

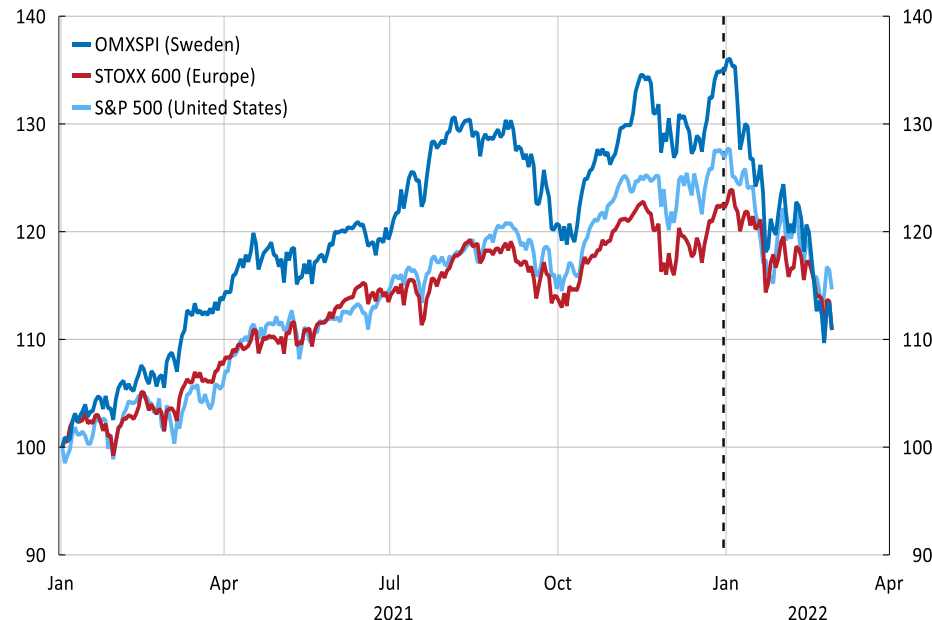
Perspectives on monetary policy

Riksdag Committee on Finance
3 March 2022

Anna Breman
Deputy Governor

Increased unease on the financial markets

The stock market index has fallen since the start of the year



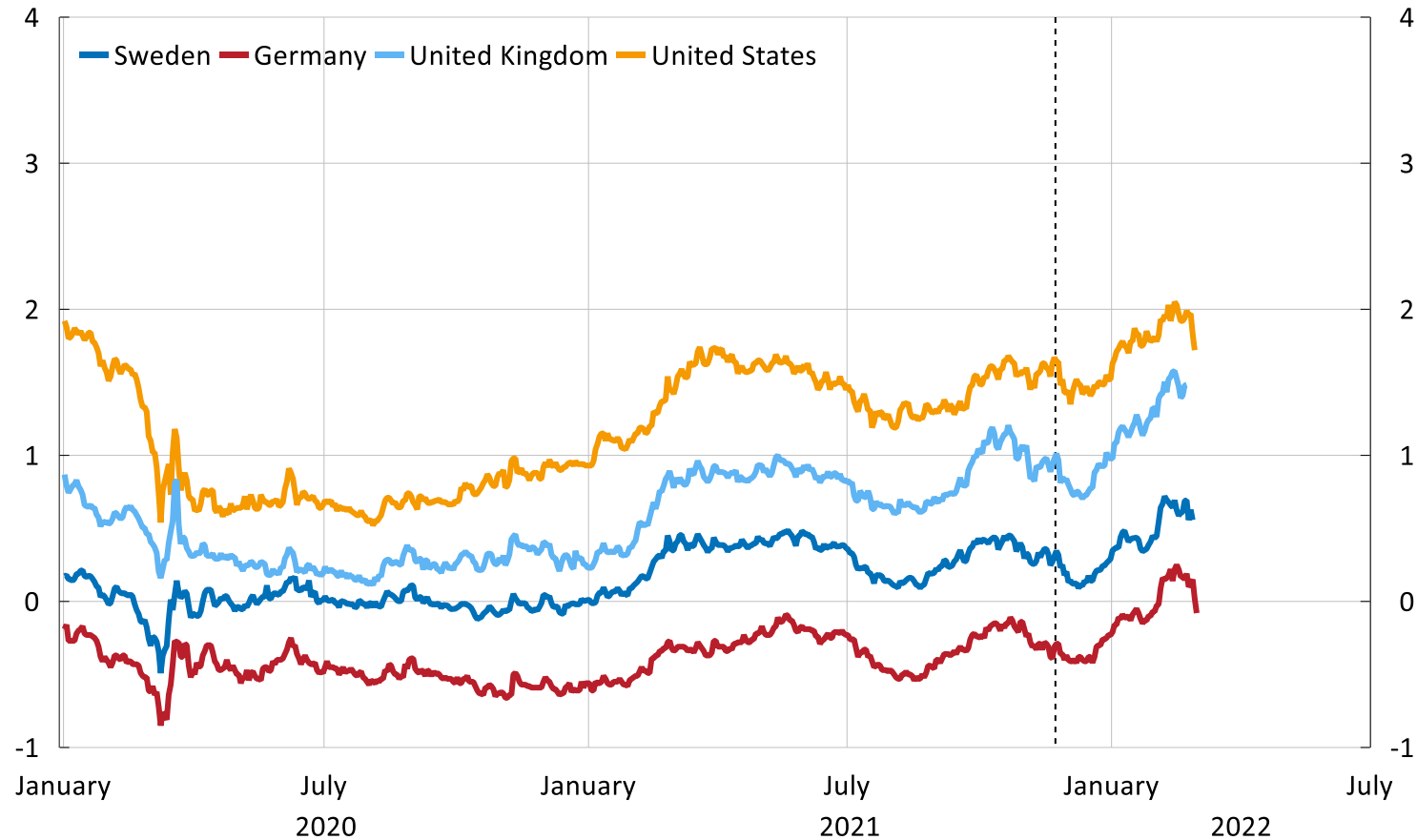
Note. Index, 01 January 2021 = 100 and 18 November 1992 = 100 respectively. The KIX (krona index) is a weighted average of the currencies in 32 countries that are important for Sweden's international trade. A higher value indicates a weaker exchange rate. Last outcome: 01 March 2022.

The Swedish krona has depreciated



Sources: NASDAQ OMX Nordic, S&P Dow Jones Indices, STOXX and the Riksbank.

Longer rates have risen since the autumn but remain low from a historical perspective

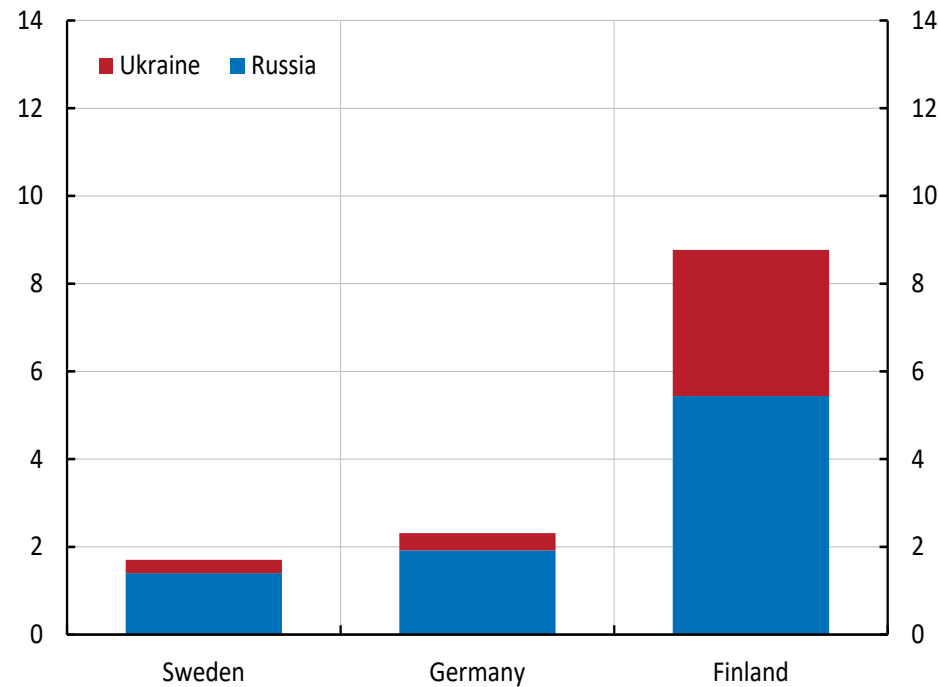


Note. 10-year maturity. Per cent. Zero coupon rates for Sweden, Germany and the UK. 10-year benchmark rate for USA. The broken line show the date of the monetary policy meeting in November.

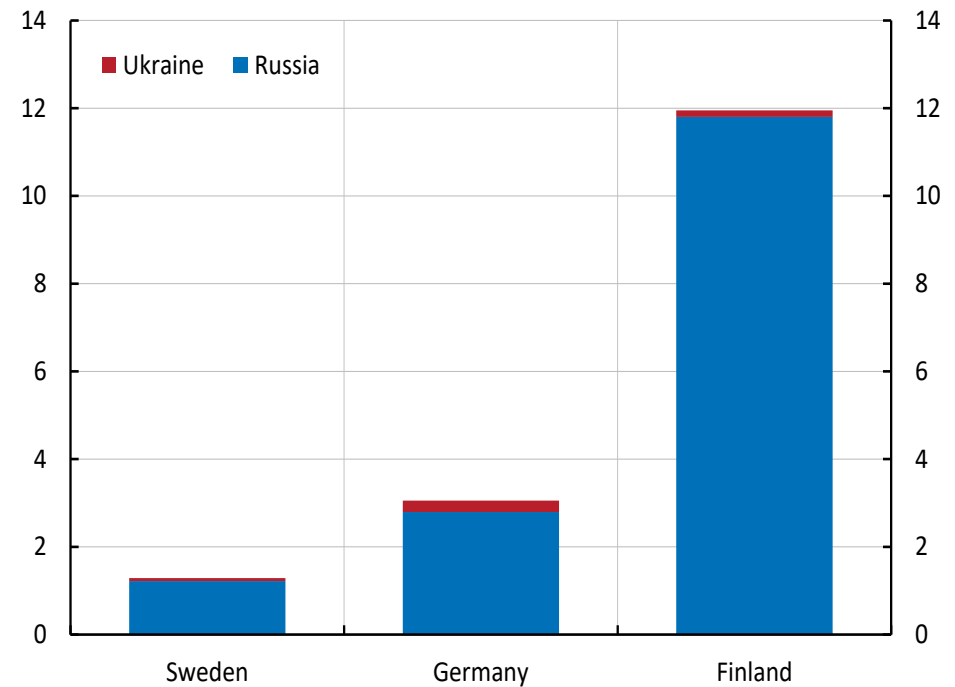
Sources: National central banks and the U.S. Department of Treasury.

Russia and Ukraine account for a small proportion of Swedish trade

Exports to Russia and Ukraine



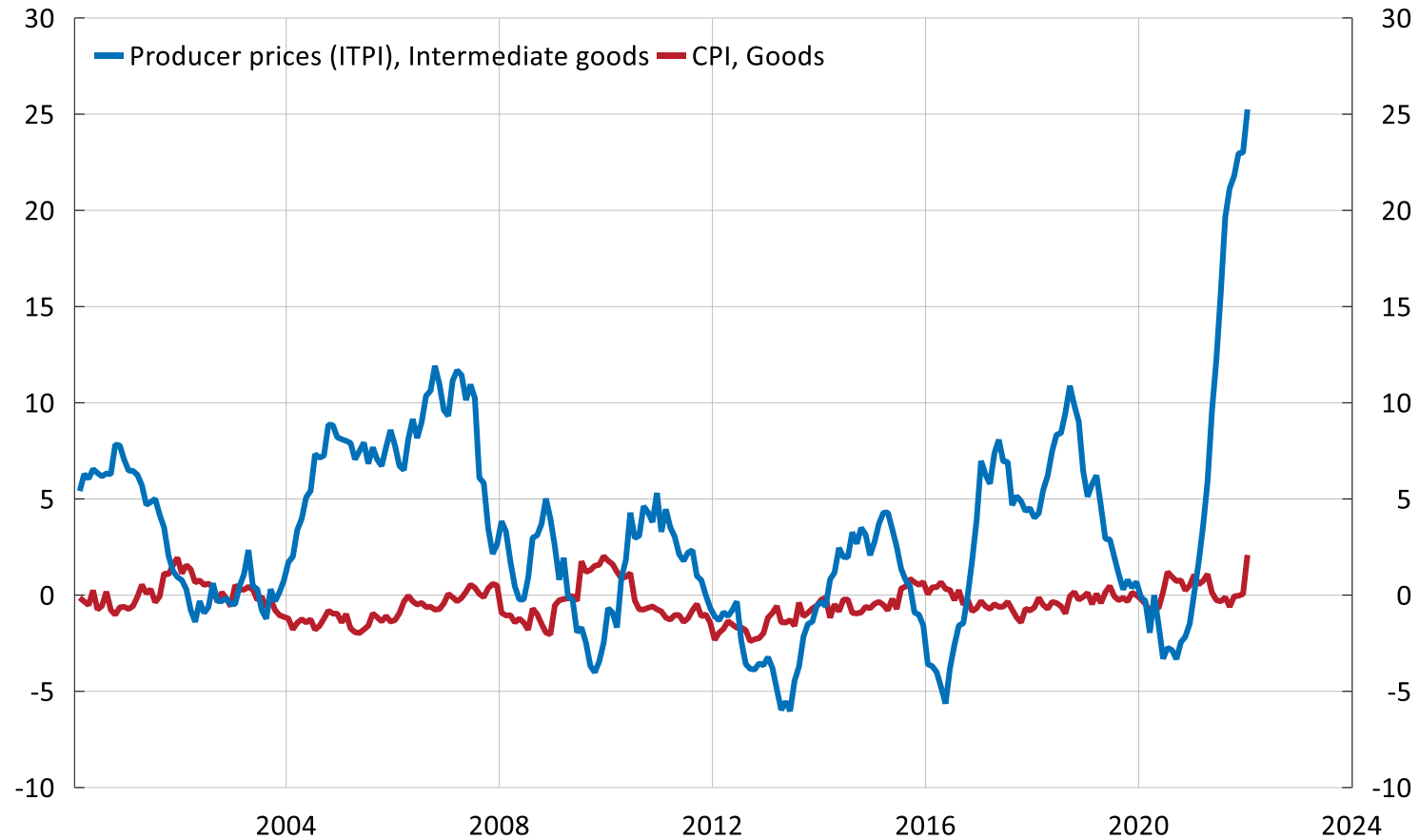
Imports from Russia and Ukraine



Note. Share of total exports/ imports of goods (2021). Per cent.

Source: National sources.

Producer prices have increased rapidly



Note. Annual percentage change.

Source: Statistics Sweden.

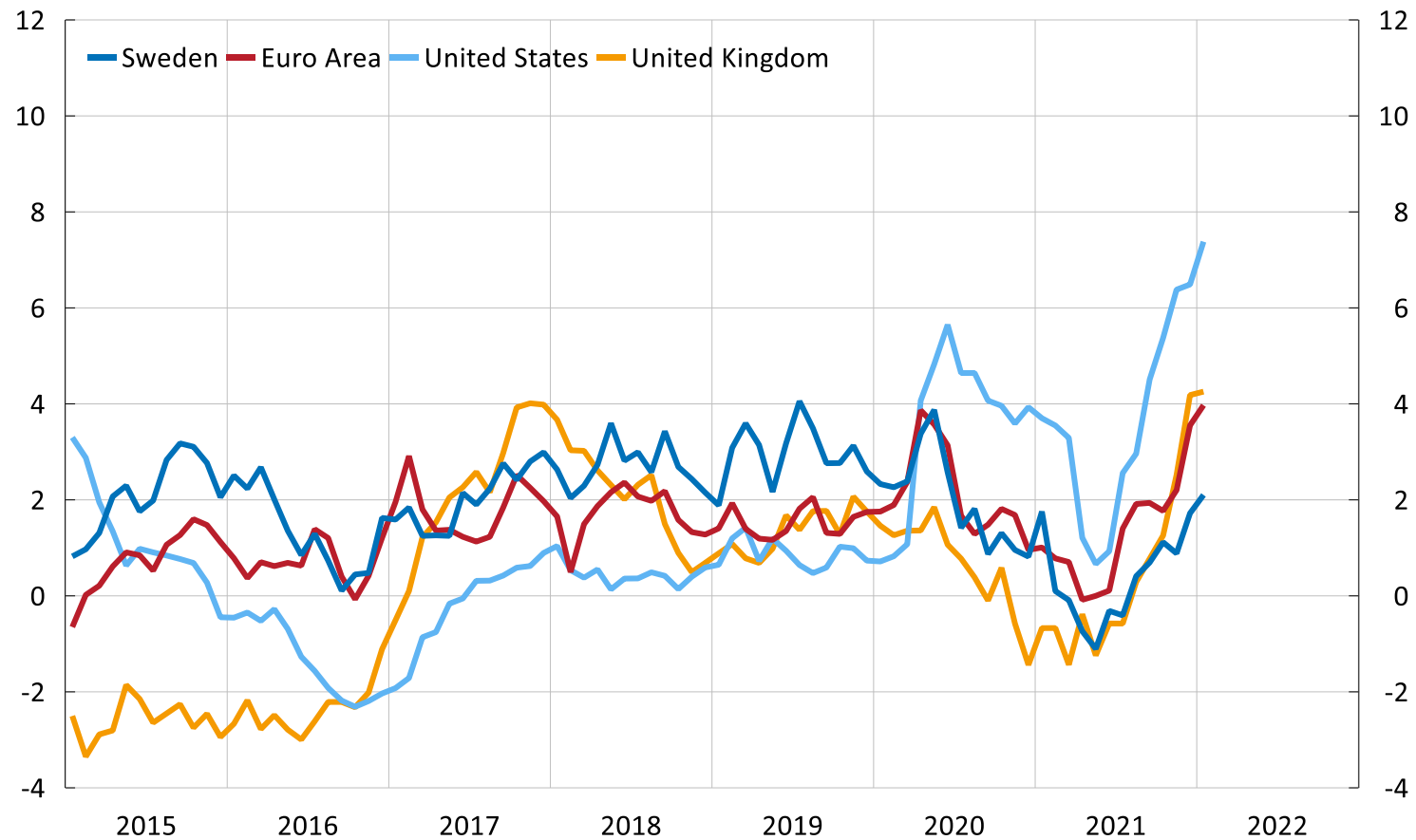
Companies expect higher inflation in 12 months



Note. Annual percentage change. Quarterly data.

Source: National Institute of Economic Research.

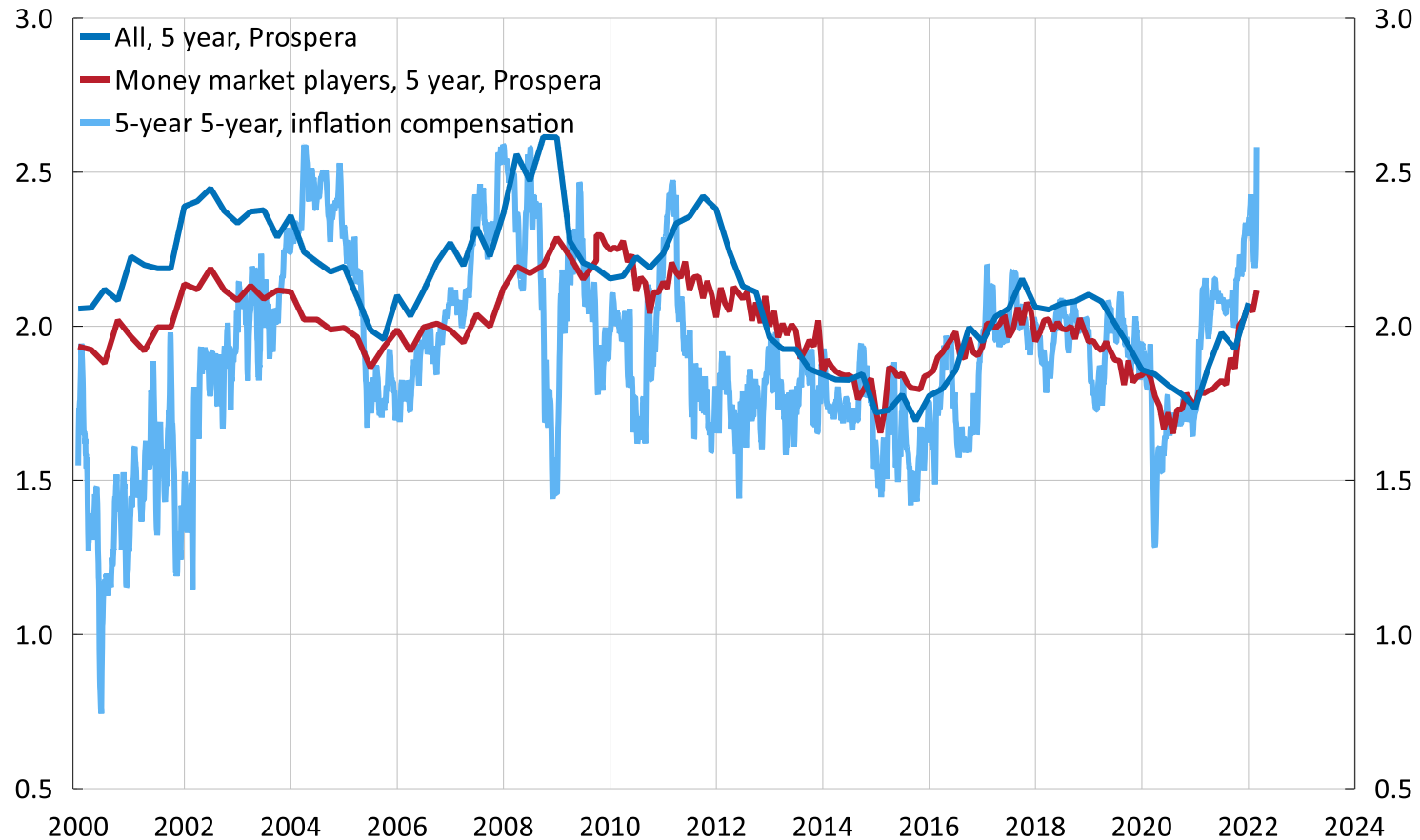
Food prices expected to rise



Note. Annual percentage change. Refers to HICP for the euro area and Sweden and the CPI for the USA and UK.

Sources: Eurostat, U.K. Office for National Statistics and U.S. Bureau of Labor Statistics.

Market-based inflation expectations have risen – others remain close to target



Note. The inflation compensation refers to a 5-year period starting in 5 years time, calculated from bond yields (7-day moving average). Both inflation compensation and expectations from Prospera refer to the CPI.

Sources: Kantar Sifo Prospera and the Riksbank.

Much can happen until the next monetary policy meeting in April

- Broad sanctions against the Russian financial sector
- Swedish exposures to Russia and Ukraine relatively small
- But higher energy and food prices affect inflation and growth in the near term

