

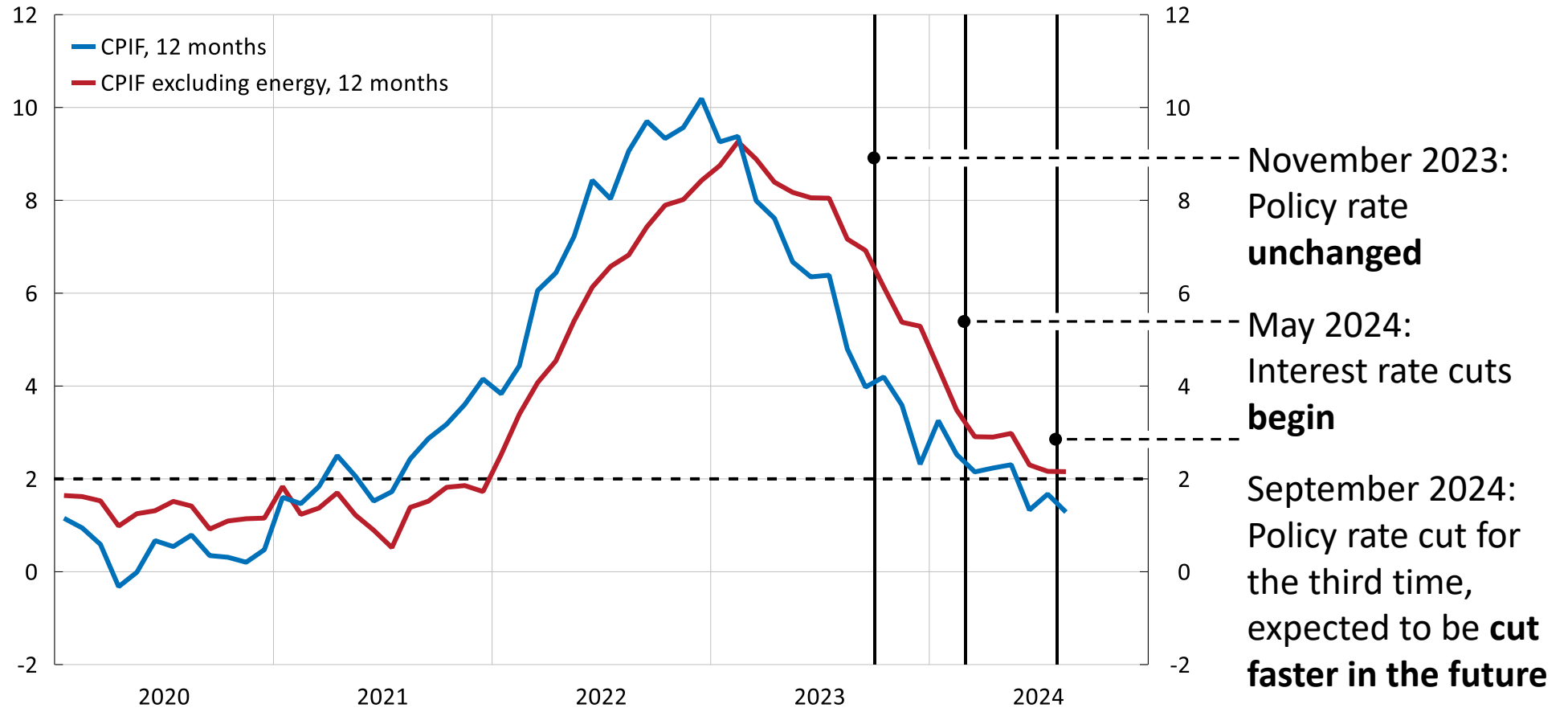
Hearing on current monetary policy

Riksdag Committee on Finance
15 October 2024

Erik Thedéen, Governor of the Riksbank

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

Inflation has come down and has shown signs of stabilising

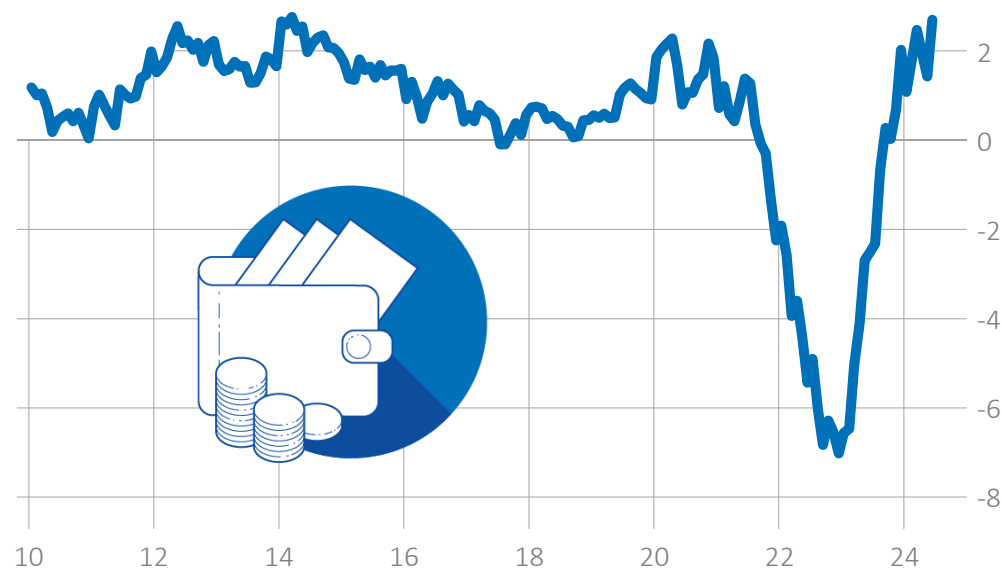


Annual percentage change.

Sources: Statistics Sweden and the Riksbank.

Distinct improvement in household purchasing power

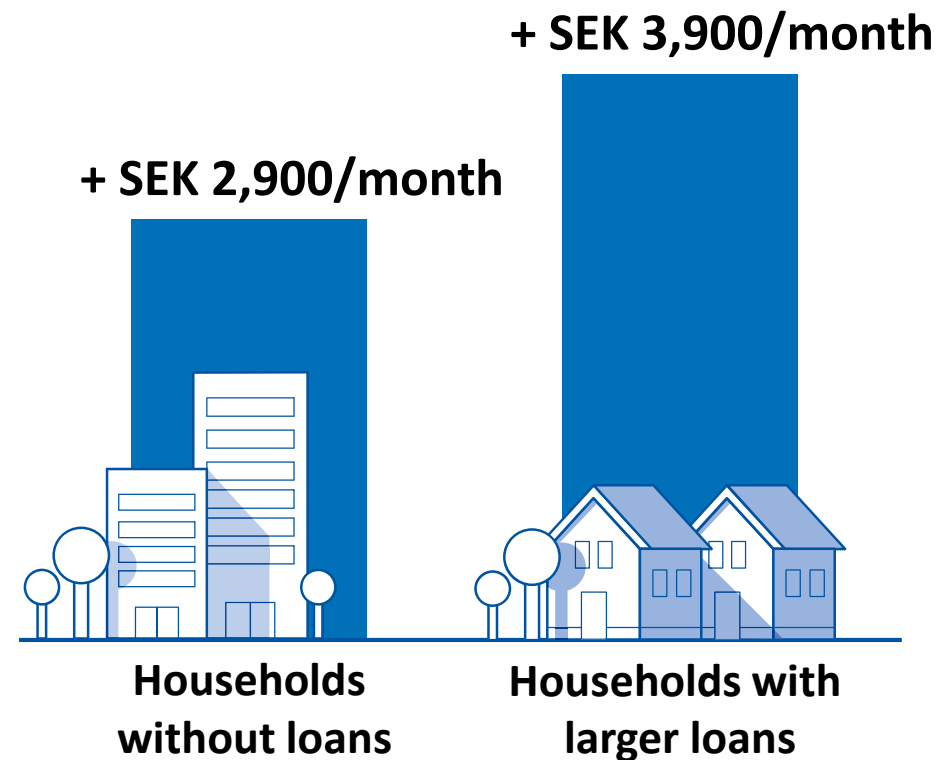
Real wages rising
Annual percentage change



Real wages calculated as the difference between wage growth and the rate of increase in the CPIF.

Sources: National Mediation Office, Statistics Sweden and the Riksbank

Change in real disposable income
2025 compared with 2023

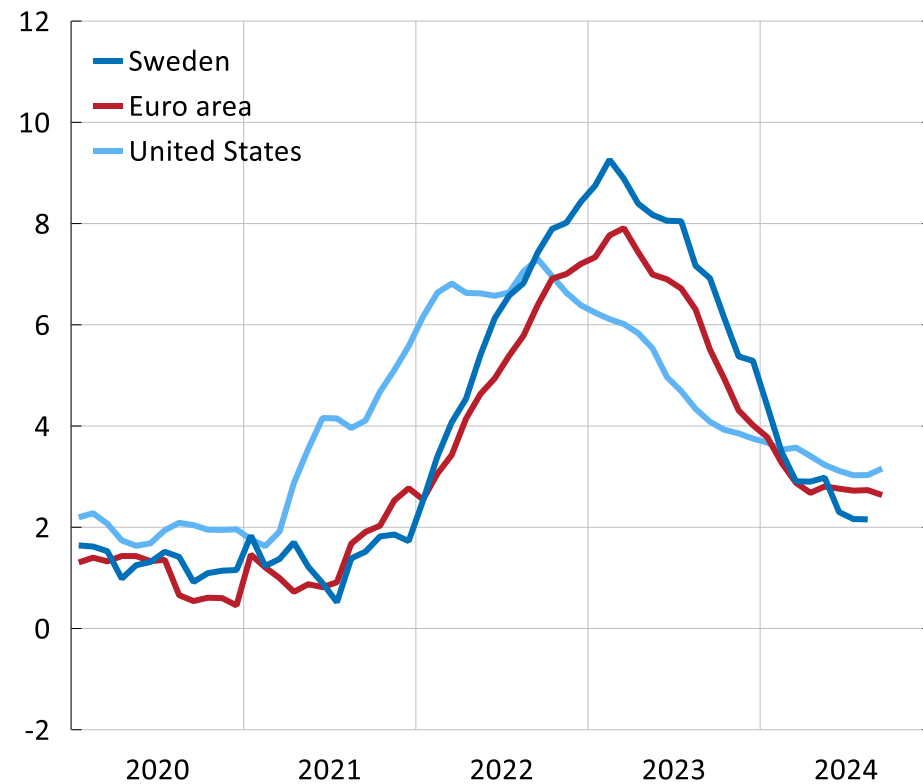


Households without loans

Households with larger loans

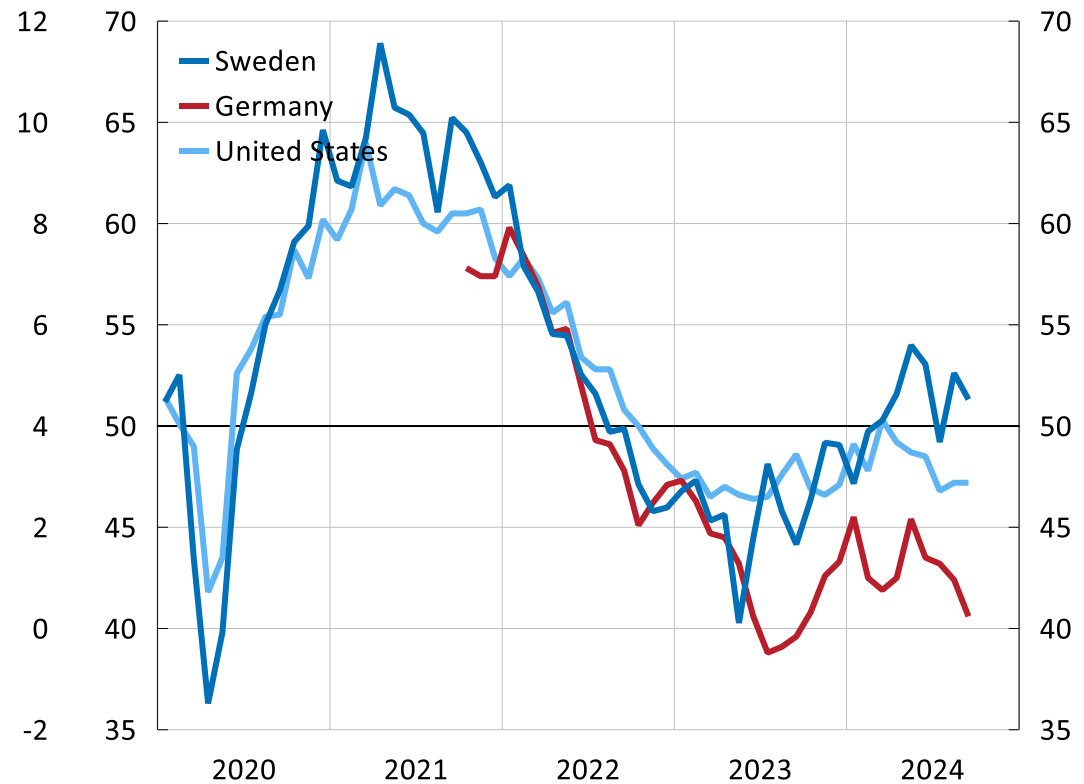
Falling inflation and moderate growth prospects abroad

Inflation has fallen faster in Sweden



Annual percentage change. Inflation excluding energy (left).
Purchasing Managers' Index in manufacturing sector (right).

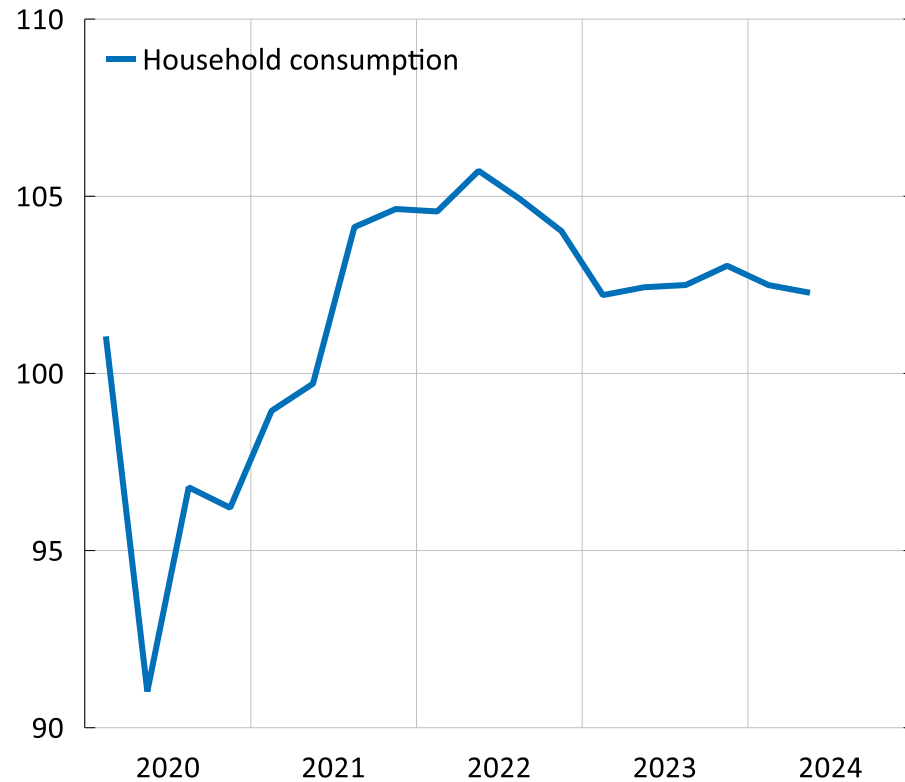
Weaker economic signals from abroad



Sources: Eurostat, Institute for Supply Management, SCB, S&P Global,
Swedbank and US Bureau of Labor Statistics.

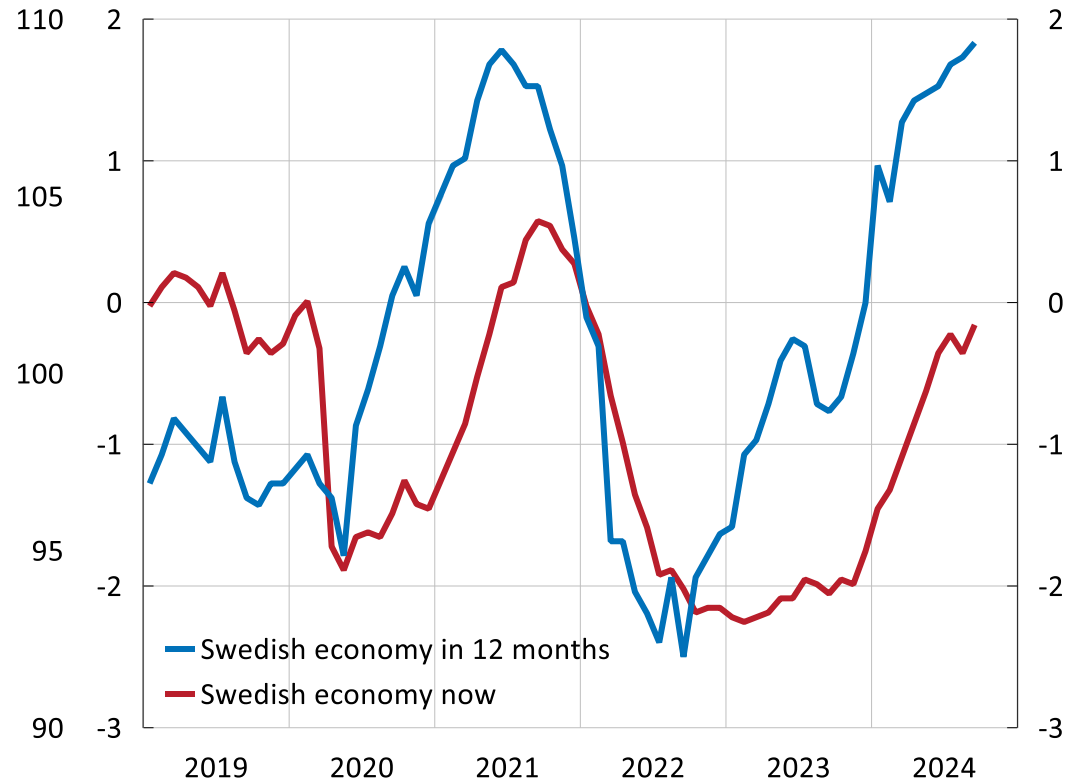
Weak consumption expected to strengthen going forward

Lower consumption



Index, 2019 Q4=100, seasonally adjusted data (left). Consumer Tendency Survey, standardised values. Latest outcome September (right).

Households expect better times ahead



Sources: National Institute of Economic Research and Statistics Sweden.

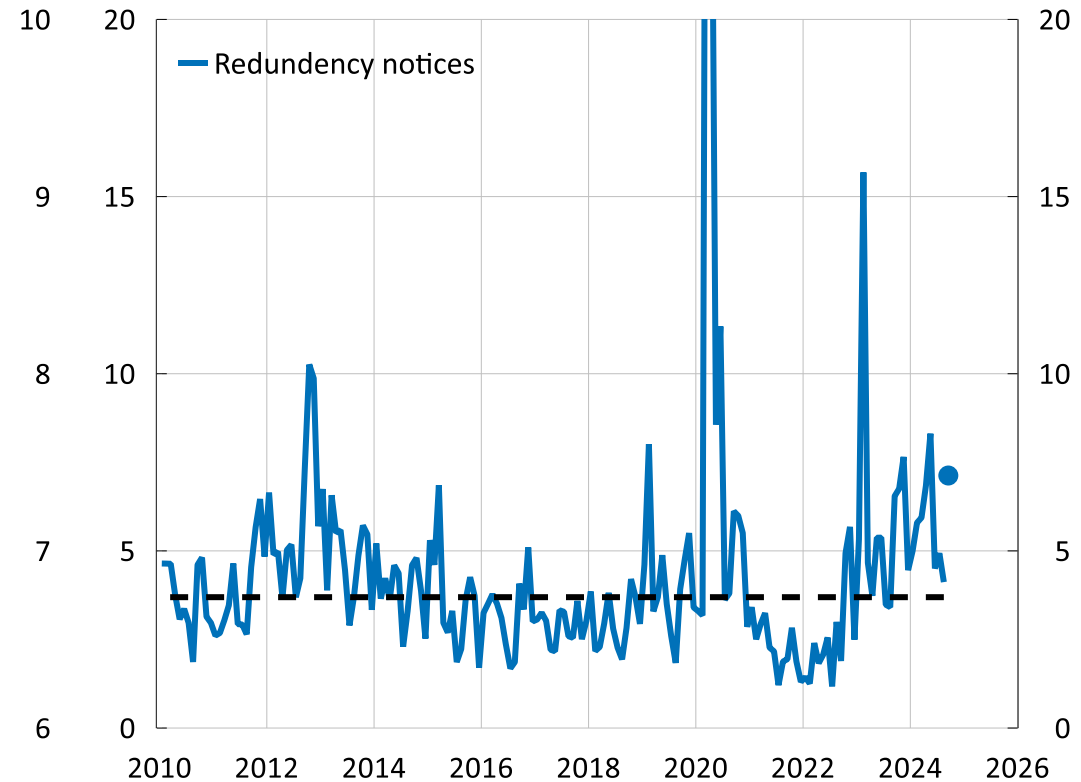
Labour market reflects the weak situation

Unemployment has risen



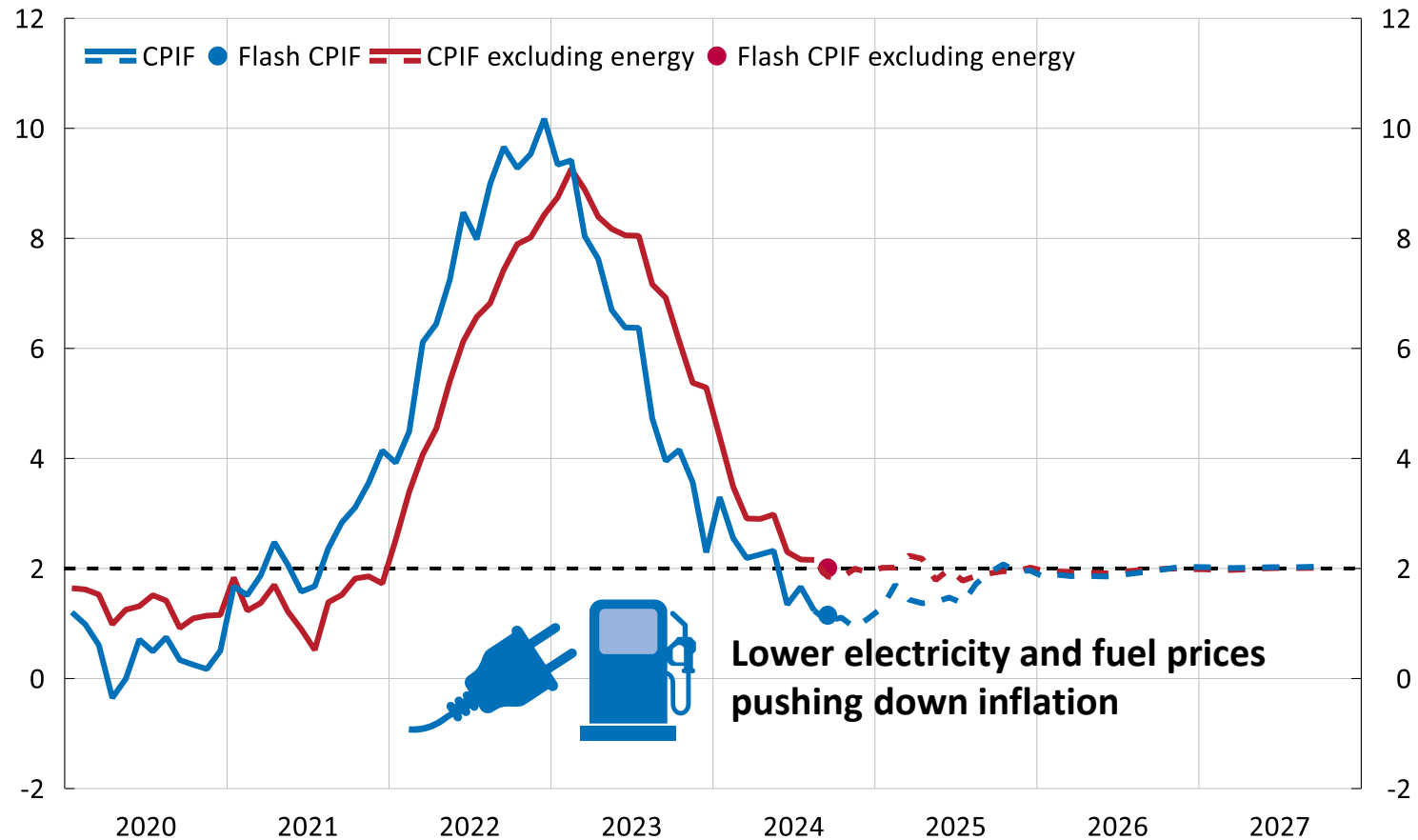
Per cent of labour force aged 15-74. Seasonally adjusted data (left). Thousands. The black dashed line refers to the median of redundancy notices since 1994. The dot refers to the provisional outcome for September 2024 (right).

Number of redundancy notices at an elevated level



Sources: Swedish Public Employment Service and Statistics Sweden.

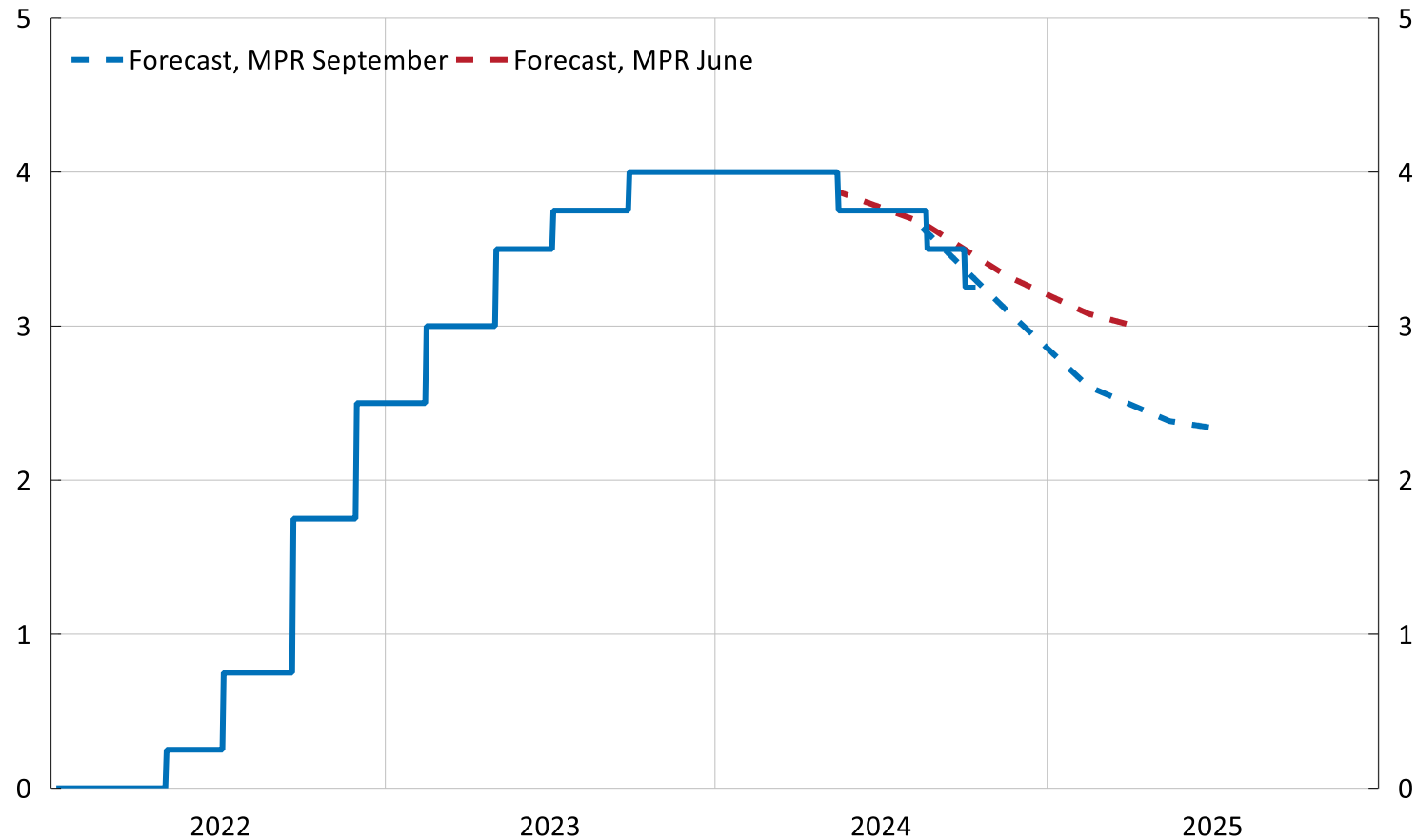
Conditions for inflation close to target



Annual percentage change. Solid line refers to outcomes, dashed line to the Riksbank's forecast. Dots refer to preliminary outcomes.

Sources: Statistics Sweden and the Riksbank.

Policy rate expected to be cut at a faster pace



Per cent. Solid line refers to outcomes, dashed line to the Riksbank's forecast. Forecasts are published in conjunction with the publication of Monetary Policy Reports (MPRs).

Source: The Riksbank.

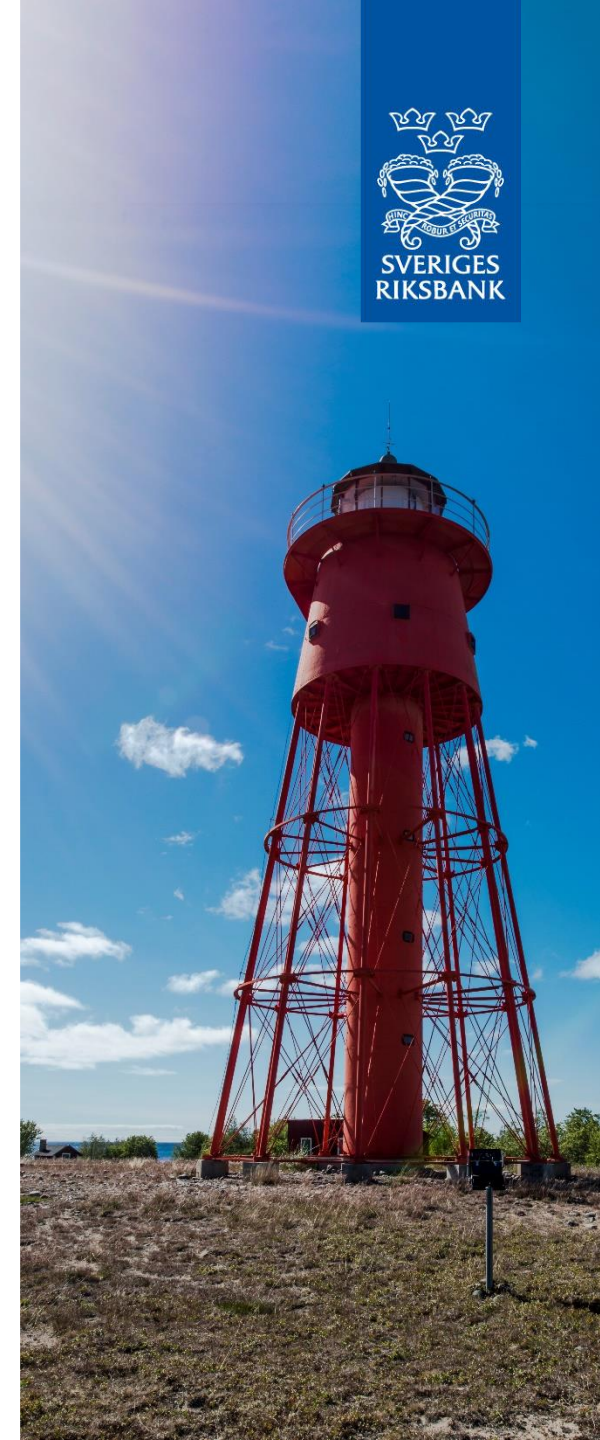
Monetary policy adapted according to economic outlook and inflation prospects

Lower interest rate creating good conditions for stronger economic activity and inflation close to 2 per cent

Outlook for inflation and economic activity is uncertain

- Economic recovery
- Geopolitical unease and economic policy abroad
- Krona exchange rate

If the conditions change, this may justify a higher or lower interest rate





Faster interest rate cuts are
strengthening household finances and
helping the recovery