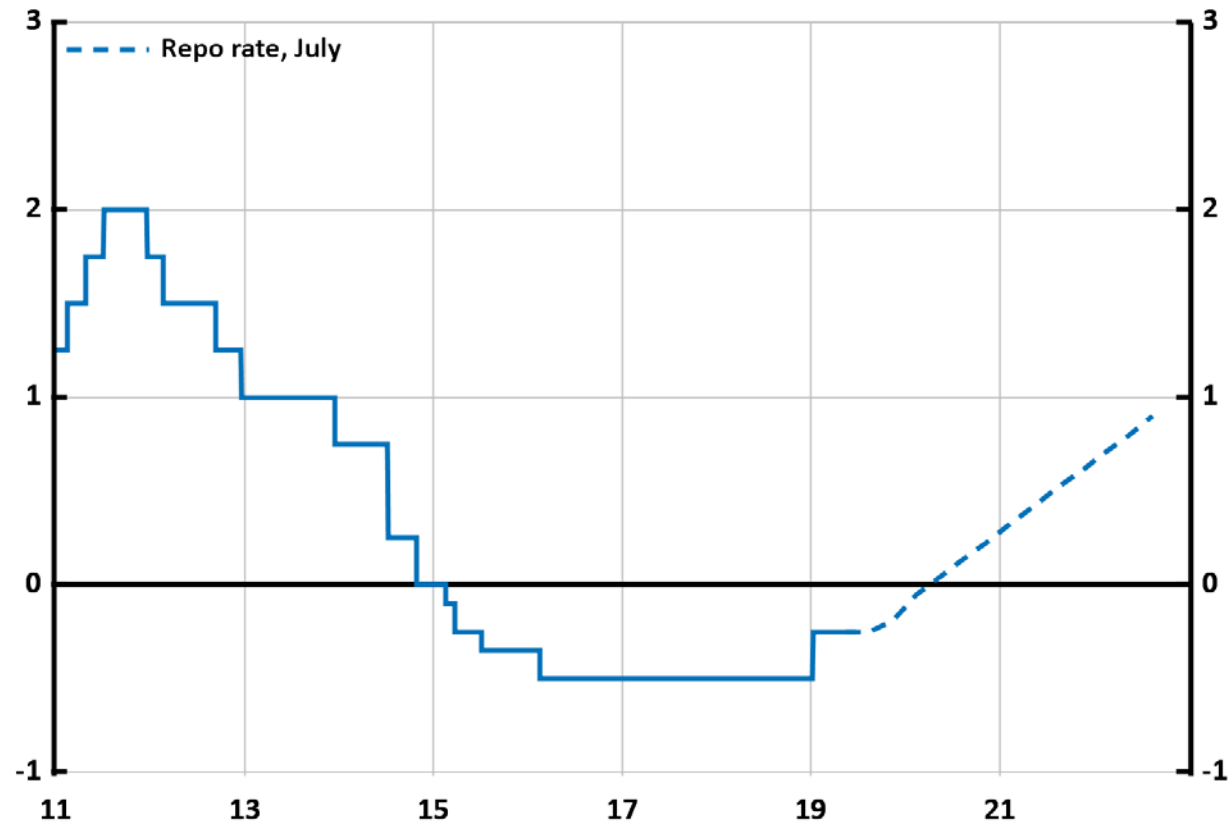


- Continued high resource utilisation
- Earlier krona depreciations
- Rising food prices and higher rents

Annual percentage change.

Sources: Statistics Sweden and
the Riksbank

Continued expansionary monetary policy providing support



Per cent..

Source: The Riksbank

Monetary policy consideration

Calmer but still good economic activity with strong labour market

Inflation and inflation expectations at 2 per cent

No major adjustments to forecasts

Risks concerning international developments

Low global interest rates

Monetary policy needs to proceed cautiously

**Good economic activity and inflation on target,
uncertainty abroad**