

Account of monetary policy 2018

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



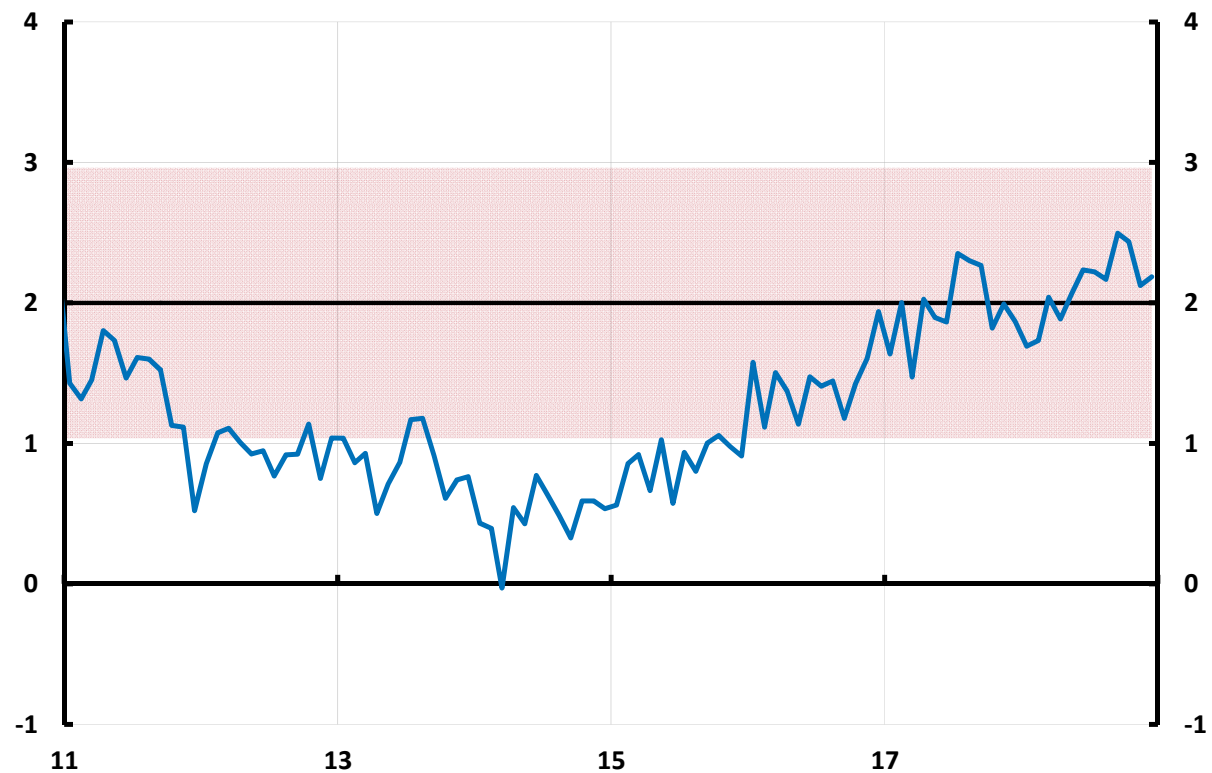
Chapter 1

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



Figure 1:1. CPIF and variation band

Annual percentage change

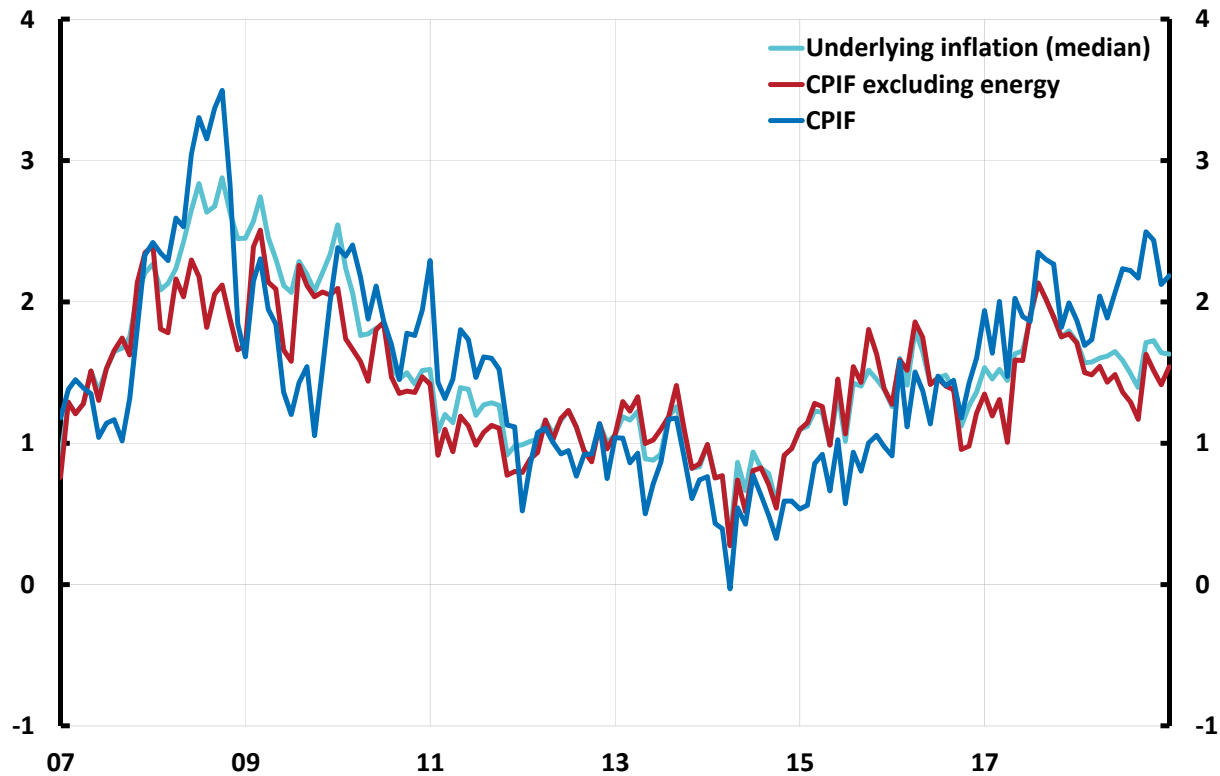


Note. The pink area shows the Riksbank's variation band and covers about three-quarters of the outcomes since January 1995. The variation band is a way of showing whether the deviation from the inflation target is unusually large.

Sources: Statistics Sweden and the Riksbank

Figure 1:2. CPIF, CPIF excluding energy and underlying inflation

Annual percentage change

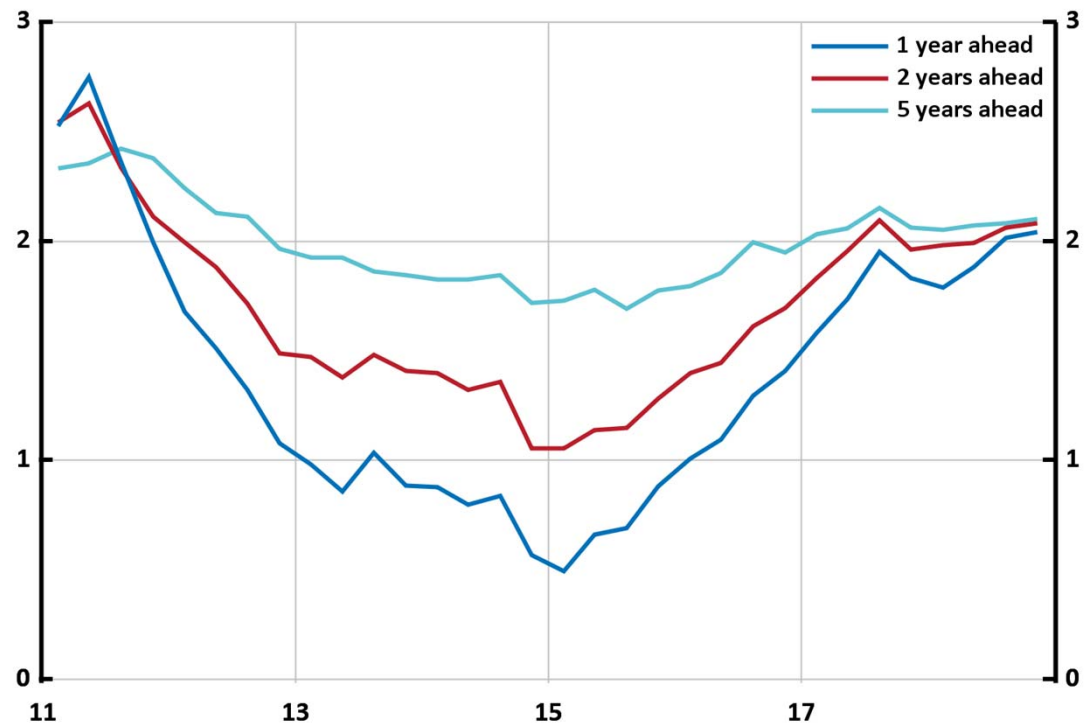


Note. Underlying inflation refers to the median value for a number of measures of underlying inflation. The measures included are CPIF excluding energy, UND24, Trim85, CPIF excluding energy and unprocessed food, persistence-weighted inflation (CPIFPV), factors from principal component analysis (CPIFPC) and weighted median inflation (Trim1).

Sources: Statistics Sweden and the Riksbank

Figure 1:3. Inflation expectations

Per cent, mean

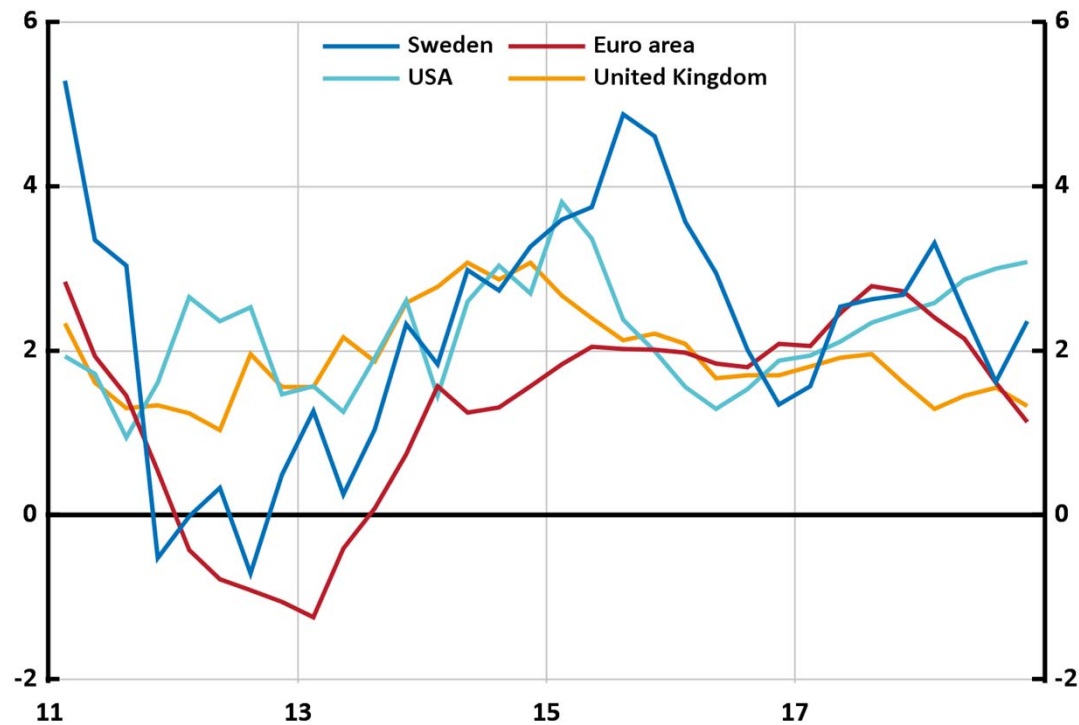


Note. Refers to inflation measured with the CPI. Participants surveyed are social partners, purchasing managers and money market participants.

Source: Kantar Sifo Prospera

Figure 1:4. GDP growth in Sweden and abroad

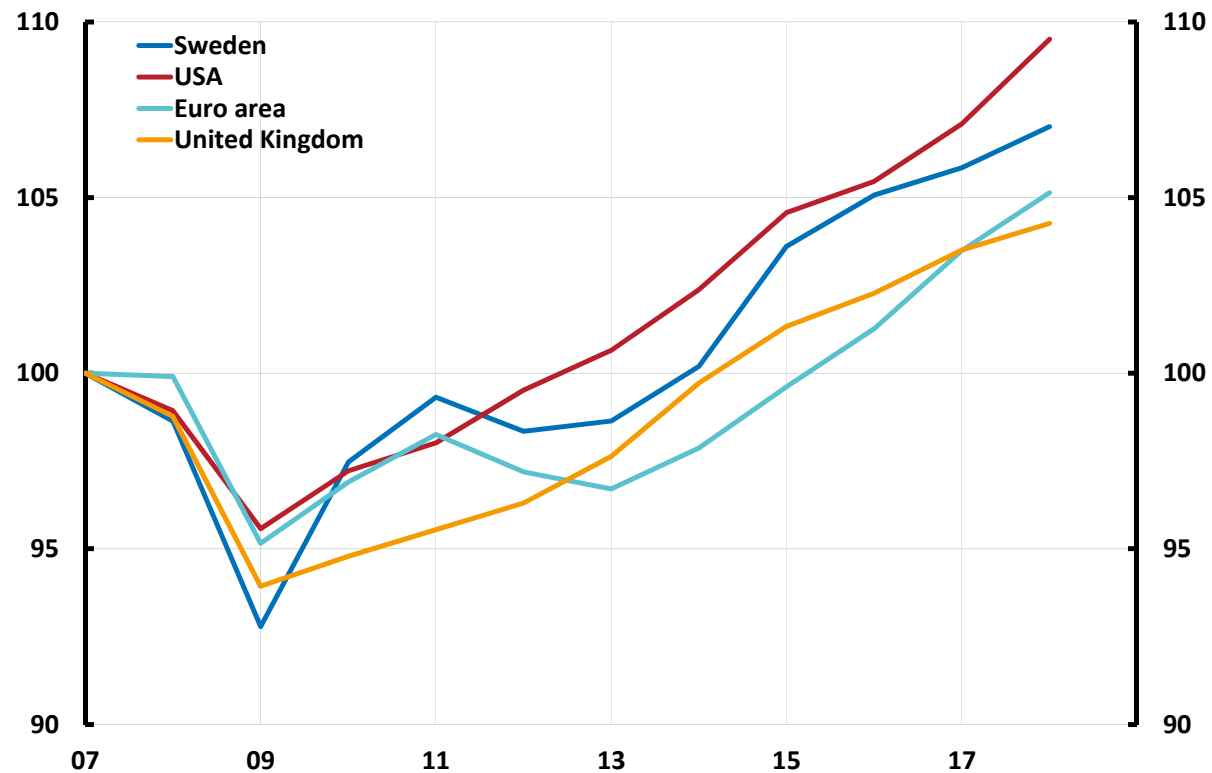
Annual percentage change, seasonally- and calendar-adjusted data



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

Figure 1:5. GDP per capita in Sweden and abroad

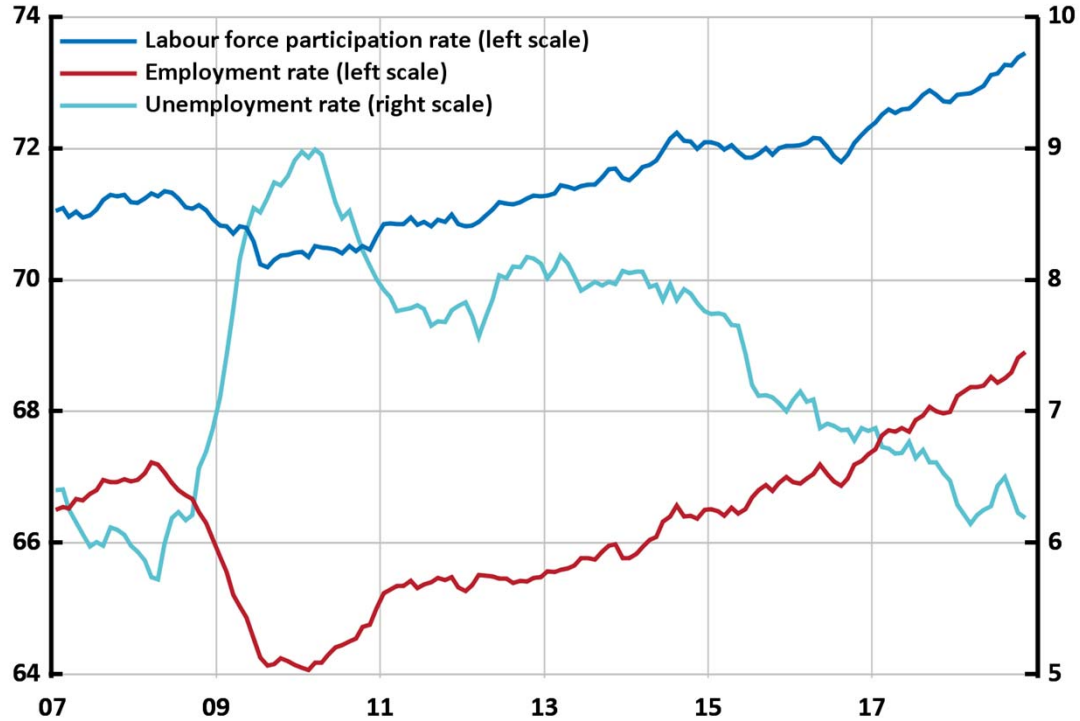
Index, 2007 = 100



Source: Eurostat and OECD

Figure 1:6. Labour force, employment and unemployment

Per cent of the population and per cent of the labour force, 15–74, seasonally-adjusted data

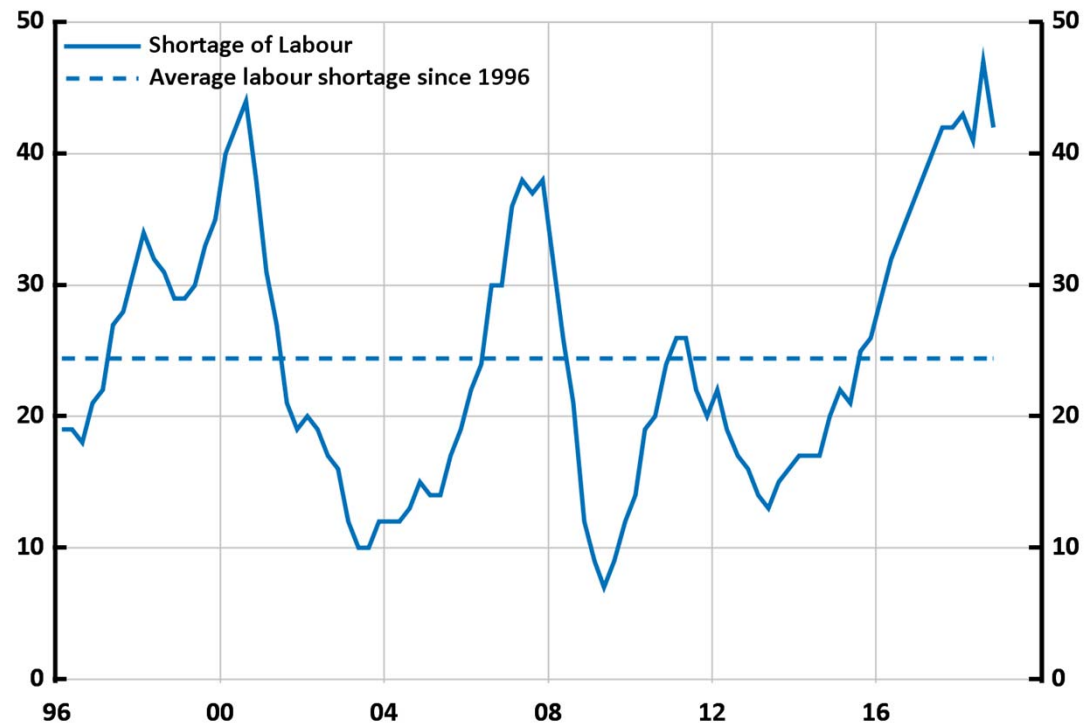


Note. Three-month moving average.

Source: Statistics Sweden

Figure 1:7. Share of companies reporting labour shortage

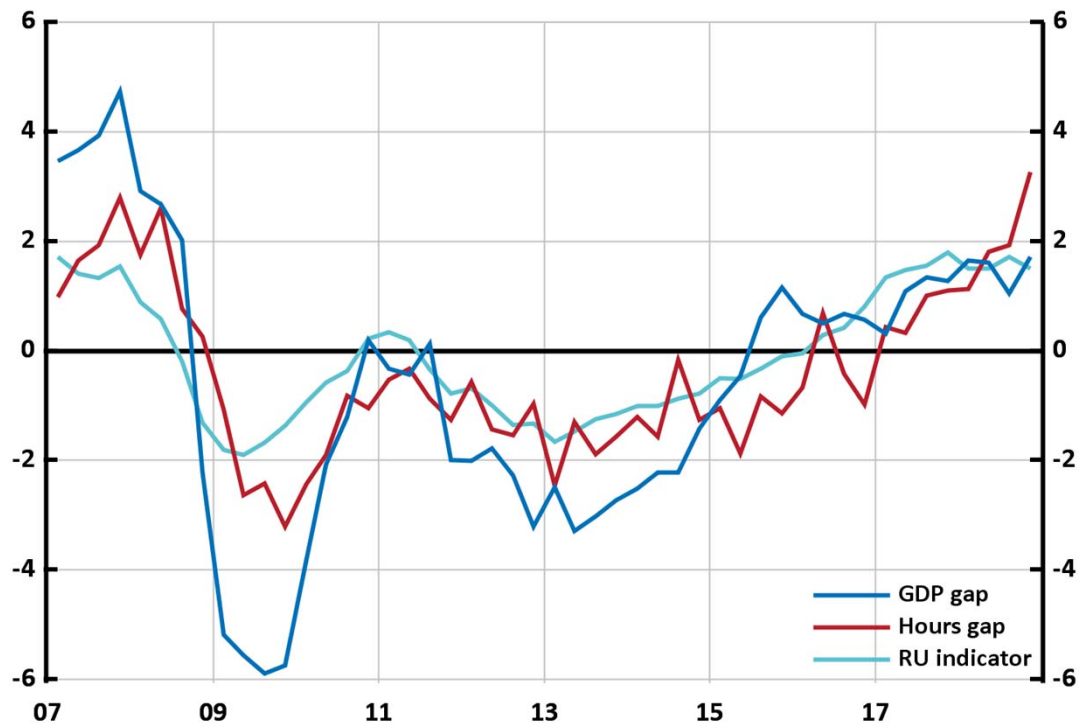
Per cent



Sources: The National Institute of Economic Research

Figure 1:8. GDP gap, hours gap and RU indicator

Per cent and standard deviation respectively



Note. GDP gap refers to the GDP deviation from trend, calculated using a production function. The hours gap refers to the deviation of number of hours worked from the Riksbank's assessed trend. The RU indicator is normalised so that the mean value is 0 and the standard deviation is 1.

Sources: Statistics Sweden and the Riksbank

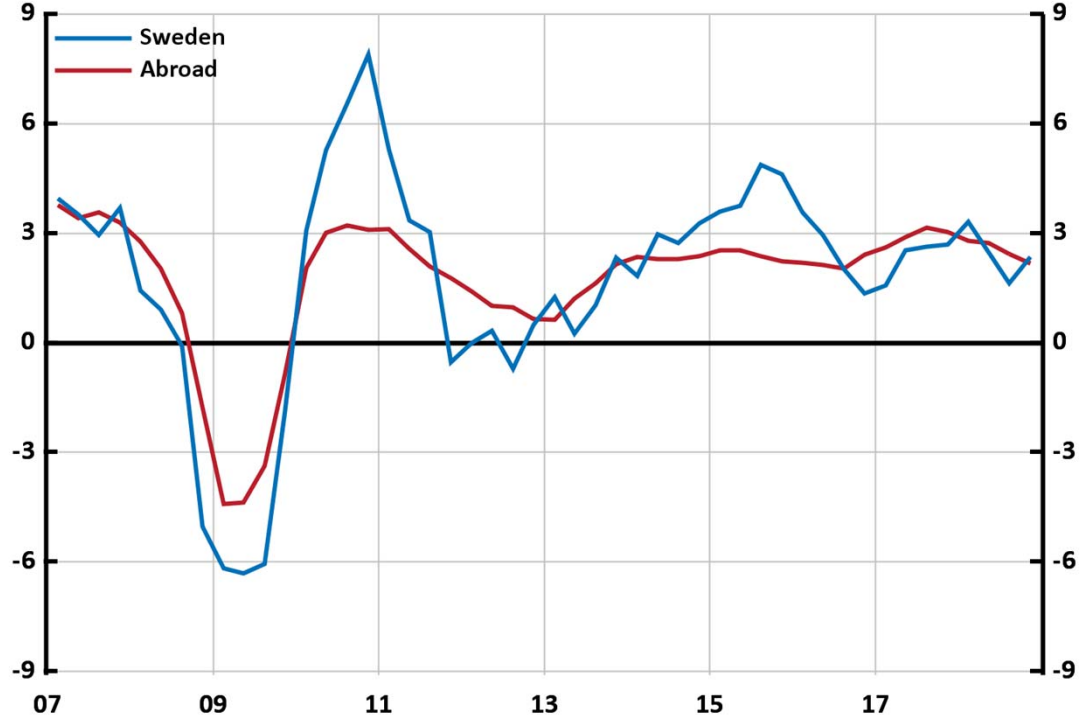
Chapter 2

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



Figure 2:1. GDP growth in Sweden and abroad

Annual percentage change

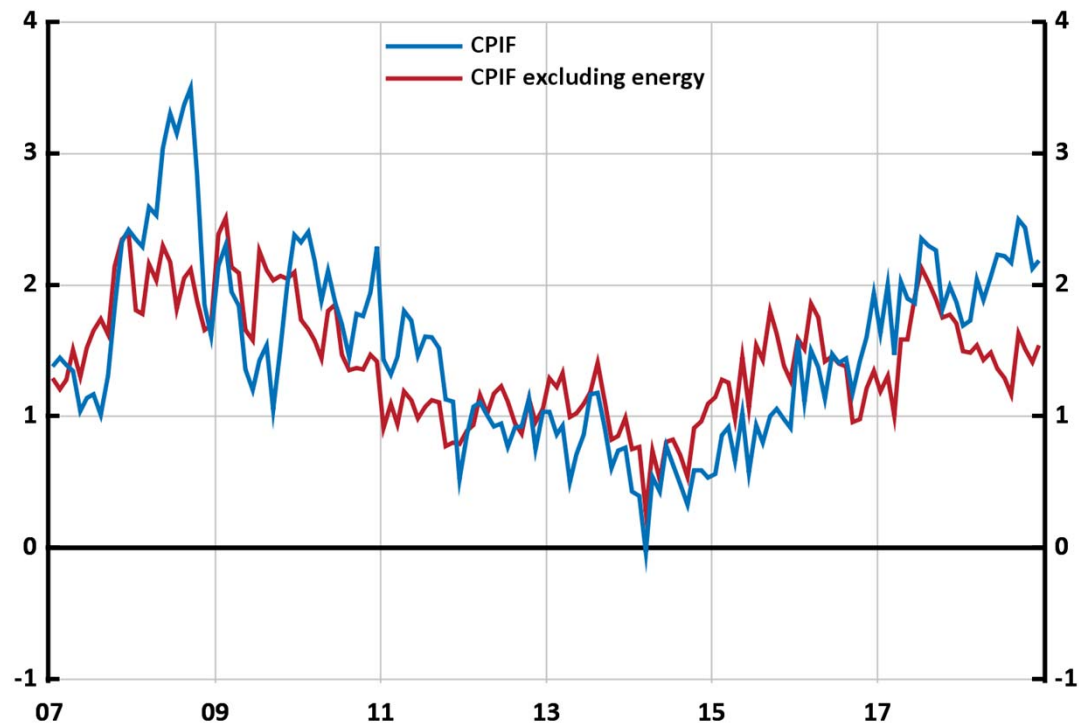


Note. GDP abroad is weighted using the weights in the krona index (KIX). For GDP abroad, 2018 Q4 refers to the Riksbank's forecast in February 2019.

Source: National sources, Statistics Sweden and the Riksbank

Figure 2:2. The CPIF and CPIF excluding energy

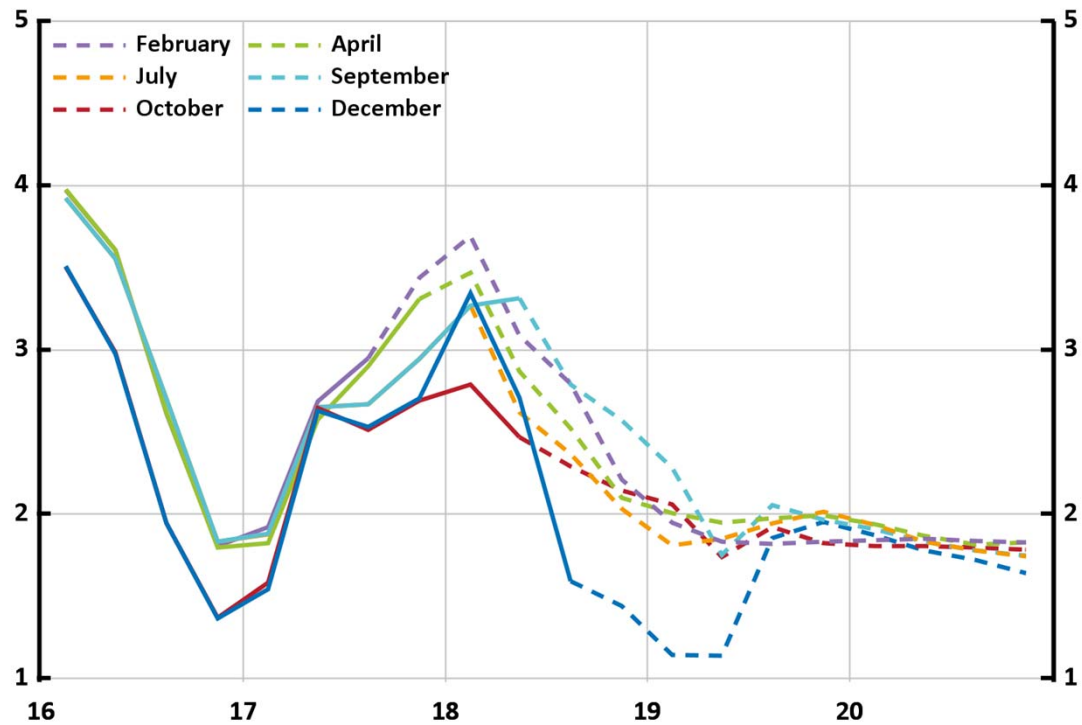
Annual percentage change



Source: Statistics Sweden.

Figure 2:3. GDP, forecasts 2018

Annual percentage change

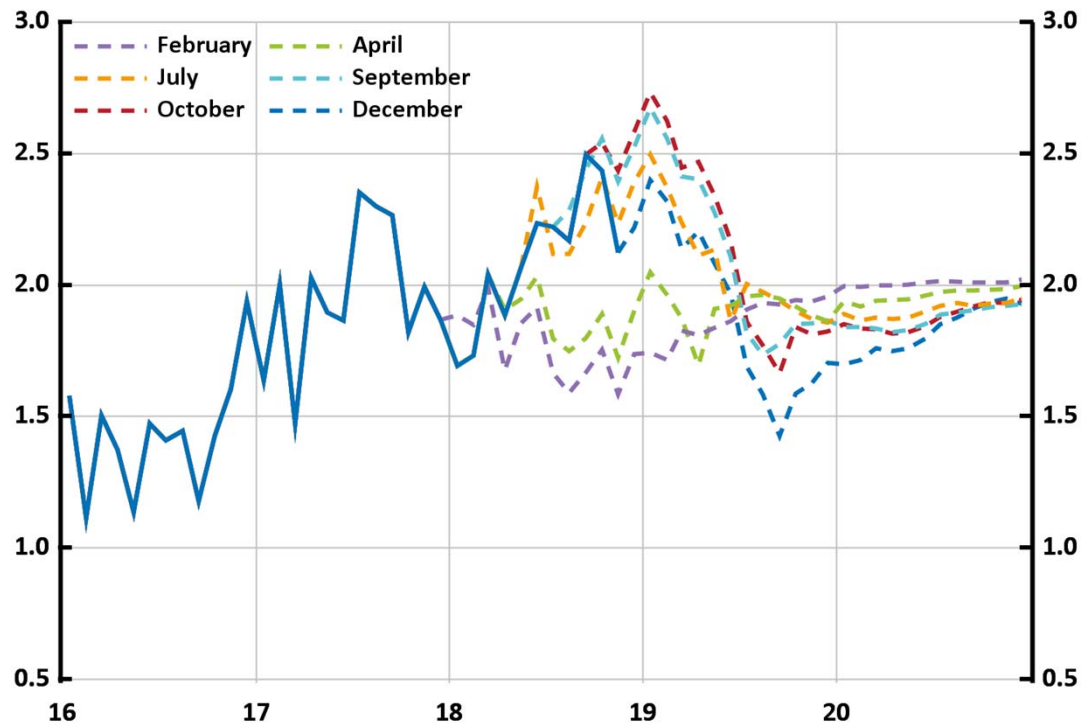


Note. Several outcome lines are shown in the figure. This is because the outcomes have been revised by Statistics Sweden.

Sources: Statistics Sweden and the Riksbank

Figure 2:4. CPIF, forecasts 2018

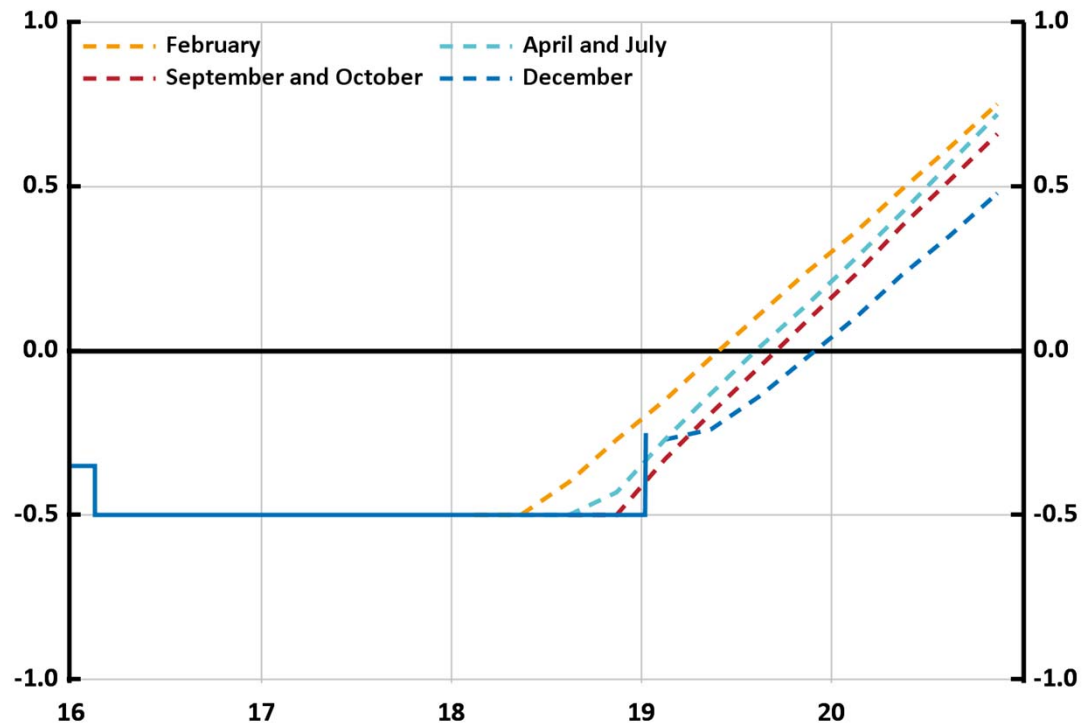
Annual percentage change



Sources: Statistics Sweden and the Riksbank

Figure 2:5. Repo rate, forecasts 2018

Per cent

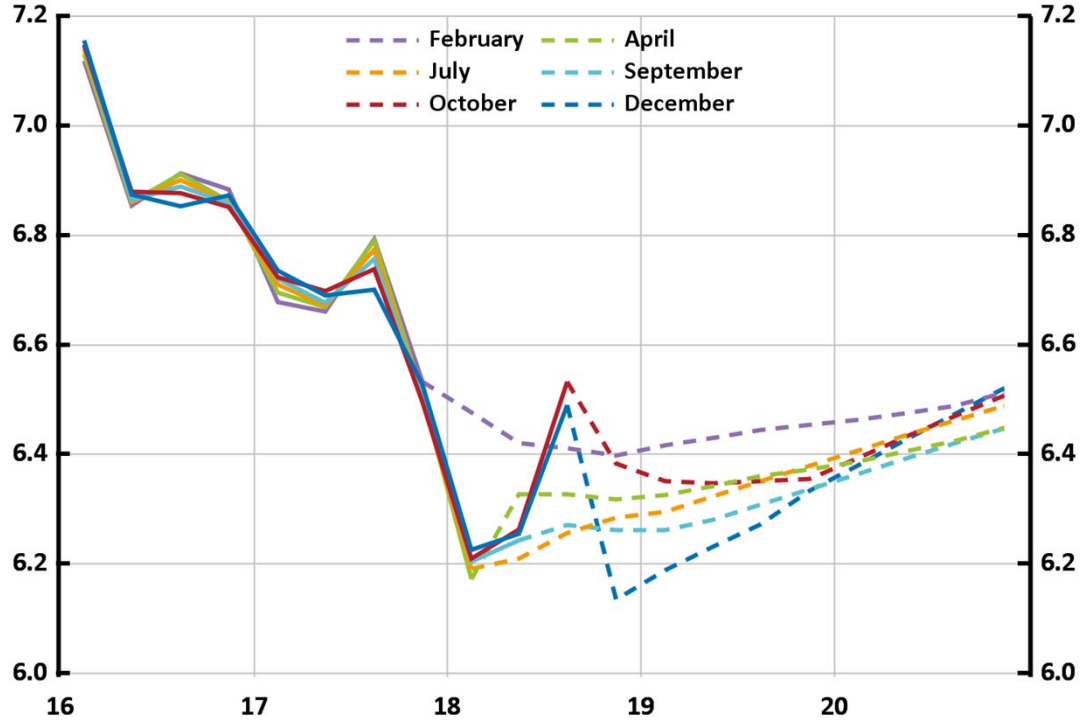


Note. Outcome data are daily rates and forecasts are quarterly averages. The forecasts from April and July are identical, and so are the forecasts from September and October.

Source: The Riksbank

Figure 2:6. Unemployment, forecasts 2018

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

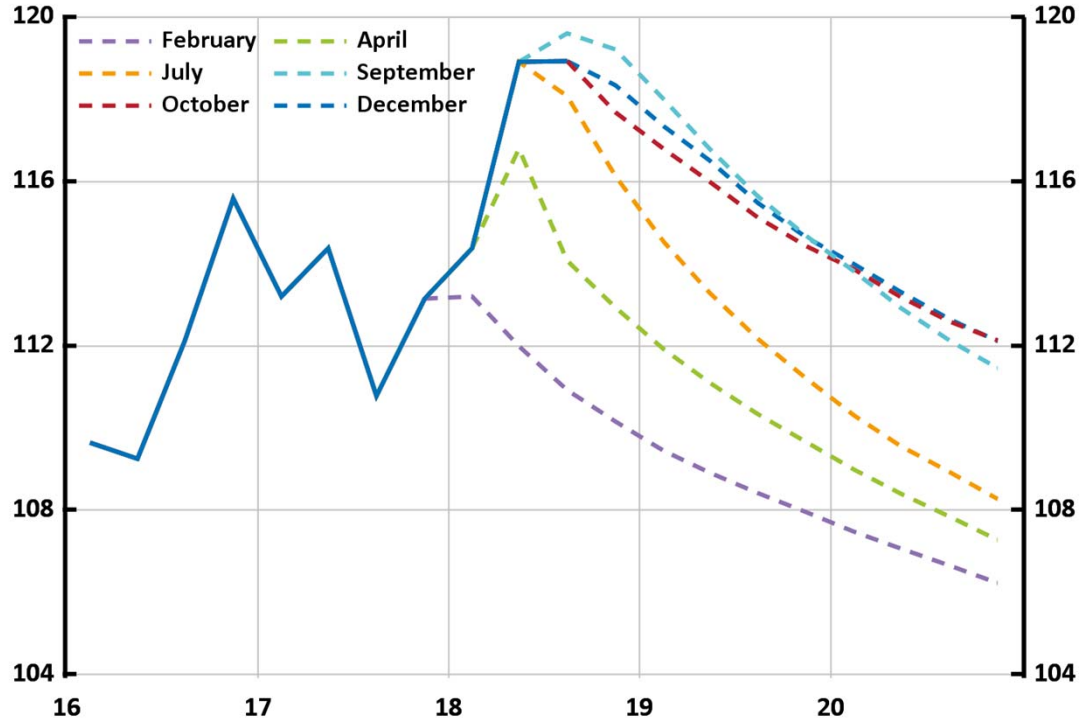


Note. Several outcome lines are shown in the figure. This is because the series have been seasonally adjusted and the seasonal adjustment can change when a new outcome is published.

Sources: Statistics Sweden and the Riksbank

Figure 2:7. KIX-weighted nominal exchange rate, forecasts 2018

Index, 18 November 1992 = 100

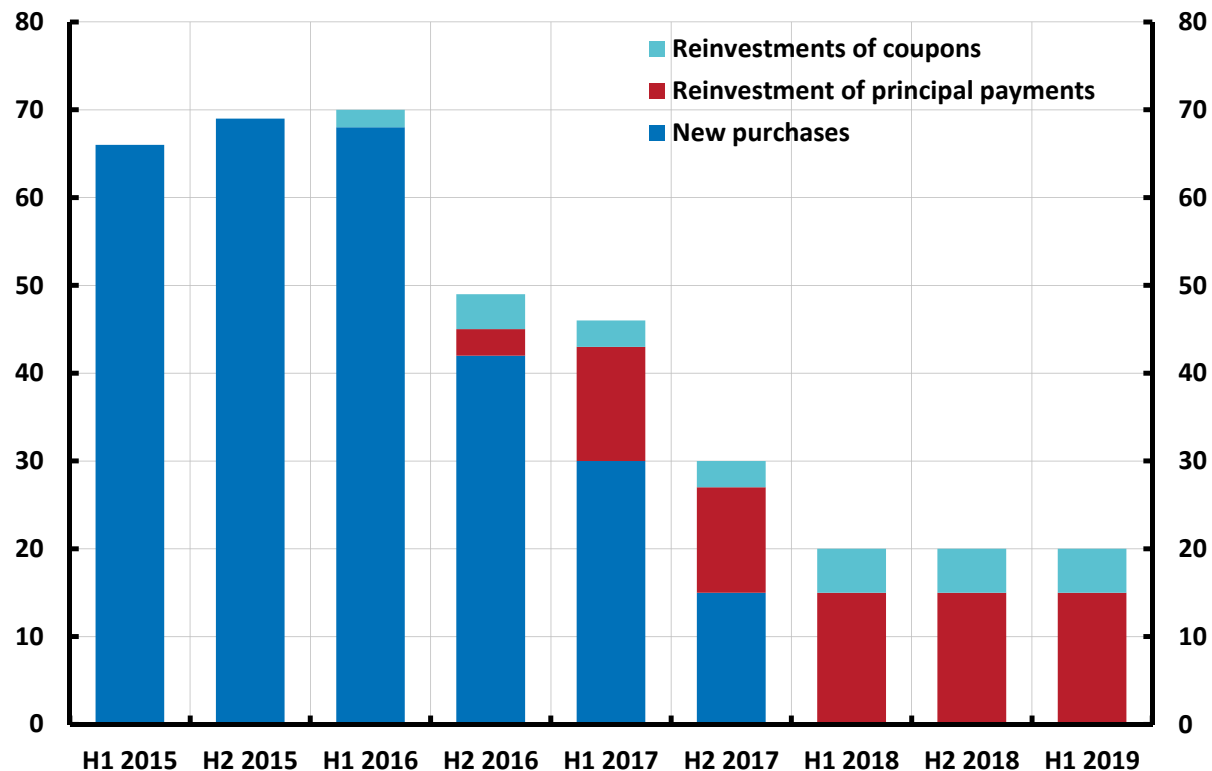


Note. The KIX (krona index) is a weighted average of the krona exchange rate against currencies in countries that are important for Sweden's international transactions. A higher value indicates a weaker exchange rate.

Sources: National sources and the Riksbank

Figure 2:8. The Riksbank's purchases of government bonds

Nominal amounts, SEK billion

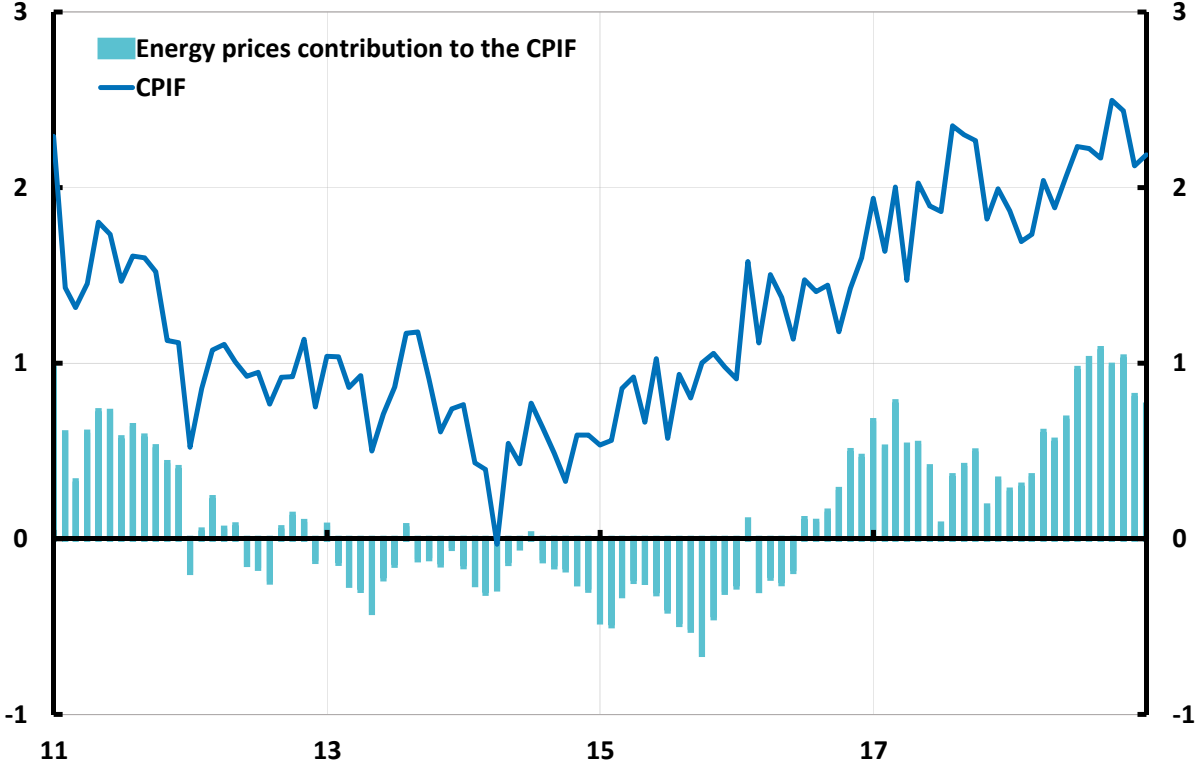


Note. The development for reinvestments from 2019 onwards is a forecast and refers to nominal amounts. The final amounts will depend on current market prices.

Source: The Riksbank

Figure 2:9. CPIF and contribution from energy prices

Annual percentage change and percentage points respectively

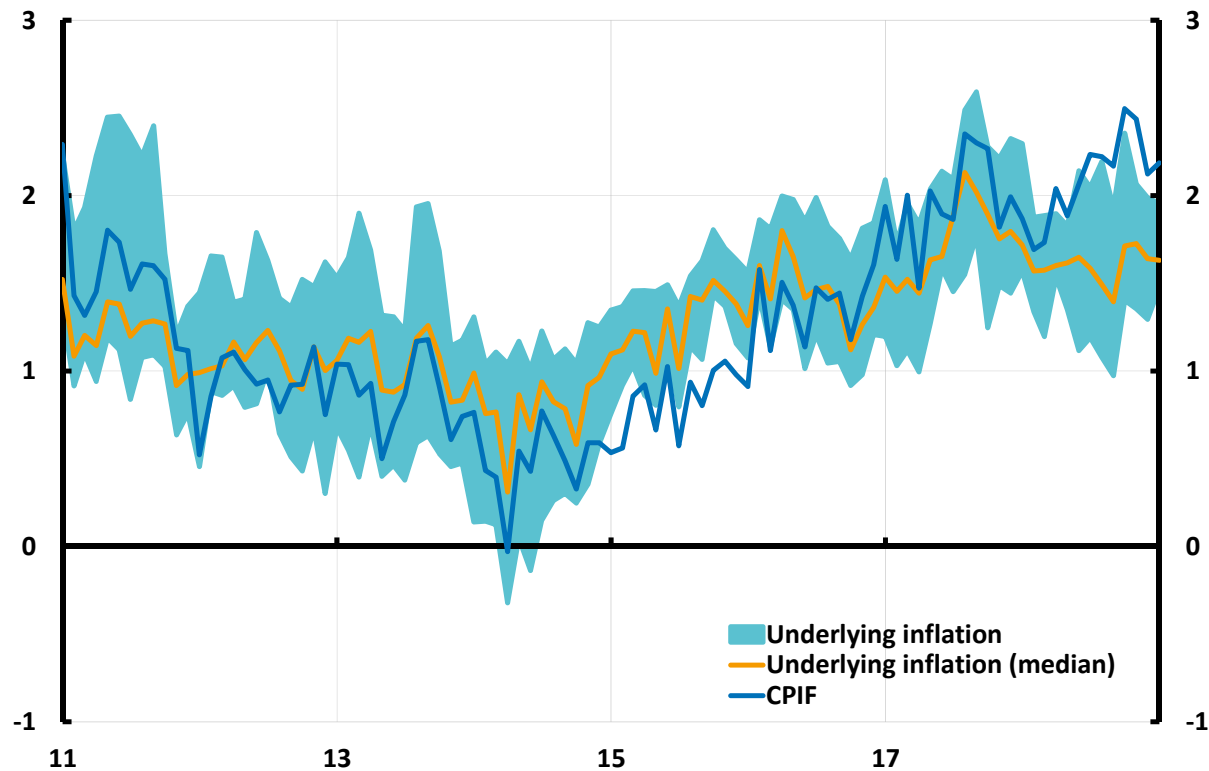


Note. The group 'energy prices' consists of fuel and electricity prices. The contribution of energy prices to the CPIF in the forecast is approximately equal to the annual percentage change in energy prices multiplied by their current weight in the CPIF.

Sources: Statistics Sweden and the Riksbank

Figure 2:10. CPIF and measures of underlying inflation

Annual percentage change



Note. The field shows the highest and lowest outcomes among different measures of underlying inflation. The measures included are: CPIF excluding energy, CPIF excluding energy and perishables, CPIFPC, CPIFPV, Trim1, Trim85 and UND24.

Sources: Statistics Sweden and the Riksbank

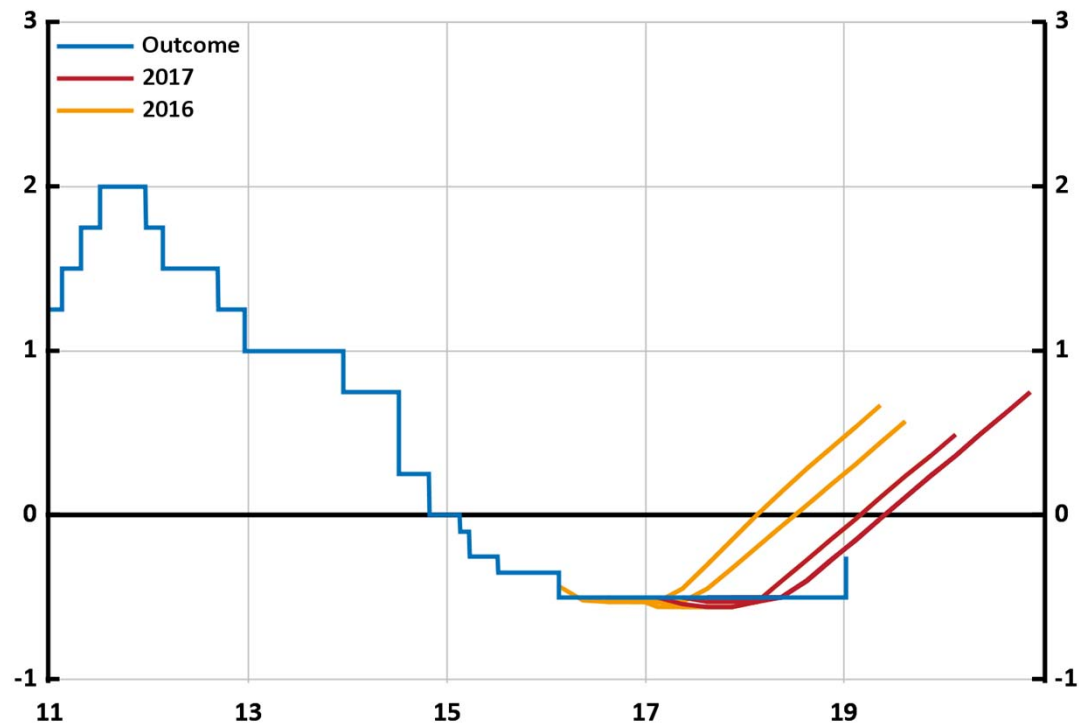
Chapter 3

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



Figure 3:1. Repo rate, outcome and forecasts

Per cent

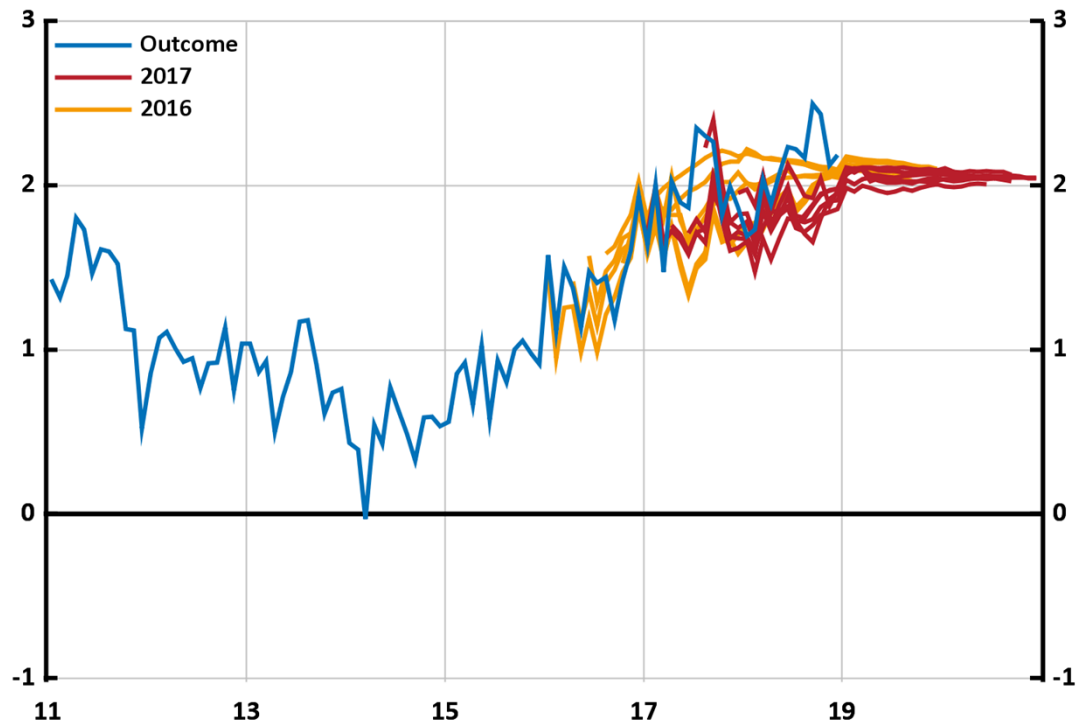


Note. The yellow and red lines represent the Riksbank's forecasts 2016 and 2017. Several of the forecasts made in 2016 largely coincide with each other. The same is true of forecasts made in 2017. Outcomes are daily data and forecasts refer to quarterly averages.

Source: The Riksbank

Figure 3:2. CPIF, outcome and forecasts

Annual percentage change

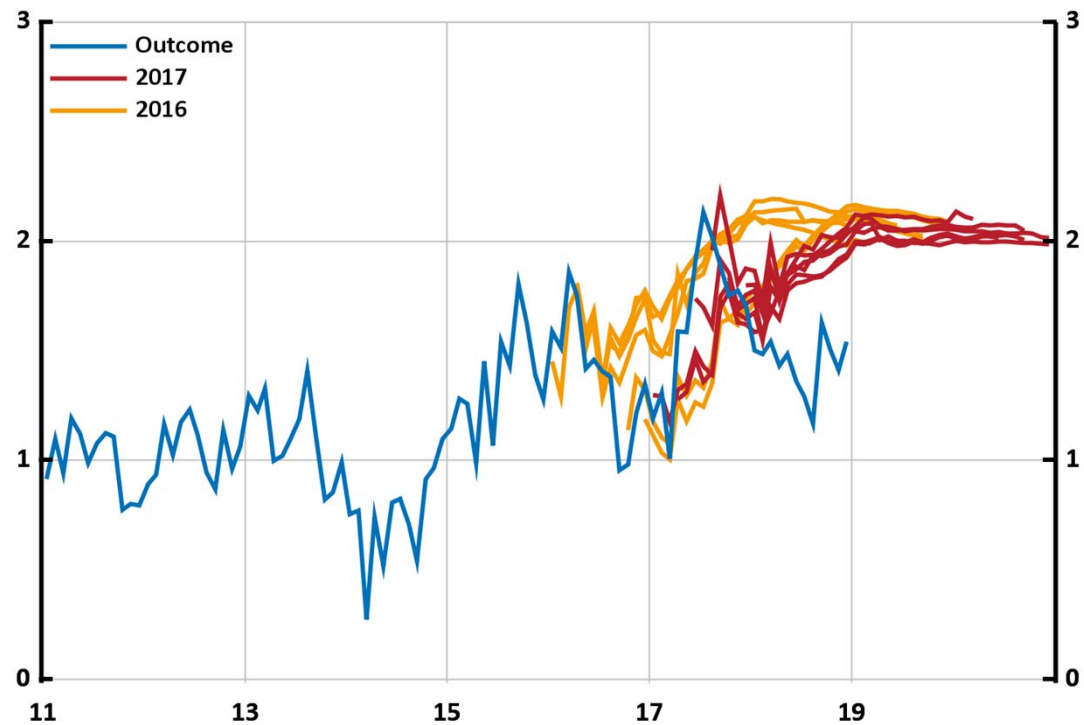


Note. The yellow and red lines represent the Riksbank's forecasts 2016 and 2017.

Sources: Statistics Sweden and the Riksbank

Figure 3:3. CPIF excluding energy, outcome and forecasts

Annual percentage change

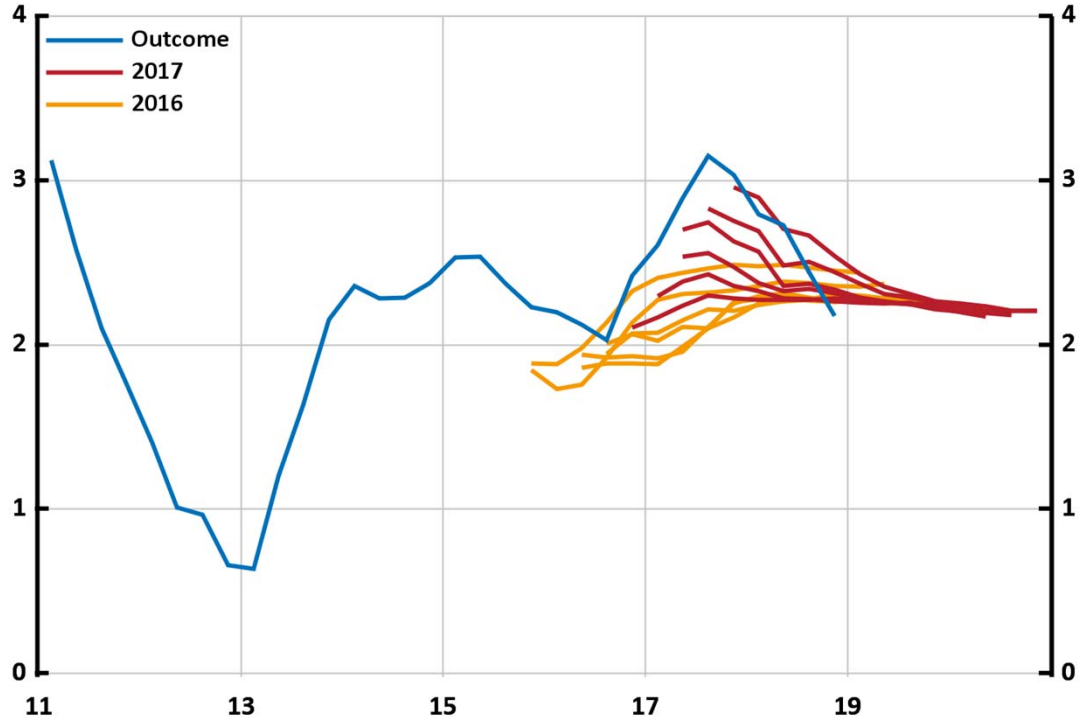


Note. The yellow and red lines represent the Riksbank's forecasts 2016 and 2017.

Sources: Statistics Sweden and the Riksbank

Figure 3:4. GDP abroad, outcome and forecasts

KIX-weighted, annual percentage change

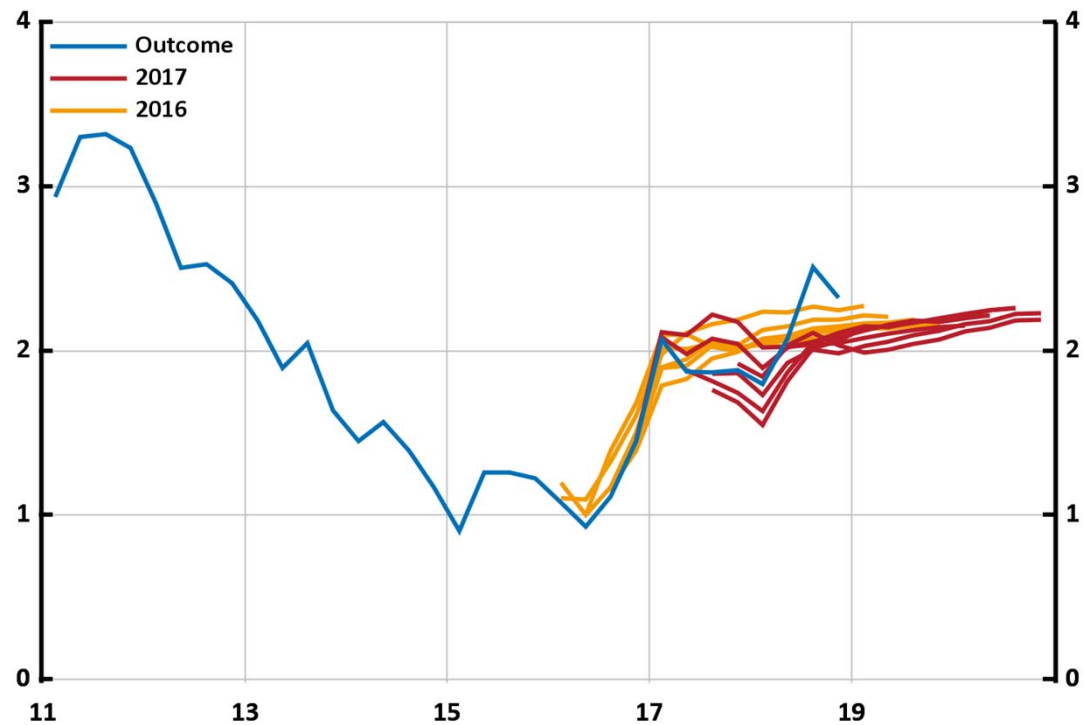


Note. The yellow and red lines represent the Riksbank's forecasts 2016 and 2017. The outcome for 2018 Q4 refers to the Riksbank's forecast in February 2019. KIX refers to an aggregate of countries that are important for Sweden's international transaction.

Sources: National sources and the Riksbank

Figure 3:5. Inflation abroad, outcome and forecasts

KIX-weighted, annual percentage change

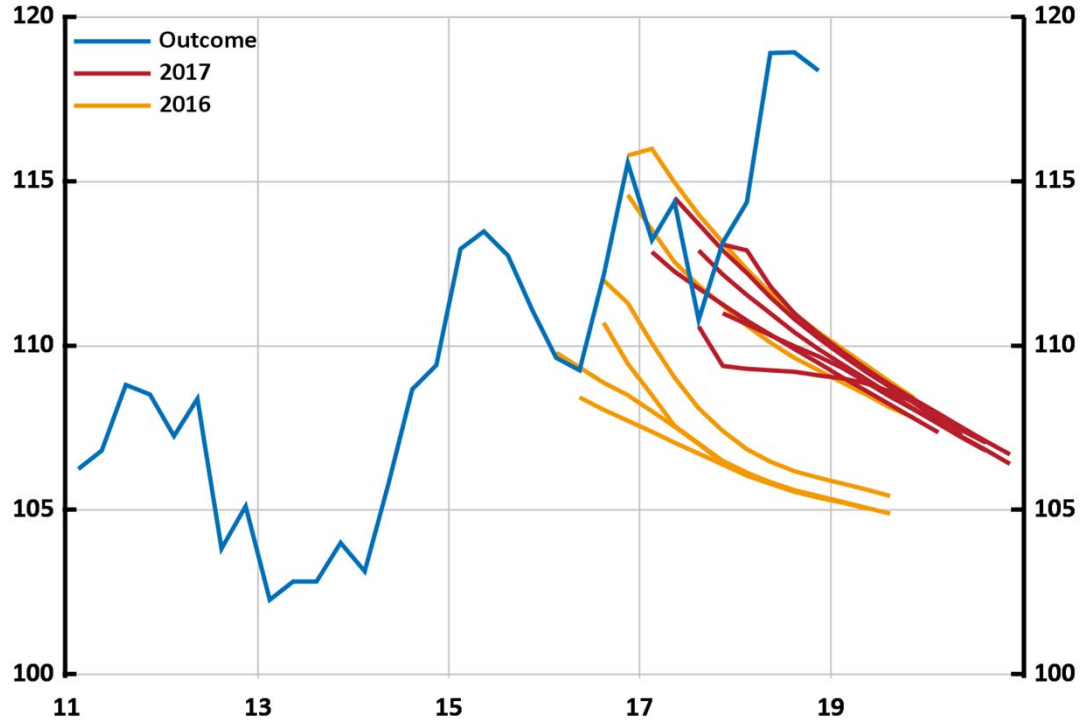


Note. The yellow and red lines represent the Riksbank's forecasts 2016 and 2017. KIX refers to an aggregate of countries that are important for Sweden's international transactions.

Sources: National sources and the Riksbank

Figure 3:6. KIX-weighted nominal exchange rate, outcome and forecasts

Index, 18 November 1992 = 100

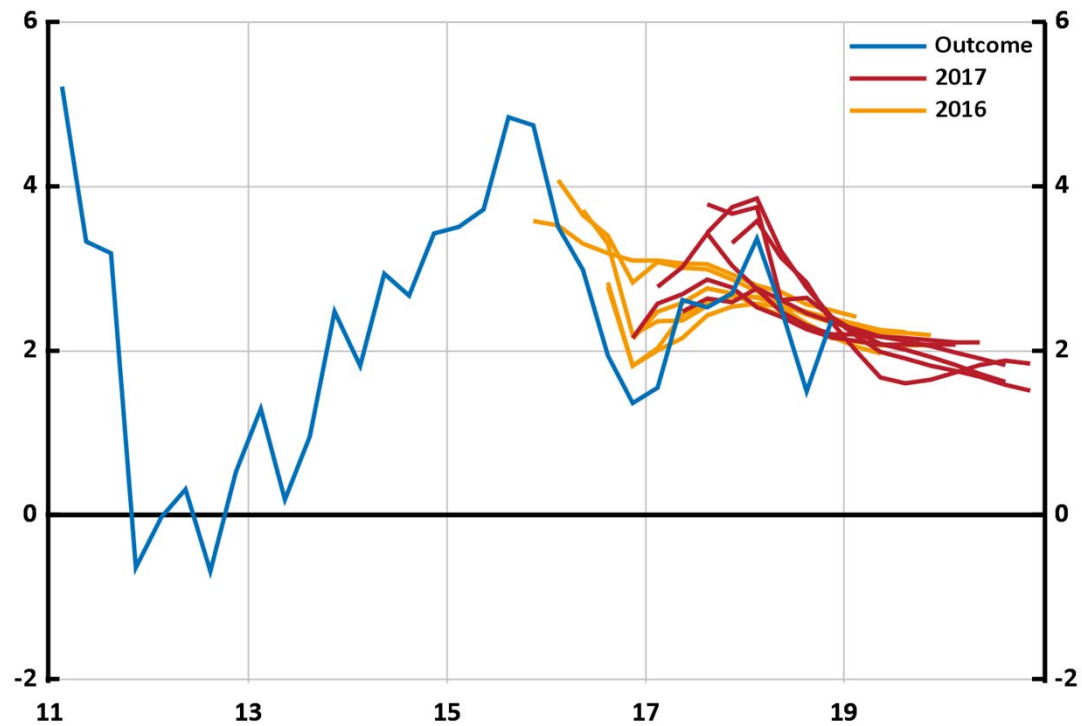


Note. The yellow and red lines represent the Riksbank's forecasts 2016 and 2017. The KIX (krona index) is a weighted average of the krona exchange rate against currencies in countries that are important for Sweden's international transactions. A higher value indicates a weaker exchange rate.

Source: National sources and The Riksbank

Figure 3:7. GDP, outcome and forecasts

Annual percentage change, calendar-adjusted data

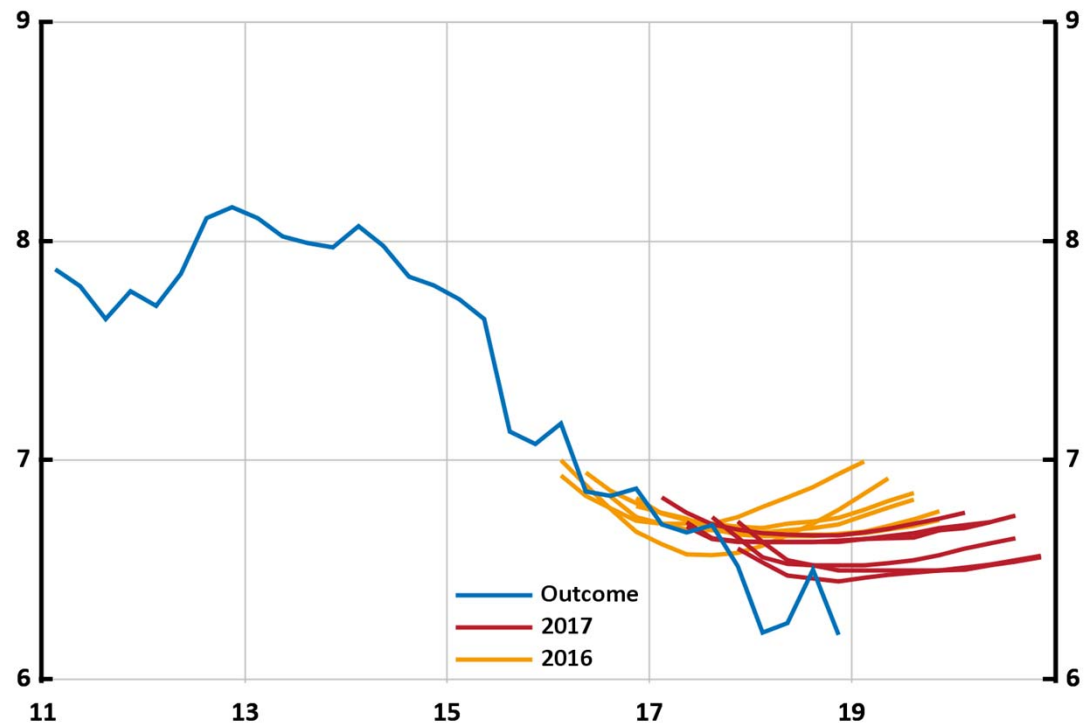


Note. The yellow and red lines represent the Riksbank's forecasts 2016 and 2017.

Sources: Statistics Sweden and the Riksbank

Figure 3:8. Unemployment, outcome and forecasts

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

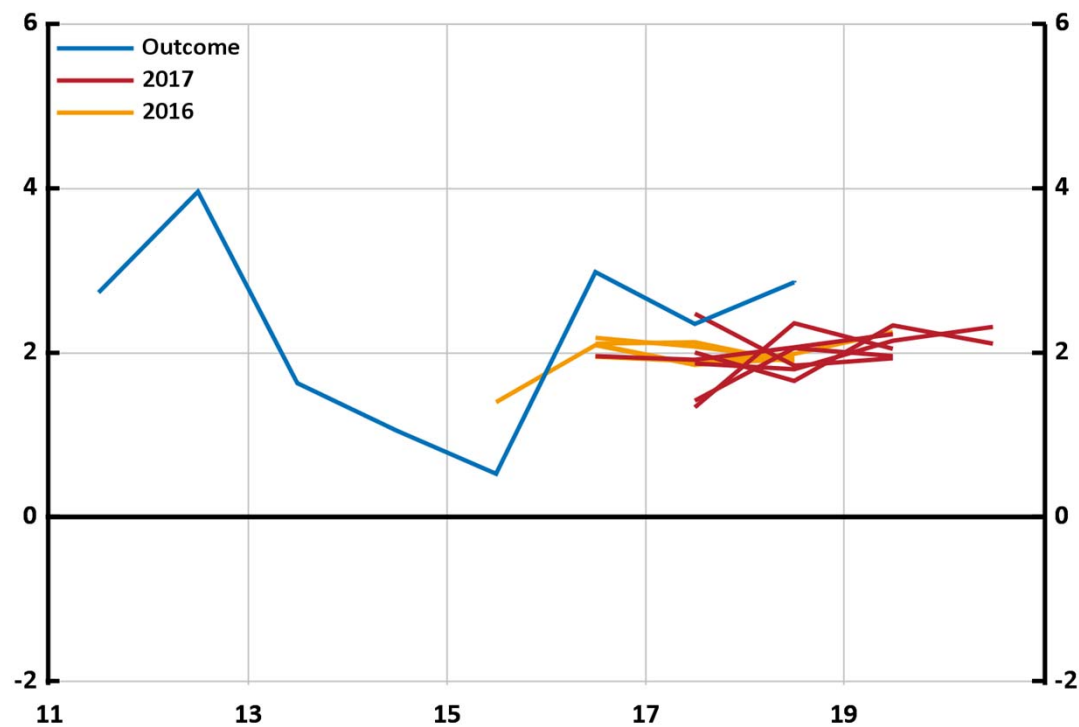


Note. The yellow and red lines represent the Riksbank's forecasts 2016 and 2017.

Sources: Statistics Sweden and the Riksbank

Figure 3:9. Unit labour cost, outcome and forecasts

Annual percentage change

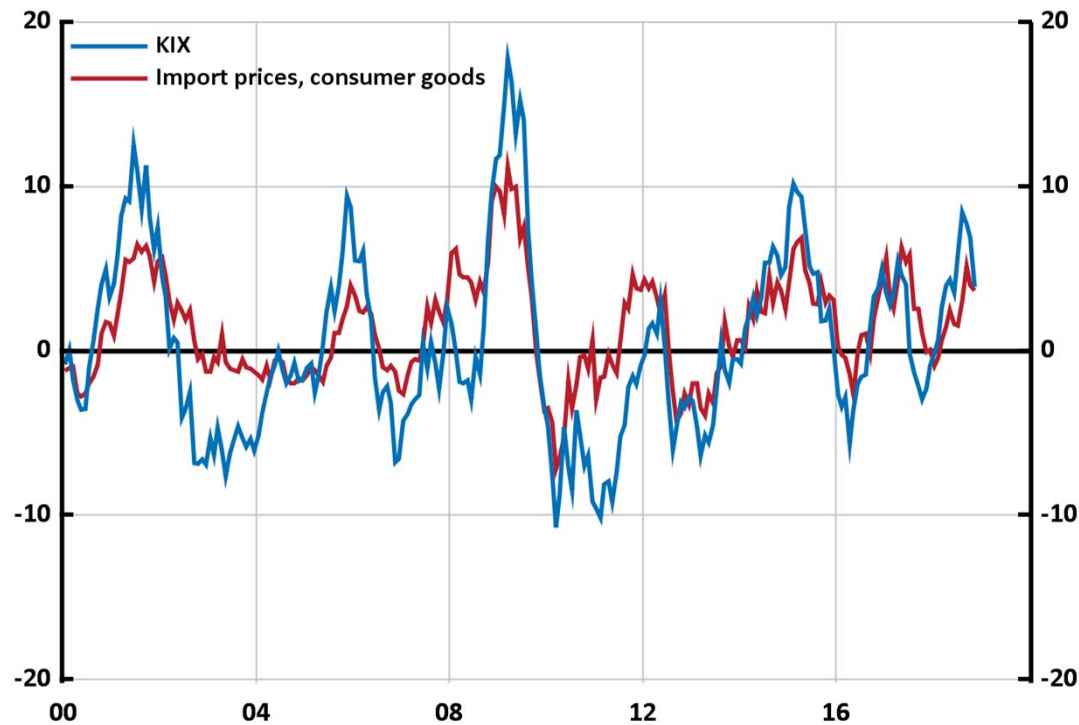


Note. The yellow and red lines represent the Riksbank's forecasts 2016 and 2017.

Source: Statistics Sweden and the Riksbank

Figure 3:10. Nominal exchange rate and import prices in the producer channel

Annual percentage change

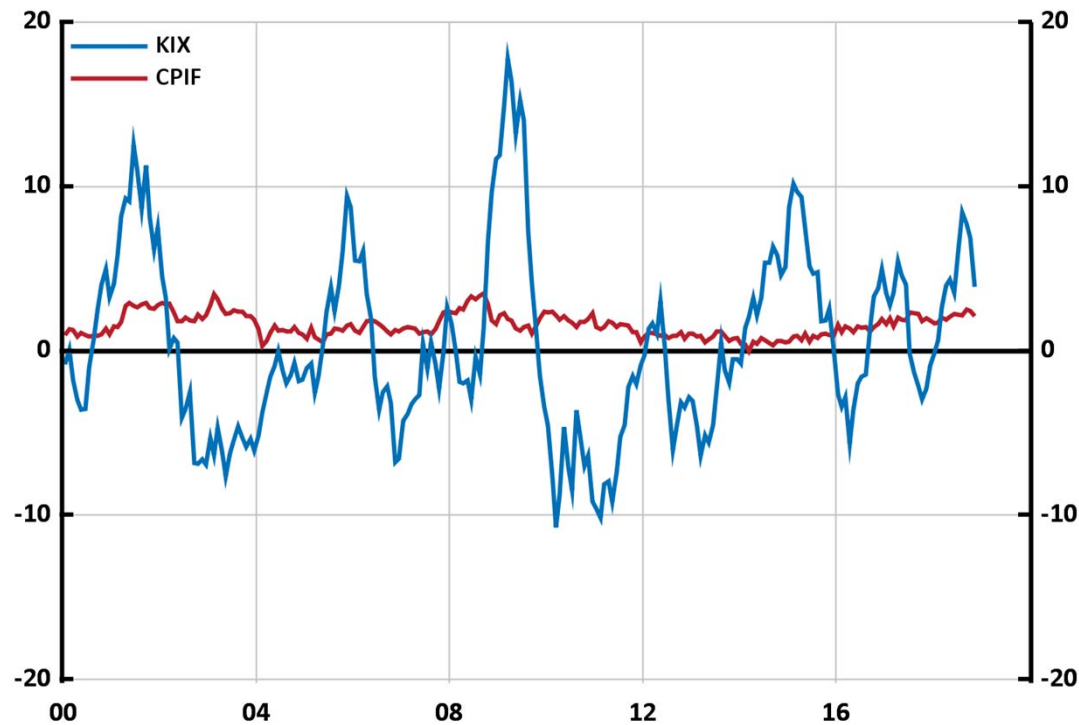


Note. The KIX (krona index) is a weighted average of the krona exchange rate against currencies in countries that are important for Sweden's international transactions. A higher value indicates a weaker exchange rate.

Source: National sources, Statistcs Sweden and the Riksbank

Figure 3:11. Nominal exchange rate and the CPIF

Annual percentage change



Note. 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.

Source: National sources, Statistics Sweden and the Riksbank

Figure 3:12. KIX-weighted nominal exchange rate

Index, 18 November 1992 = 100



Note. 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

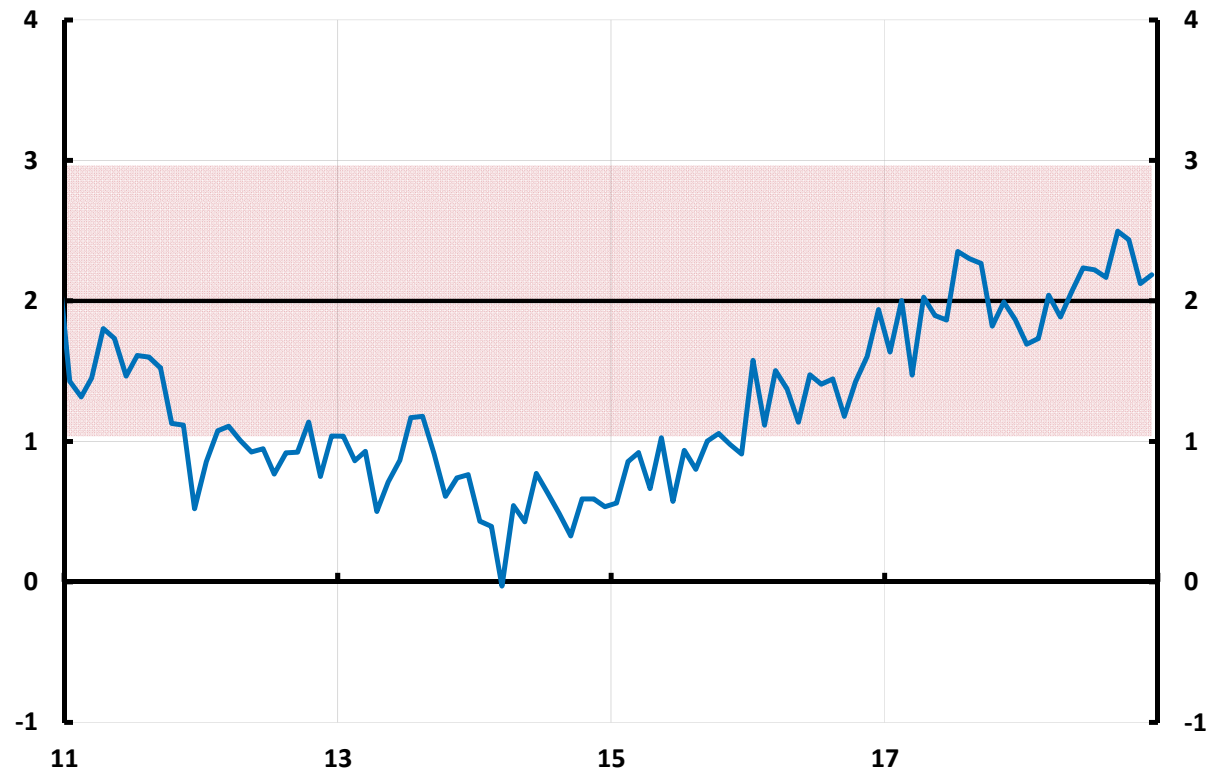
Chapter 4

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



Figure 4:1. CPIF and variation band

Annual percentage change

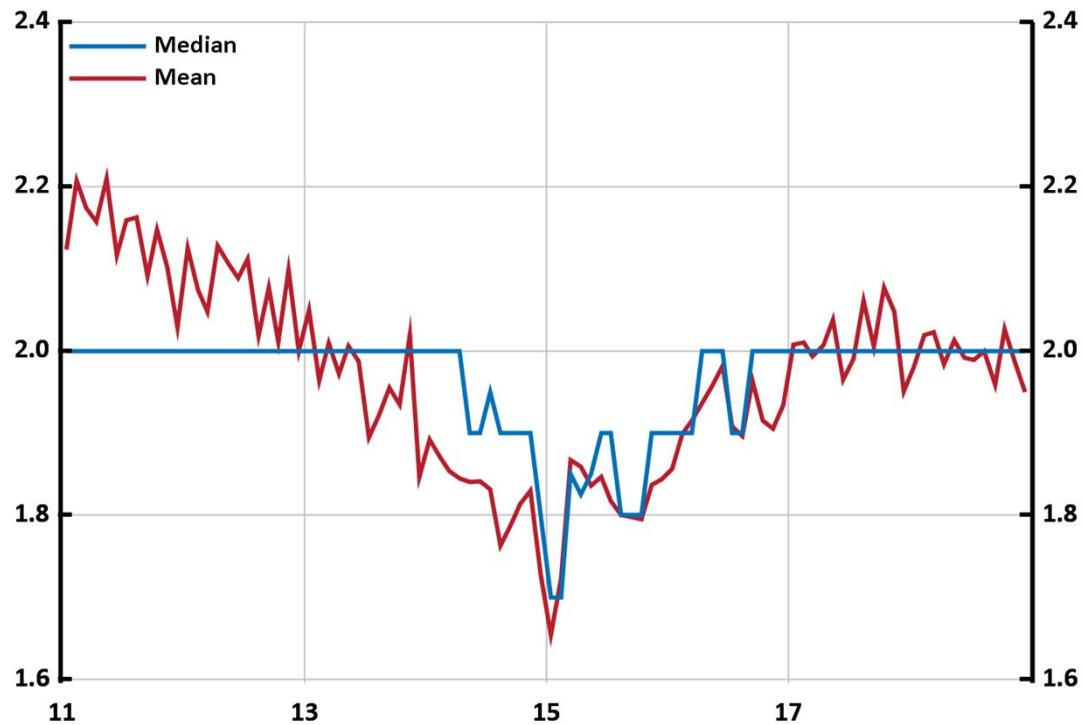


Note. The pink area shows the Riksbank's variation band and covers about three-quarters of the outcomes since January 1995. The variation band is a way of showing whether the deviation from the inflation target is unusually large.

Sources: Statistics Sweden and the Riksbank

Figure 4:2. Inflation expectations among money market participants, 5 years ahead

Per cent

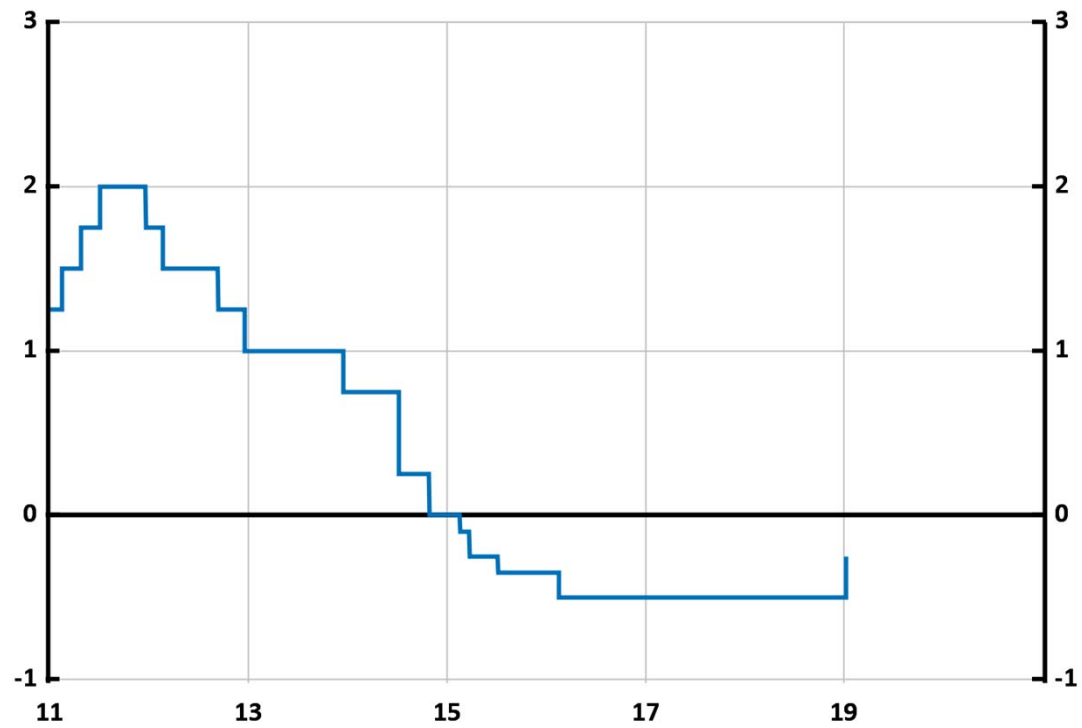


Note. Refers to inflation measured with the CPI. The median shows the inflation value that has as many measurement values above as below it. Unlike the average, the median value is not sensitive to extreme values.

Source: Kantar Sifo Prospera

Figure 4:3. The Repo rate

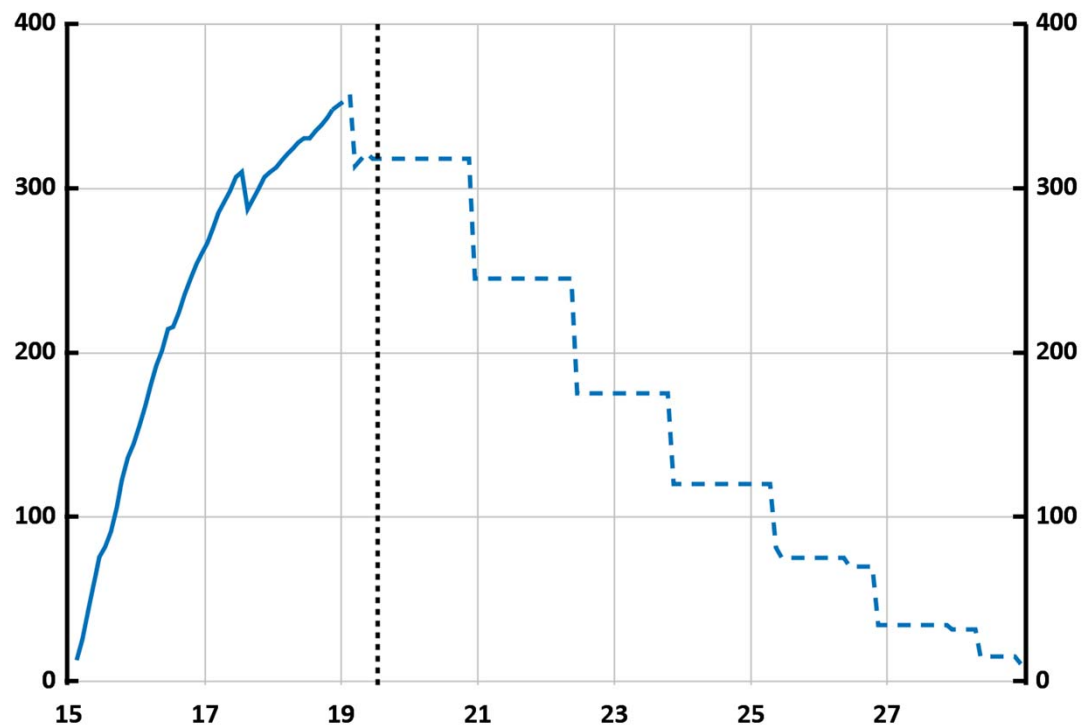
Per cent



Source: The Riksbank

Figure 4:4. The Riksbank's holdings of government bonds

Nominal amounts, SEK billion

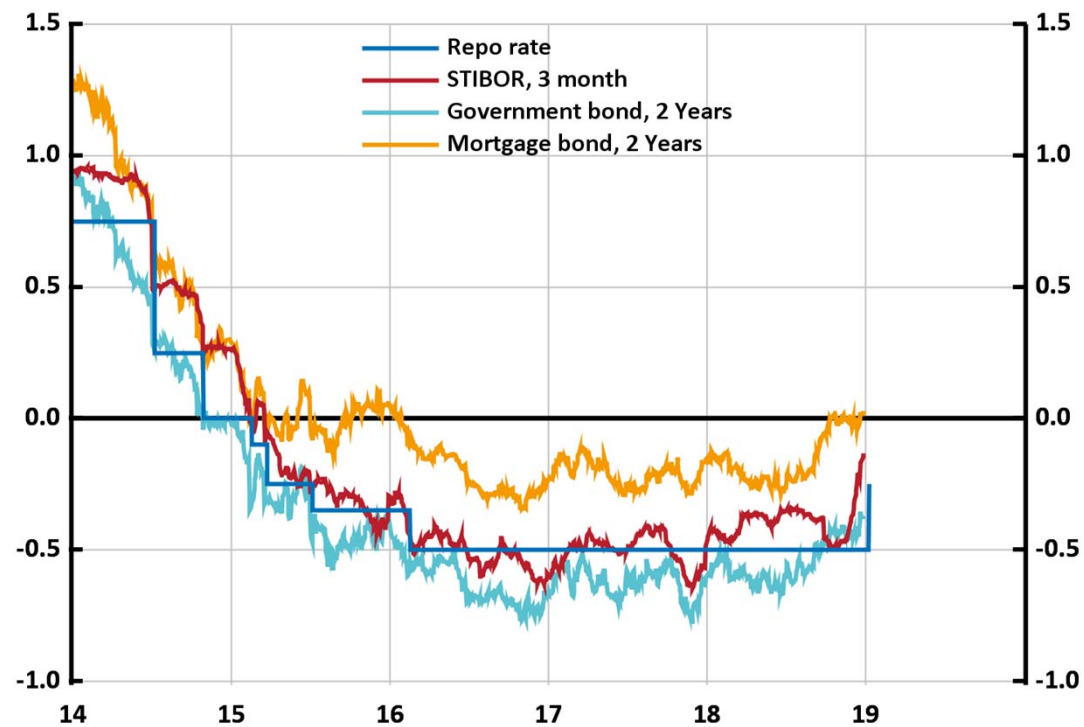


te. Refers to the Riksbank forecast from December 2018. Forecast up until June 2019, after that a technical projection with the assumption that no further reinvestments are made. The development of the holdings is also affected to a certain extent by the bonds' market prices and by which bonds the Riksbank chooses to reinvest in. The vertical line marks the shift between the forecast and technical projection.

Source: The Riksbank

Figure 4:5. Interest rates in Sweden with up to 2-year maturity

Per cent

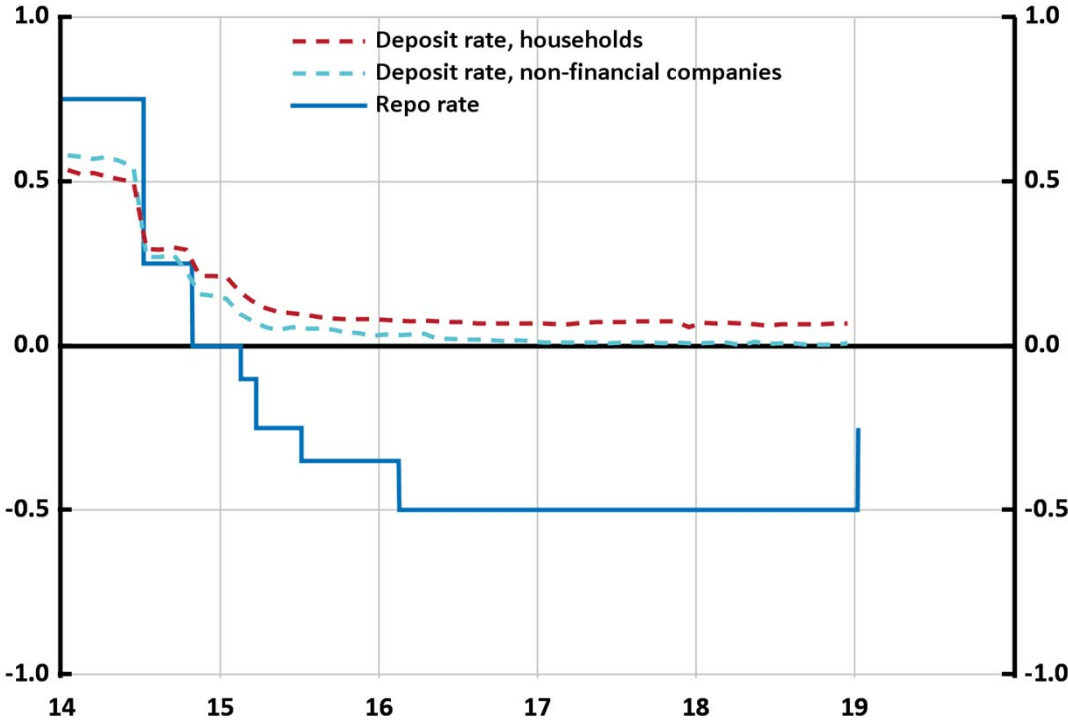


Note. The rate for government bonds and mortgage bonds refers to the implied zero coupon rate.

Source: The Riksbank

Figure 4:6. Repo rate together with the average deposit rate to households and companies, new contracts

Per cent

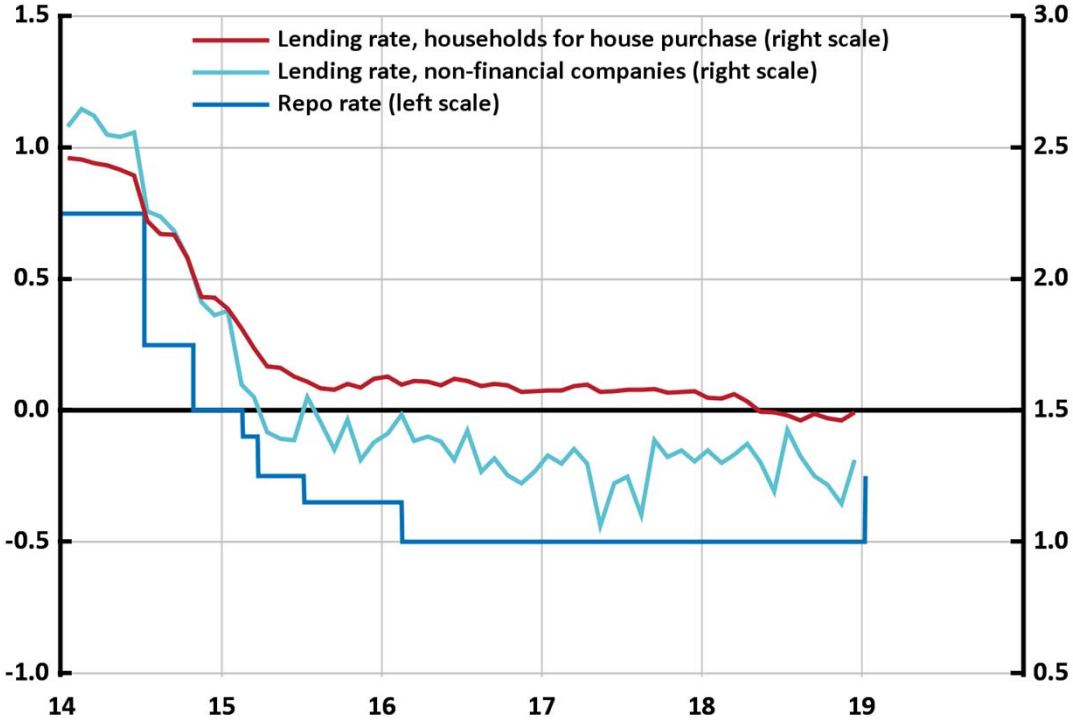


Note. Deposit rates are a weighted average of all interest rates for different maturities.

Sources: Statistics Sweden and the Riksbank

Figure 4:7. Repo rate together with the average lending rate to households and companies, new contracts

Per cent



Note. Lending rates are a weighted average of all interest rates for different maturities.

Sources: Statistics Sweden and the Riksbank

Figure 4:8. Stock market movement, OMXS

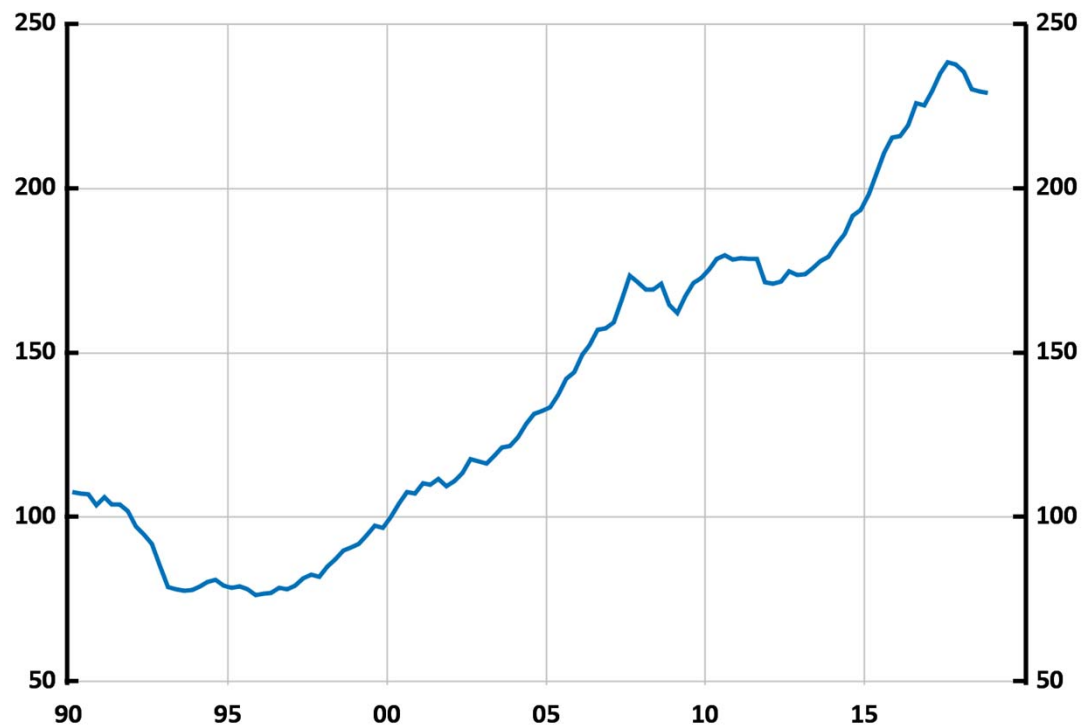
Index, 3 January 2017 = 100



Source: Macrobond

Figure 4:9. Real housing prices

Index 2000 Q1 = 100

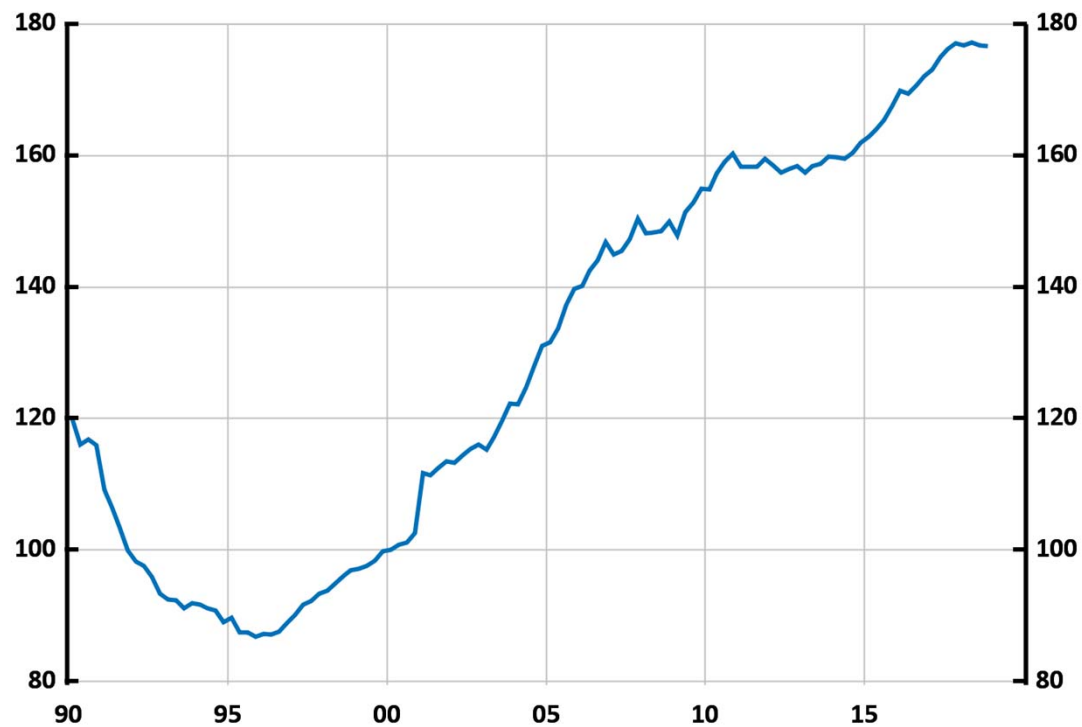


Note. Real housing prices refer to the price index (single-family houses) converted from nominal to real terms by using the CPIF.

Source: Statistics Sweden and the Riksbank

Figure 4:10. Household debt

Per cent of annual disposable income

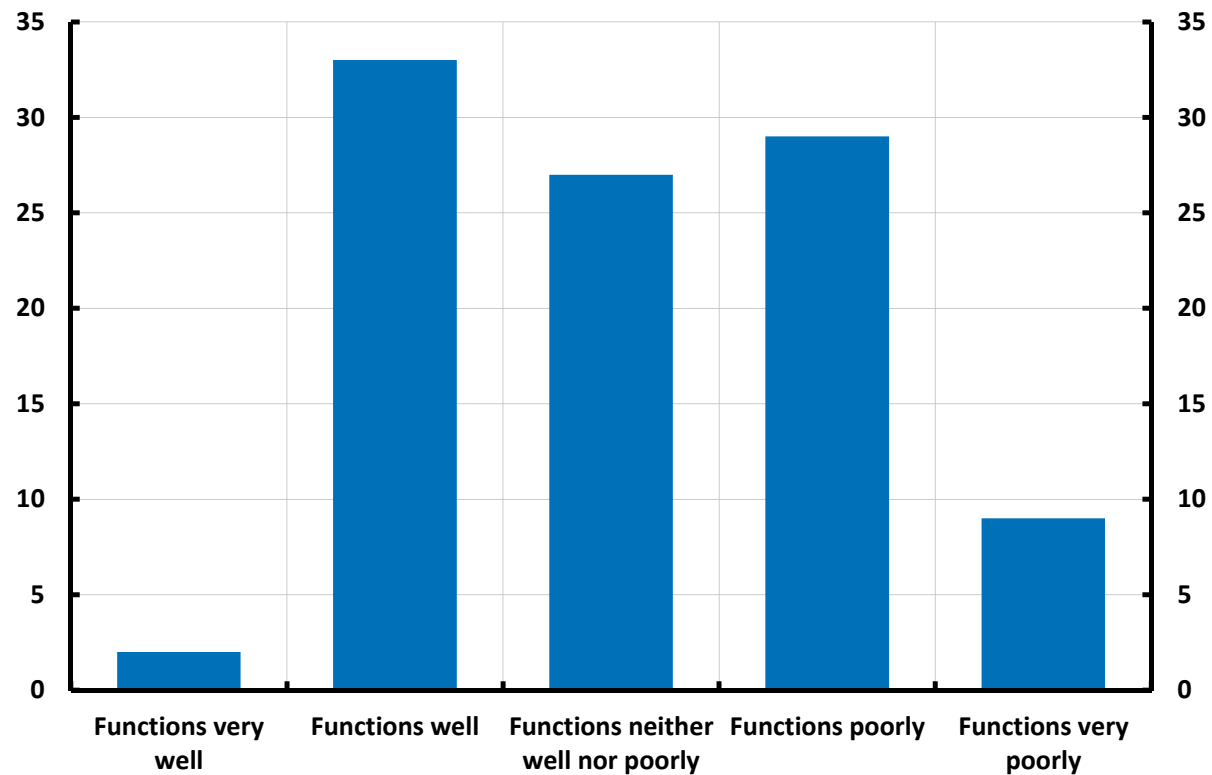


Note. Households' total debts as a share of their disposable income totalled over the past four quarters.

Source: Statistics Sweden and the Riksbank

Figure 4:11. What is your assessment of the functioning of the Swedish fixed-income market today?

Per cent

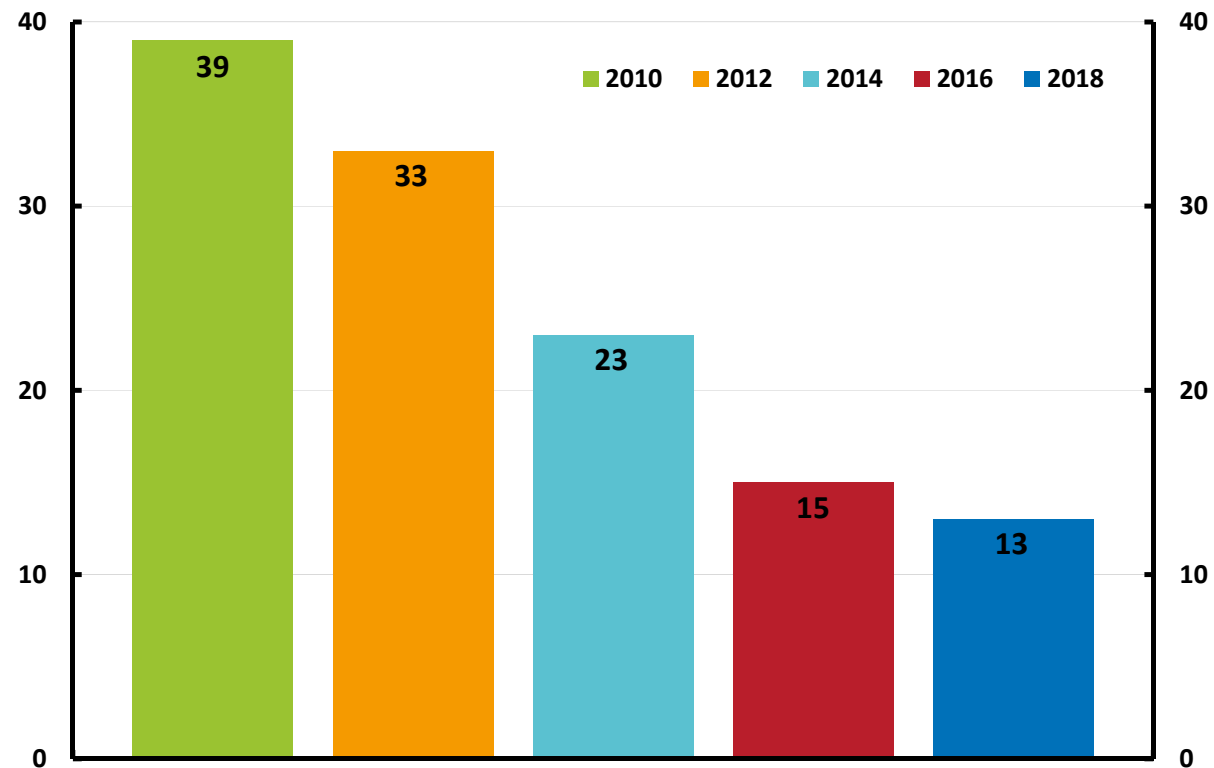


Note. Percentage of 45 responses in total. From Financial markets survey autumn 2018.

Source: The Riksbank

Figure 4:12. Demand for cash

Per cent

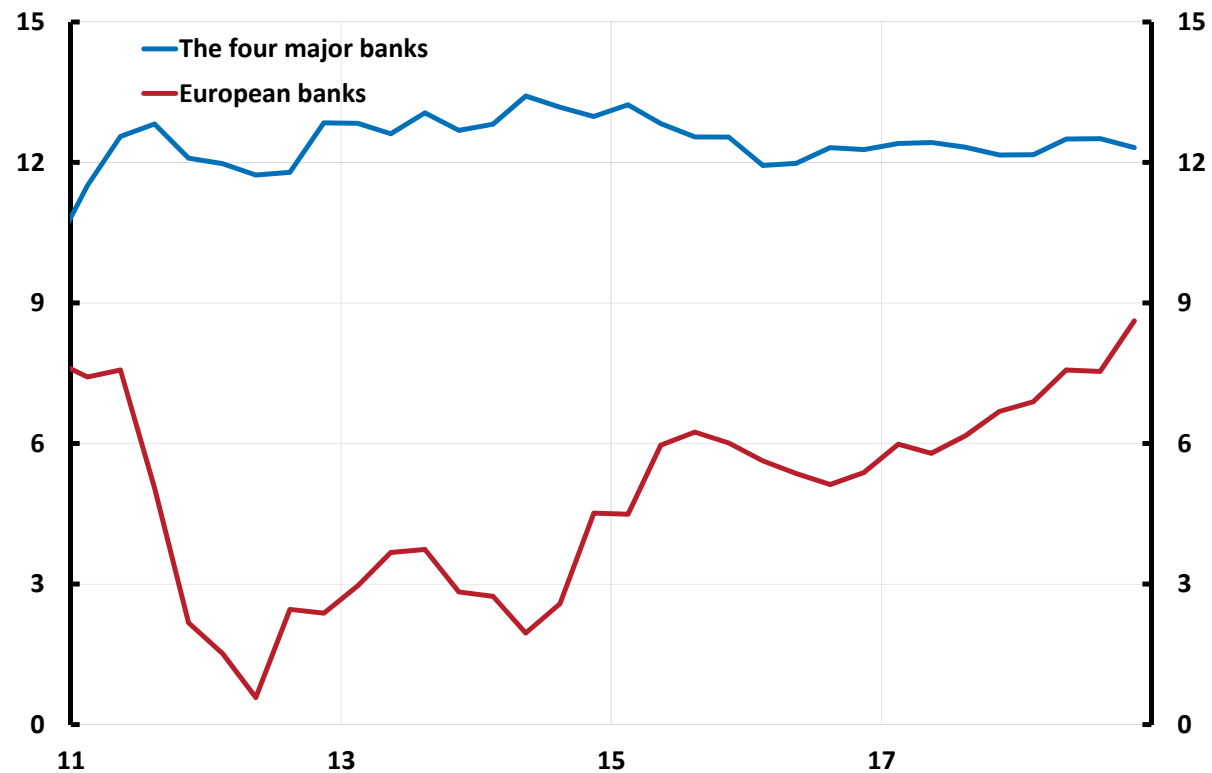


Note. Percentage of the respondents in the survey “Payments patterns in Sweden” saying that they paid for their most recent purchase in cash.

Source: The Riksbank

Figure 4:13. Return on equity

Per cent, rolling four quarters

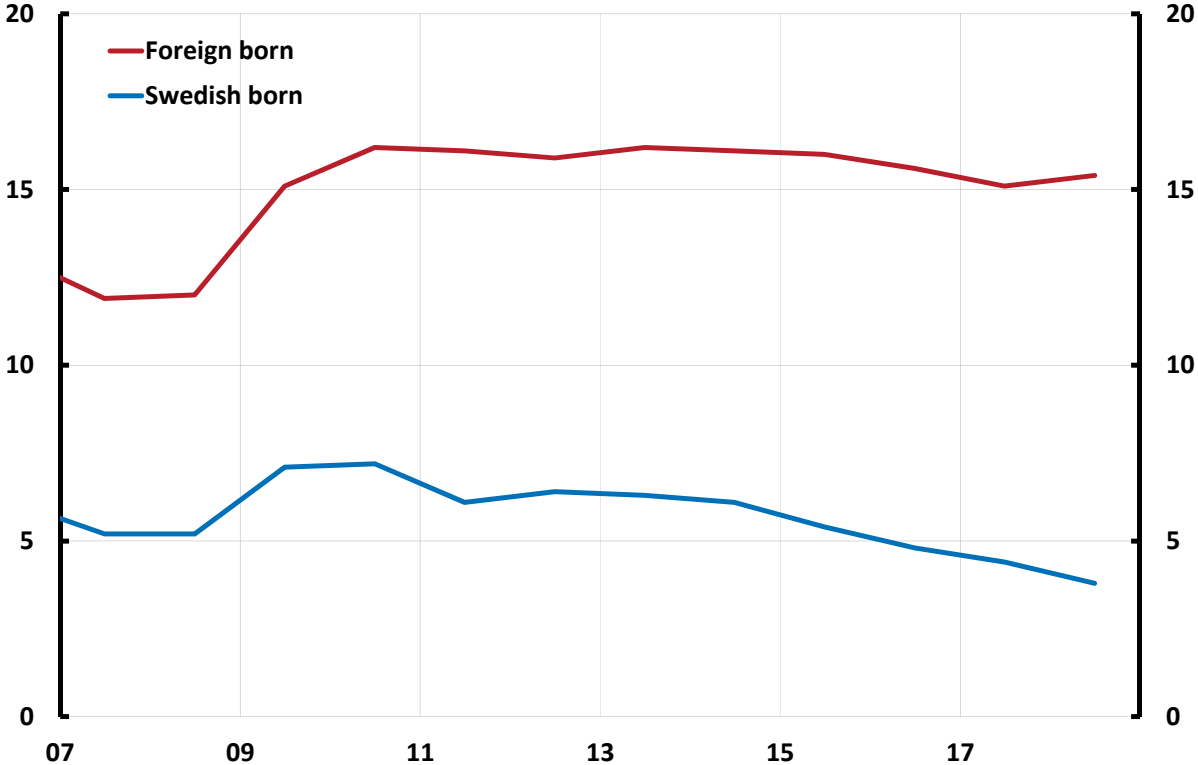


Note. Unweighted average adjusted for nonrecurring items. The red line refers to a sample of major European banks – see Financial Stability Report 2018:2, the Riksbank.

Sources: SNL Financial and the Riksbank

Figure 4:14. Unemployment among Swedish born and foreign born persons

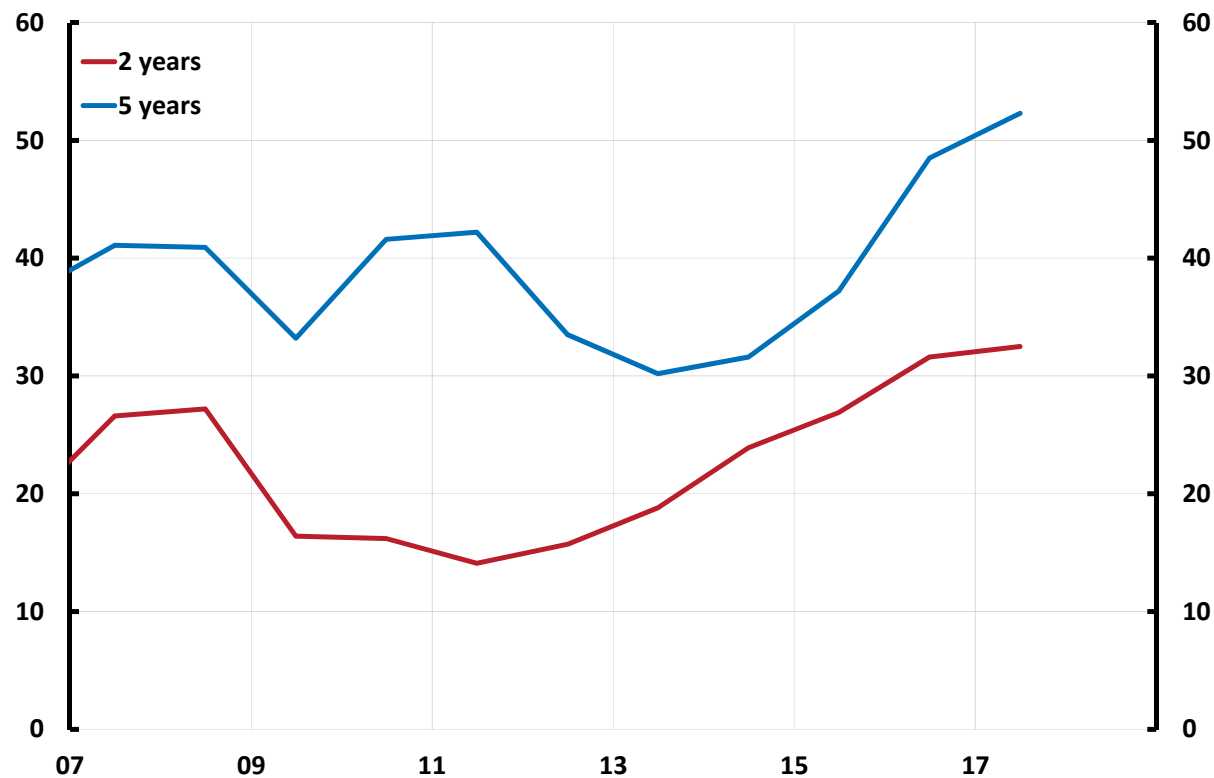
Percentage of the labour force in each group, 15–74 years



Source: Statistics Sweden (Labour Force Surveys)

Figure 4:15. Employment rate among foreign born persons by number of years in the country

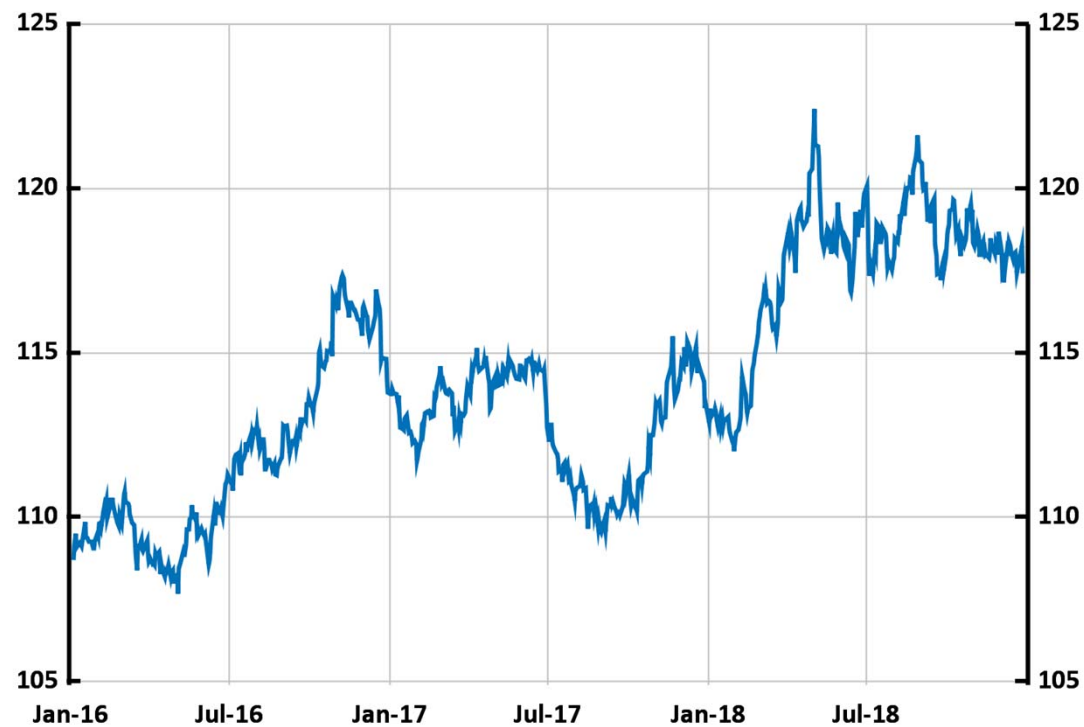
Percentage of foreign-born persons in the population, 20–64 years



Source: Statistics Sweden
(Labour statistics based on administrative sources)

Figure 4:16. KIX-weighted nominal exchange rate

Index, 18 November 1992 = 100

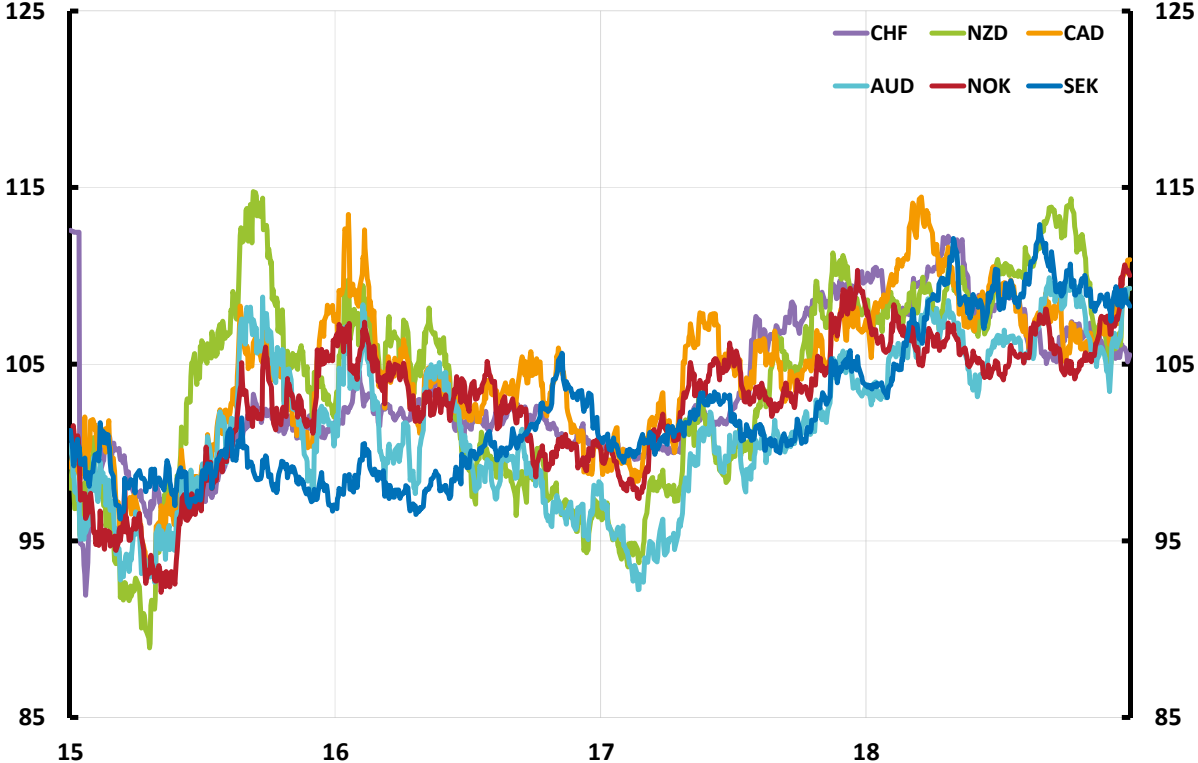


Note. The KIX (krona index) is a weighted average of the krona exchange rate against currencies in countries that are important for Sweden's international transactions. A higher value indicates a weaker exchange rate.

Sources: National sources and the Riksbank

Figure 4:17. Exchange rates of small open economies against the euro

Index, 2015 = 100



Note. A higher value indicates a weaker exchange rate.

Source: ECB