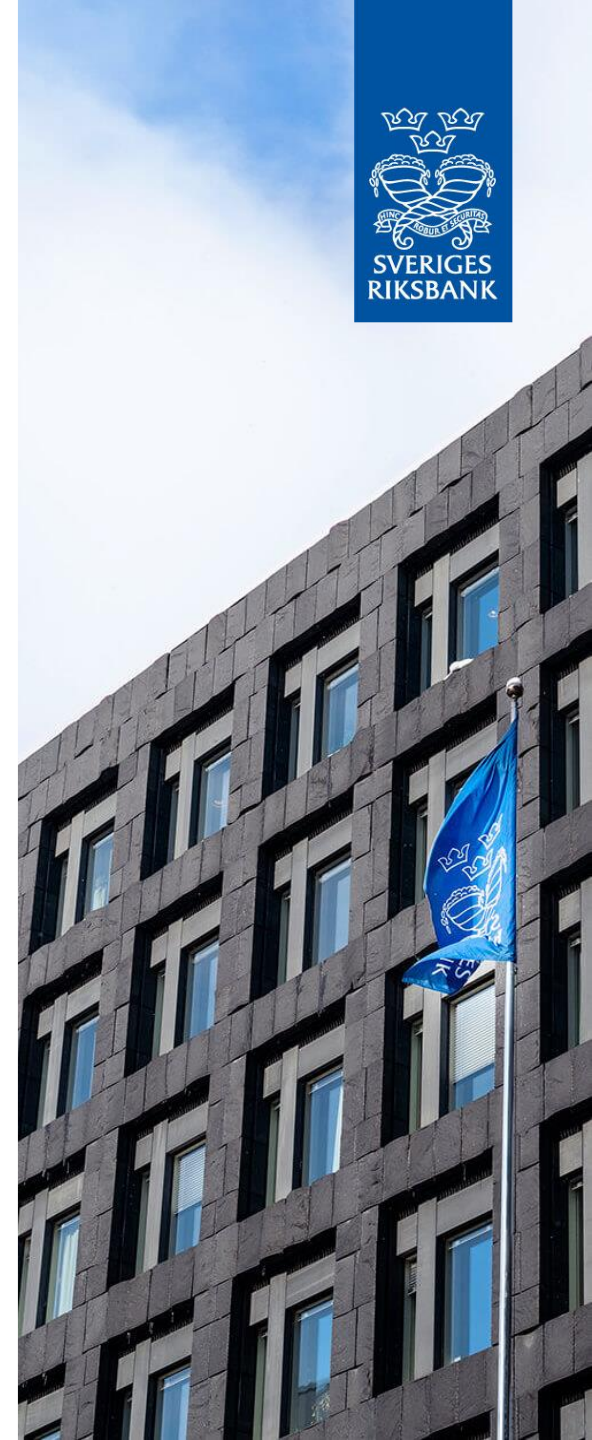


Higher policy rate to bring down inflation

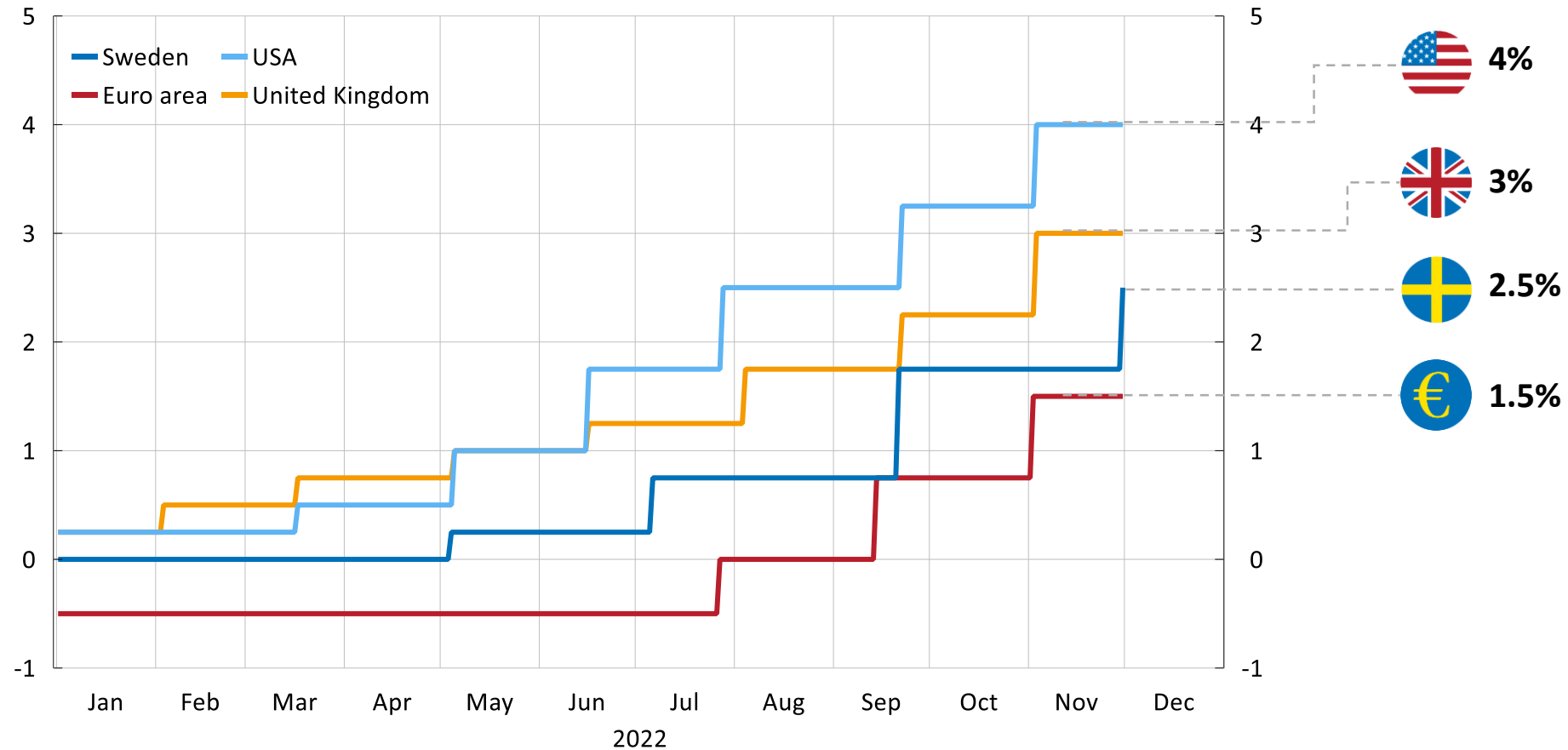
Monetary policy November 2022

Monetary policy November 2022

- Policy rate raised by 0.75 percentage points to 2.50 per cent
- The policy rate is expected to be raised further at the beginning of next year



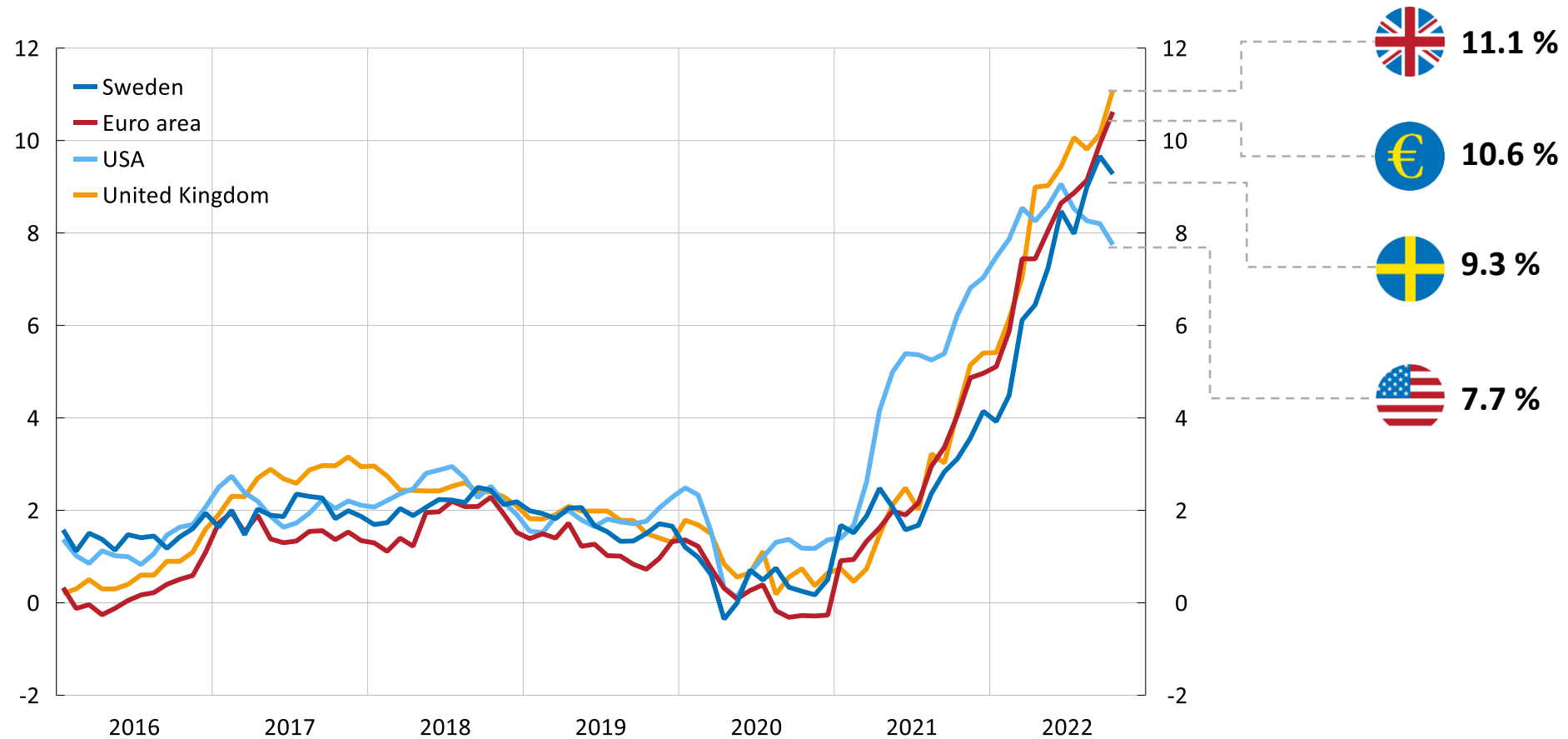
Policy rates also raised abroad



Central bank policy rates, per cent.

Sources: National central banks.

High international inflation



Refers to the CPIF for Sweden, the HICP for the euro area and the CPI for the United States and United Kingdom. Annual percentage change.

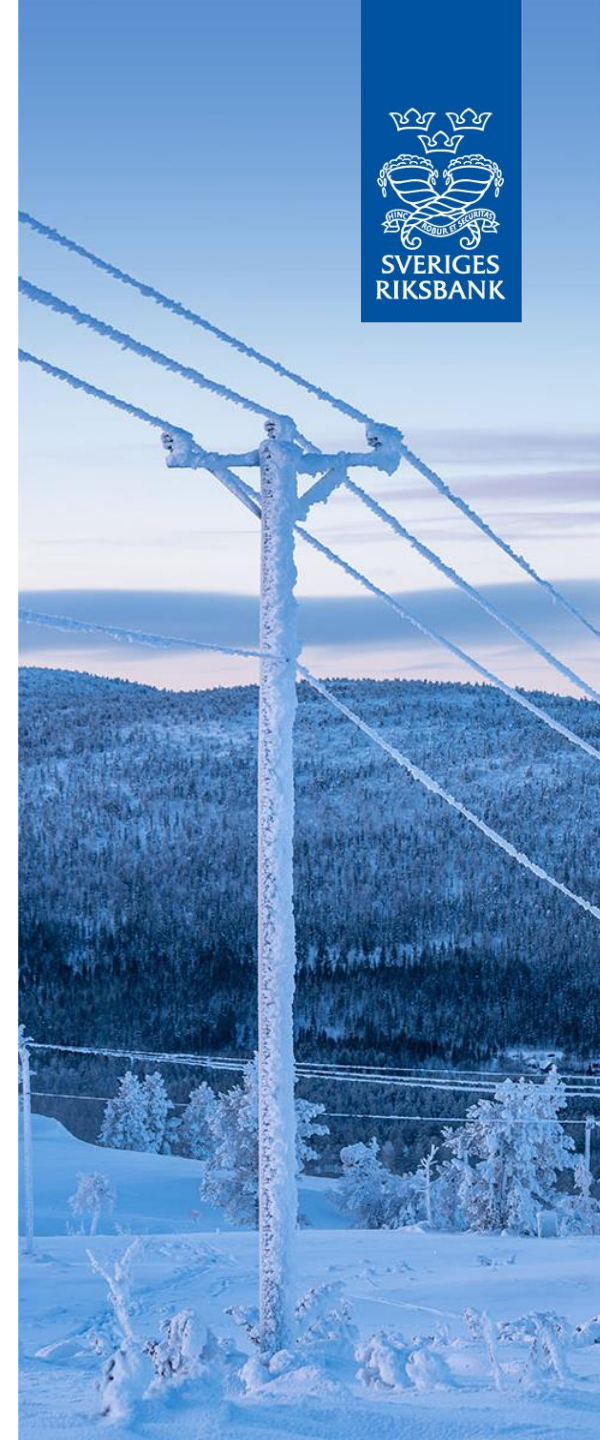
Sources: Eurostat, Statistics Sweden, UK Office for National Statistics and US Bureau of Labor Statistics.

Large fluctuations in energy prices

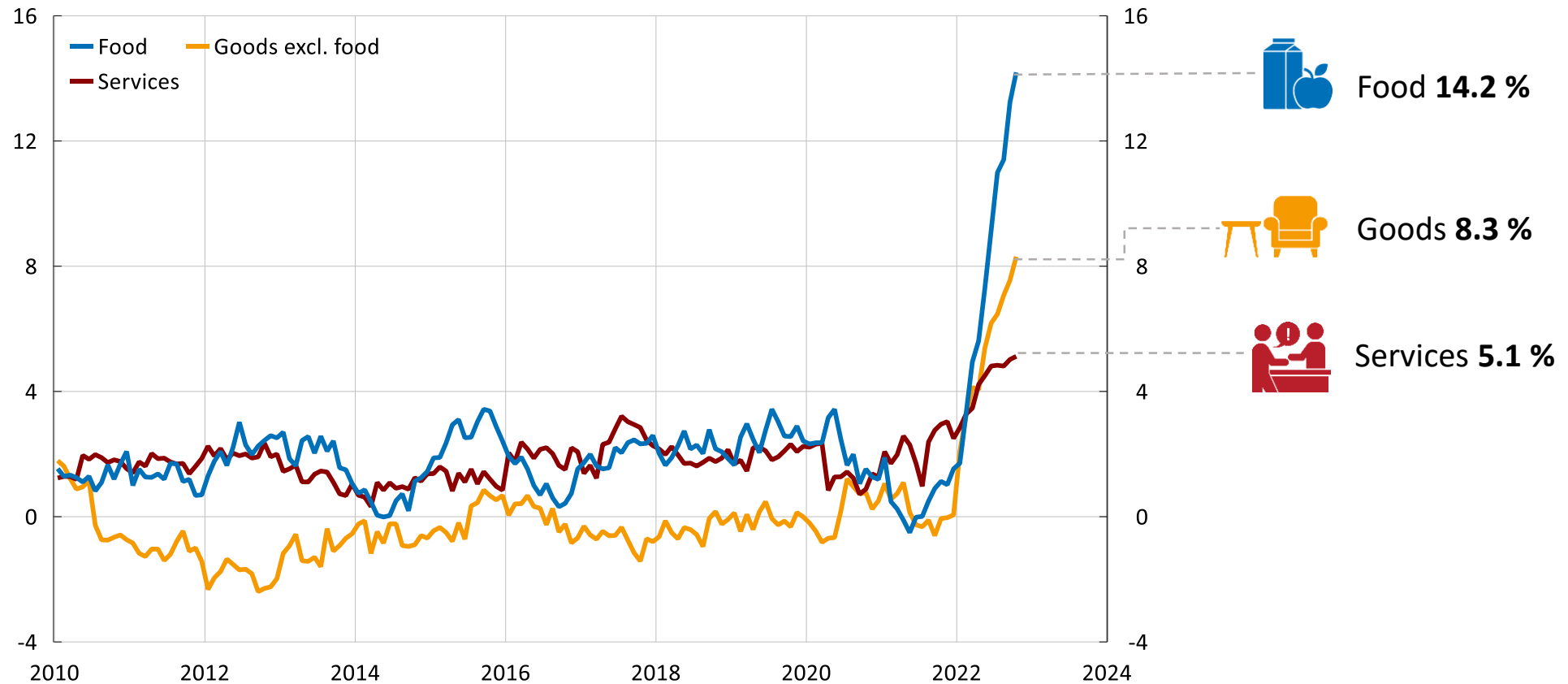
- Disruptions in Europe have diminished
- Warm and windy weather during the fall
- Lower usage
- Well-filled stocks of natural gas

Energy prices
have fallen
during the fall

Considerable uncertainty over future energy prices!



Prices rising on a broad front – inflationary pressures are too high

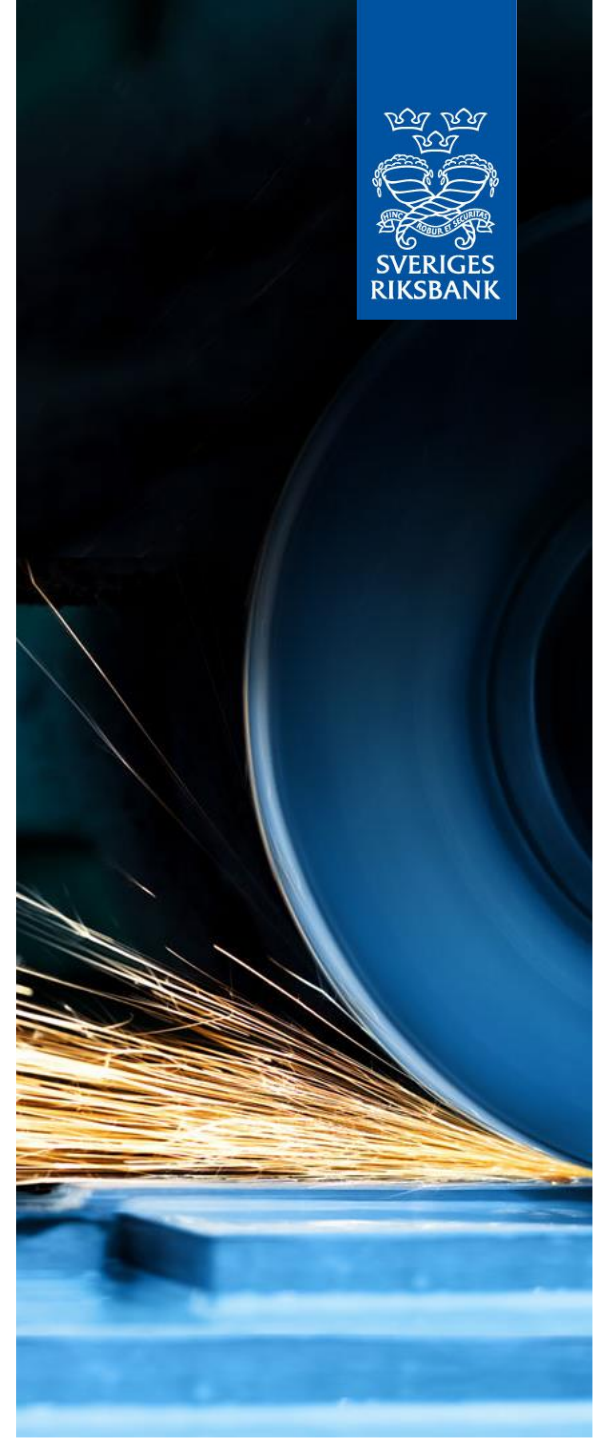


Annual percentage change

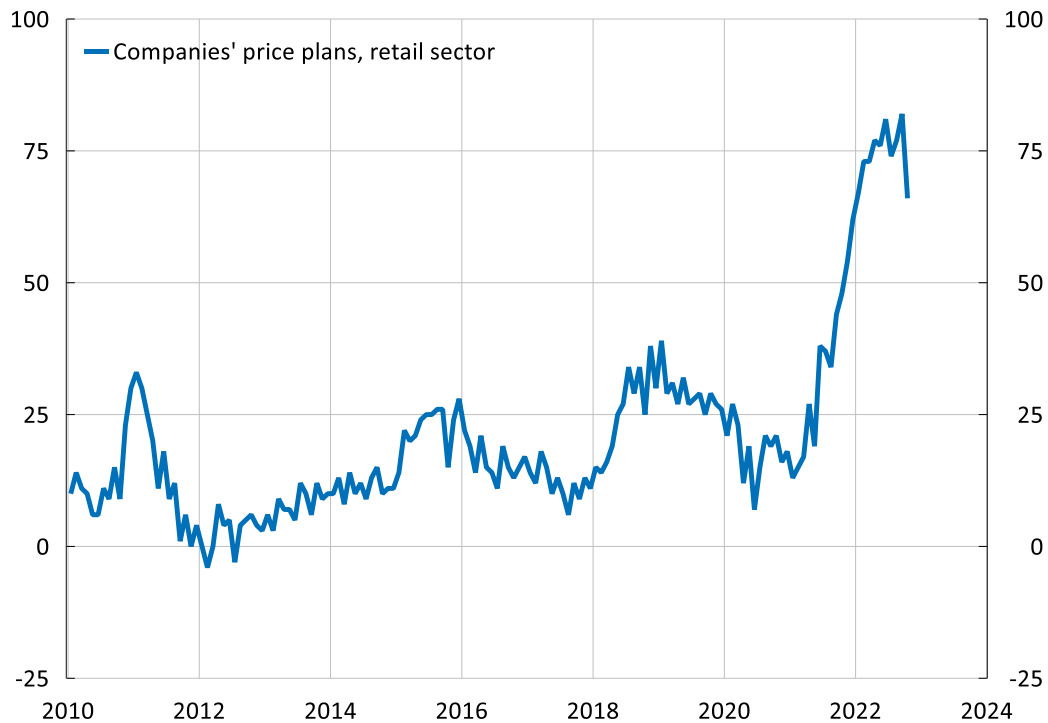
Sources: Statistics Sweden and the Riksbank.

Several factors have driven up inflation

- **Supply shocks**
Higher prices on commodities, inputs, energy, transports
- **High pressure in the economy**
Companies have been able to pass on increased costs to consumers



Companies planning to continue raising prices



Net figures

”

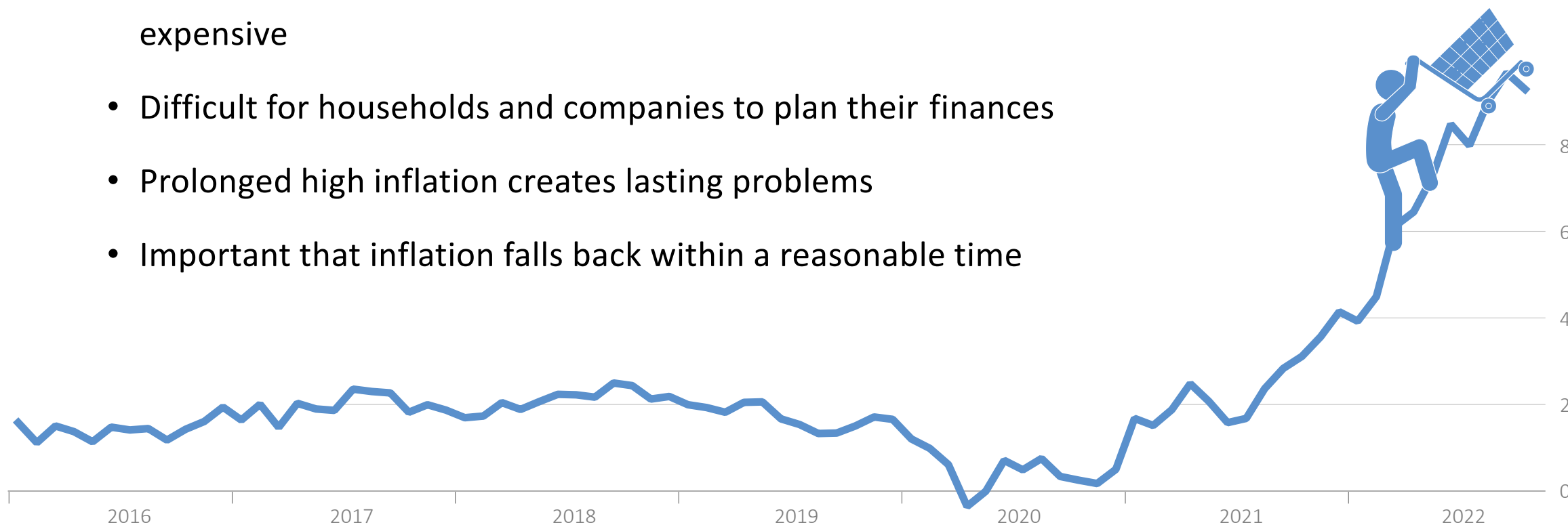
“We're constantly raising prices”

The Riksbank's Business Survey

Source: National Institute of Economic Research

High inflation creates problems

- Purchasing power decreases when everything becomes more expensive
- Difficult for households and companies to plan their finances
- Prolonged high inflation creates lasting problems
- Important that inflation falls back within a reasonable time



CPI, annual percentage change

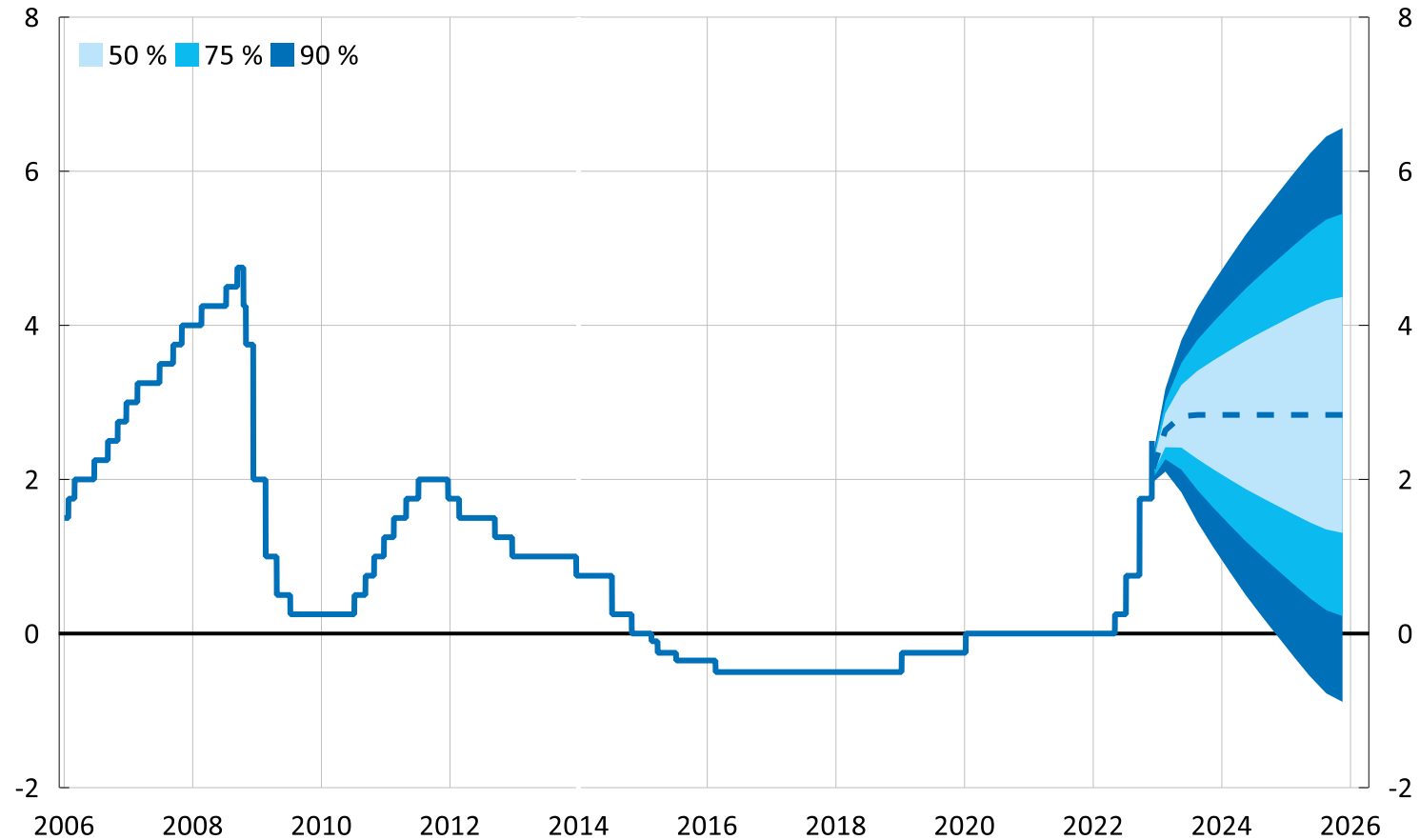
Source: Statistics Sweden

Inflation is too high – monetary policy acts

- Underlying inflation has risen
- Inflationary pressures are higher
- Despite lower energy prices, the inflation forecast is higher
- Higher policy rate needed to bring down inflation



Policy rate raised to safeguard inflation target

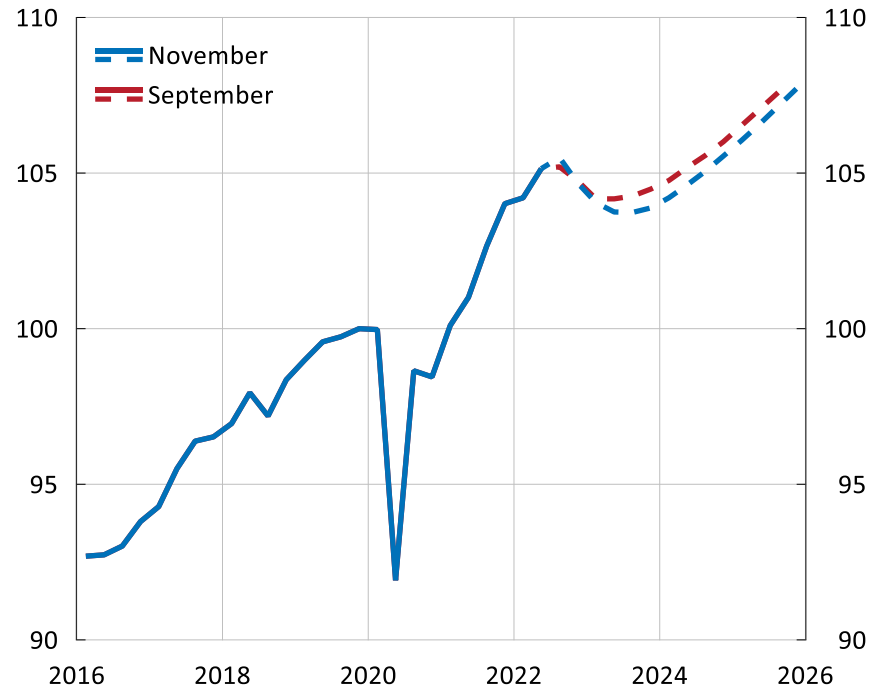


Per cent

Source: The Riksbank

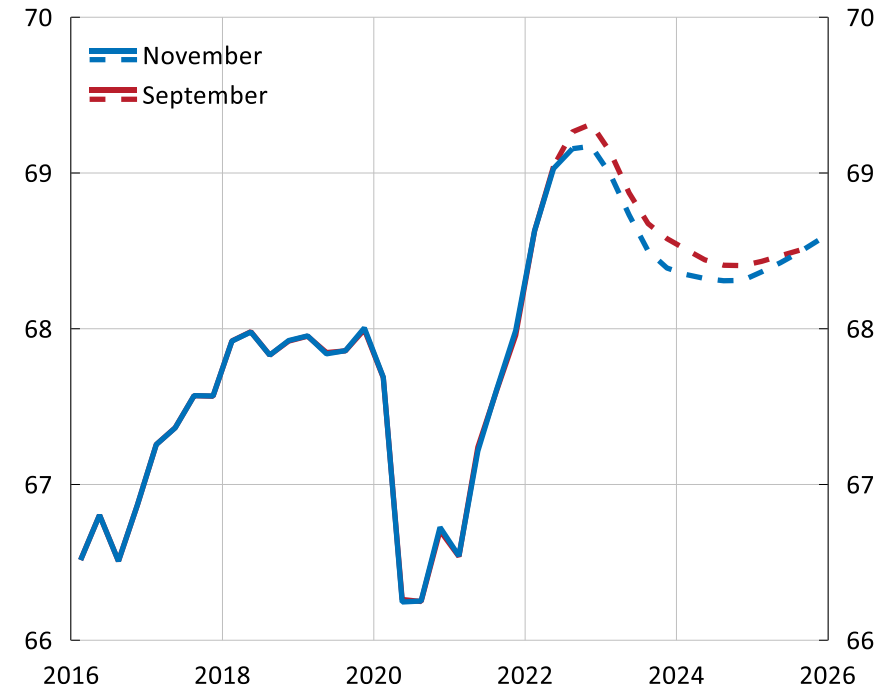
High inflation and higher interest rates cool the Swedish economy

Weak GDP developments going forward



Index, 2019 Q4 = 100

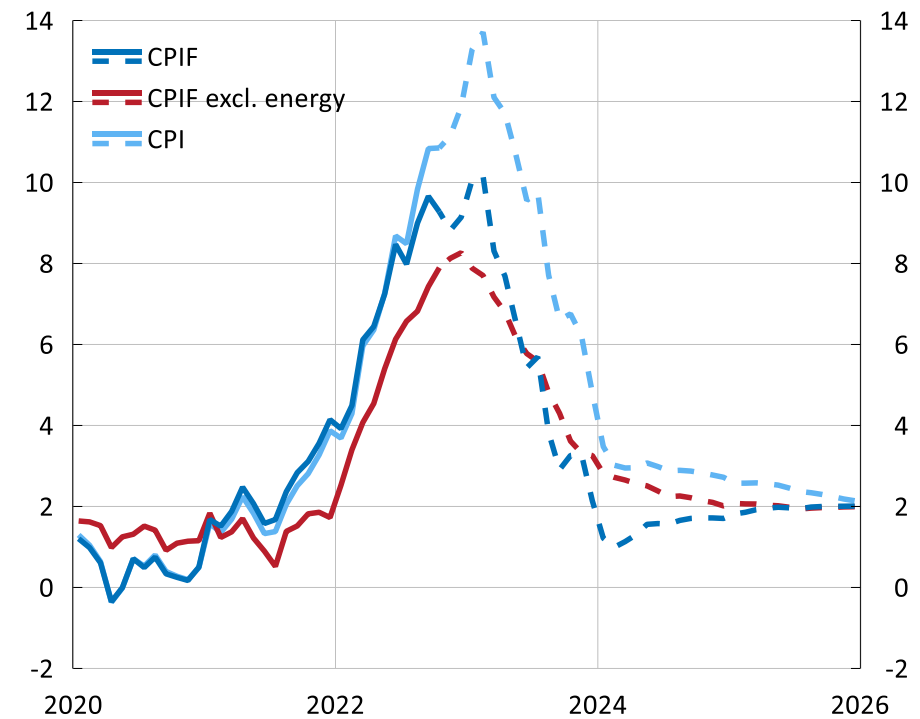
The high employment rate is falling



Percentage of the population aged 15–74

Inflation expected to fall back next year

- Prices continue to rise, but at a slower pace
- Lower economic activity
- Supply shocks easing

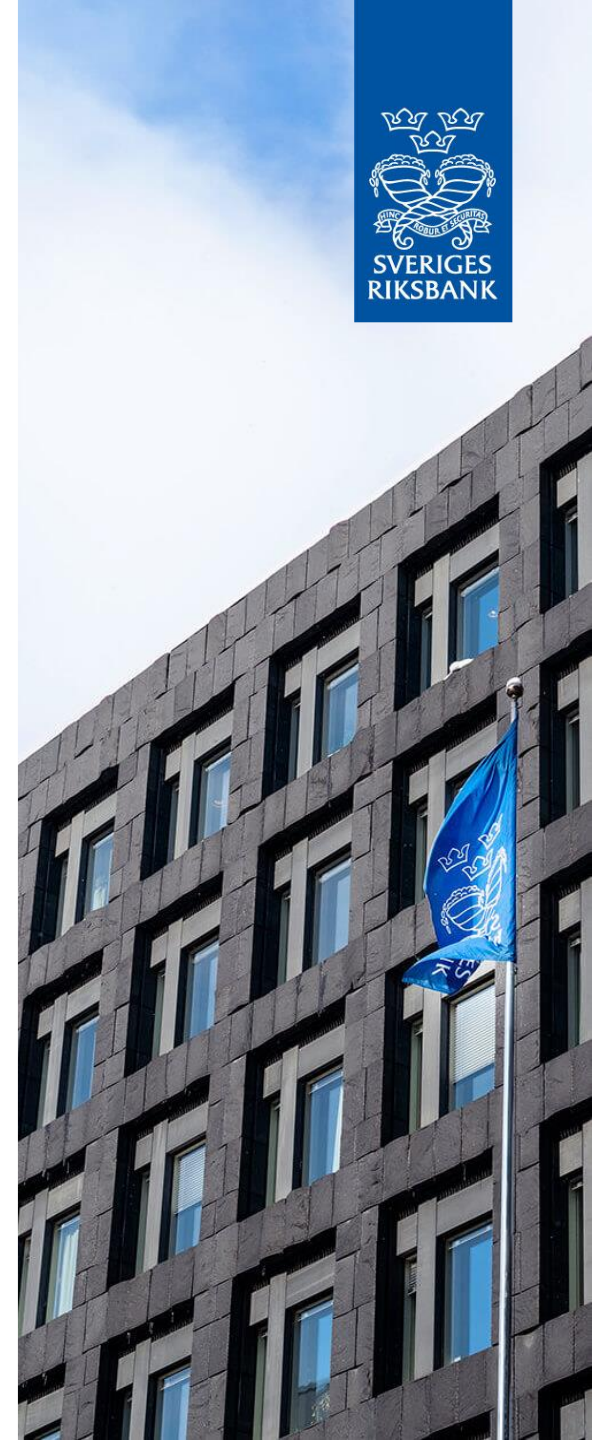


Annual percentage change

Sources: Statistics Sweden and the Riksbank

If the conditions change, monetary policy will be adapted

- Large uncertainty surrounding inflation
- The policy rate path is a forecast, not a promise
- We will do what is needed to bring inflation back to the target within a reasonable time



Higher policy rate to bring down inflation

Monetary policy November 2022