

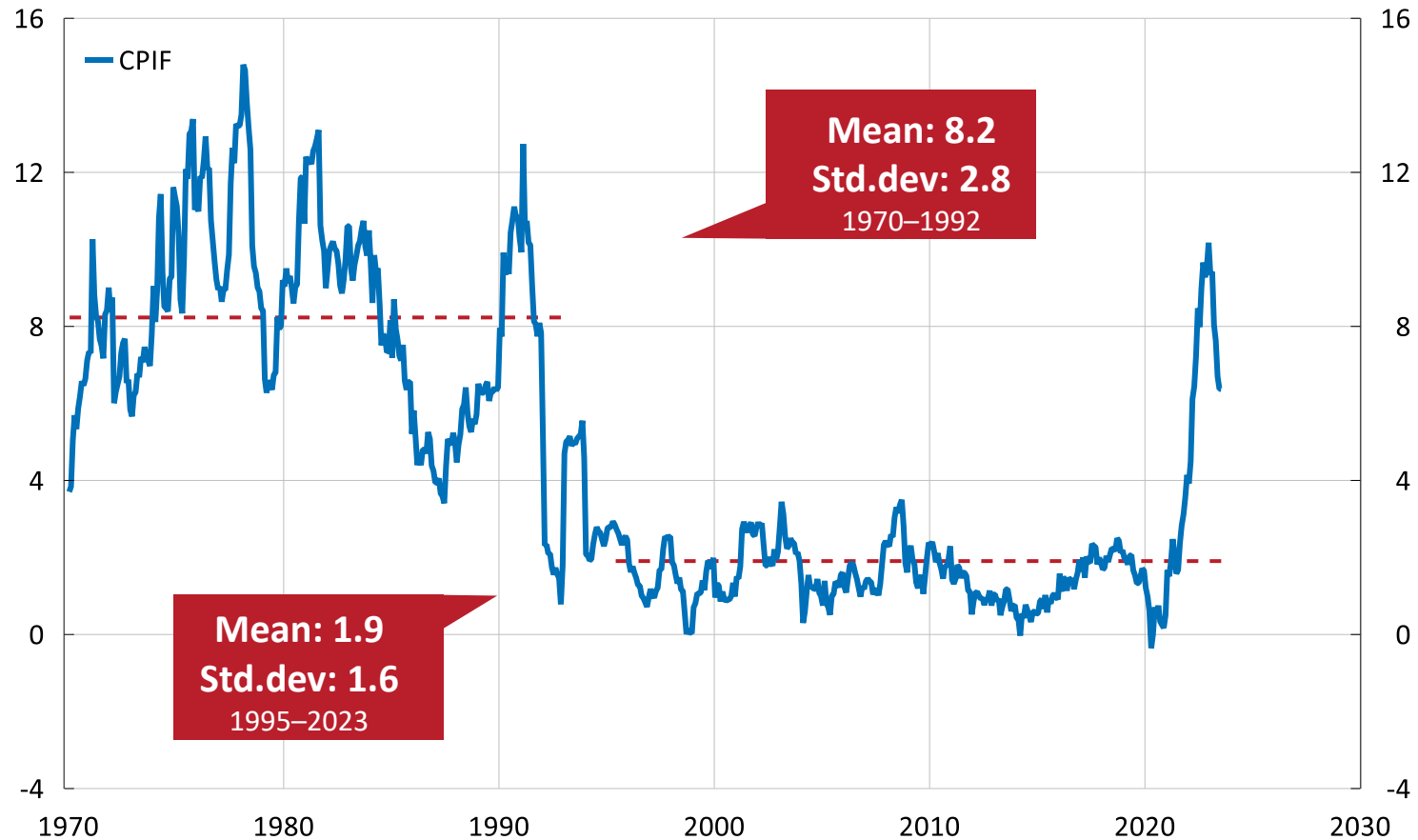
Aggregate and distributional effects of high and volatile inflation

Barcelona (30 August 2023)

Anna Breman, PhD
First Deputy Governor

High inflation tends to lead to volatile inflation

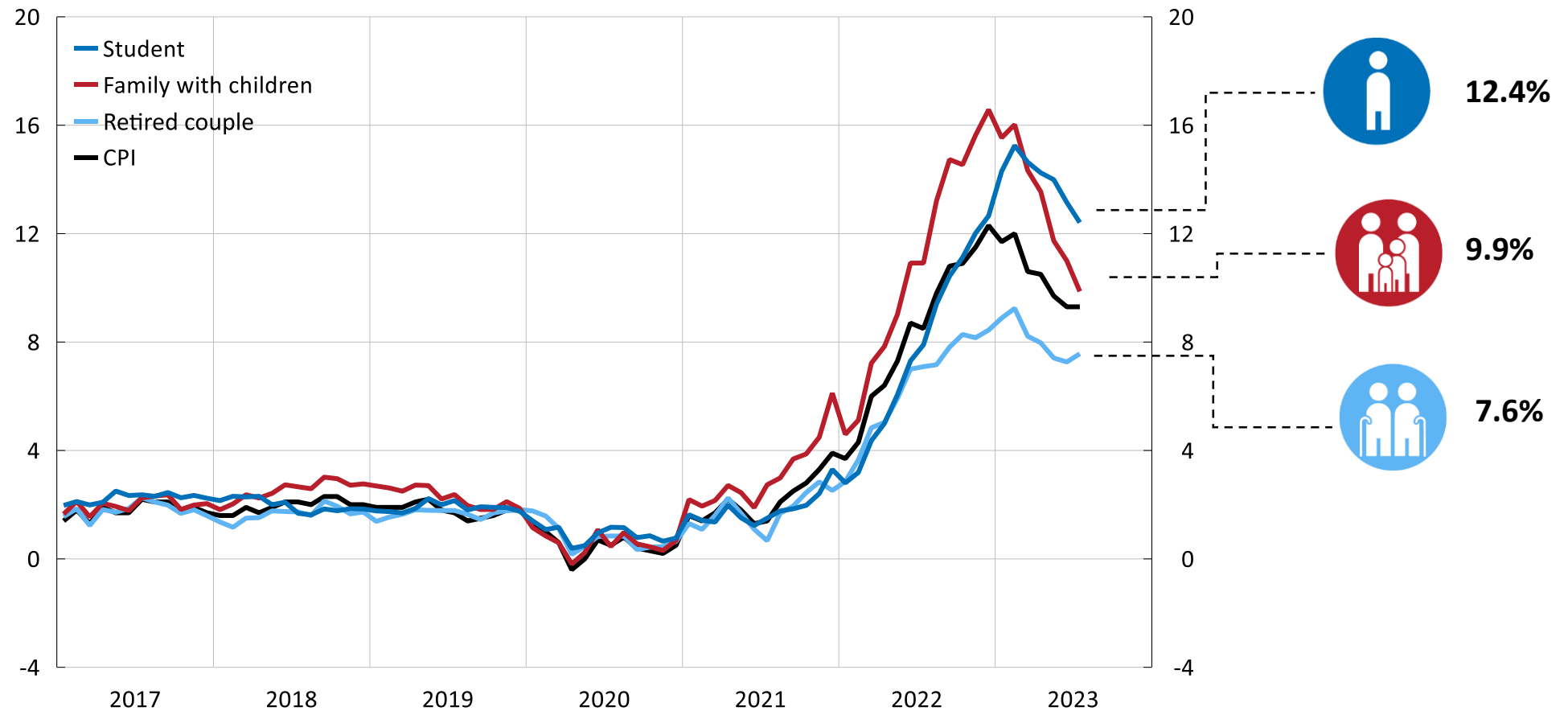
Annual rate of change



Sources: Statistics Sweden and the Riksbank.

Increased divergence in inflation rates across households

Annual percentage change



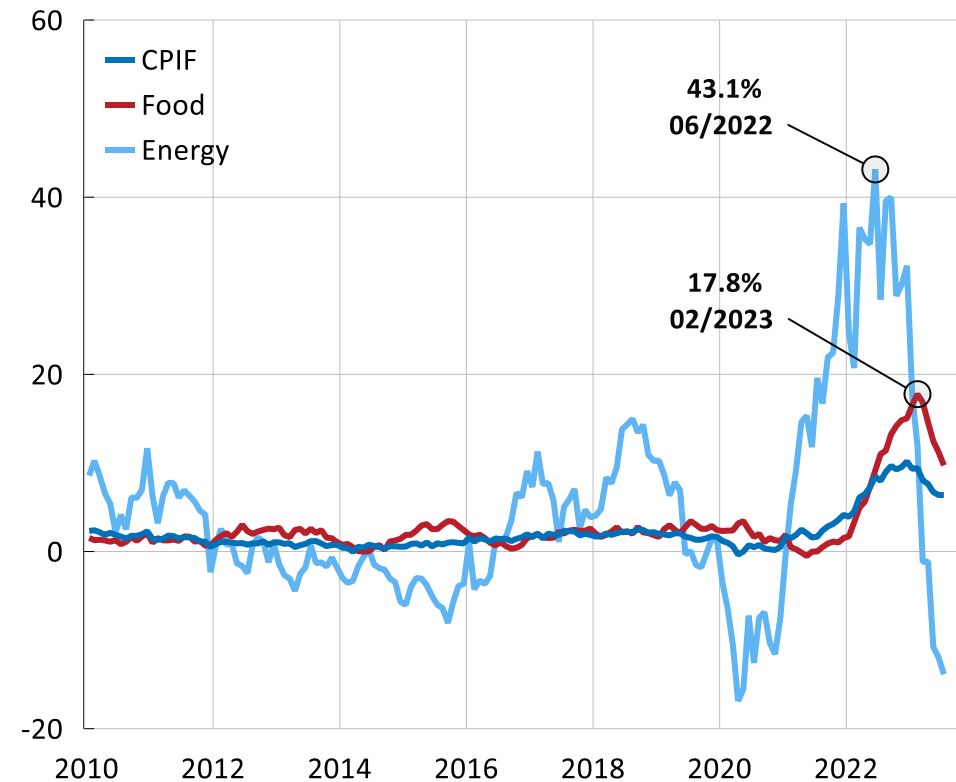
Note. Refers to fictitious households where families are assumed to live in buildings for one or two families, students in multi-dwelling buildings and retired couples in rented dwellings. The calculations and weights assigned to the respective households are specified in Statistics Sweden's Statistical Perspective, no. 12 2022.

Source: Statistics Sweden.

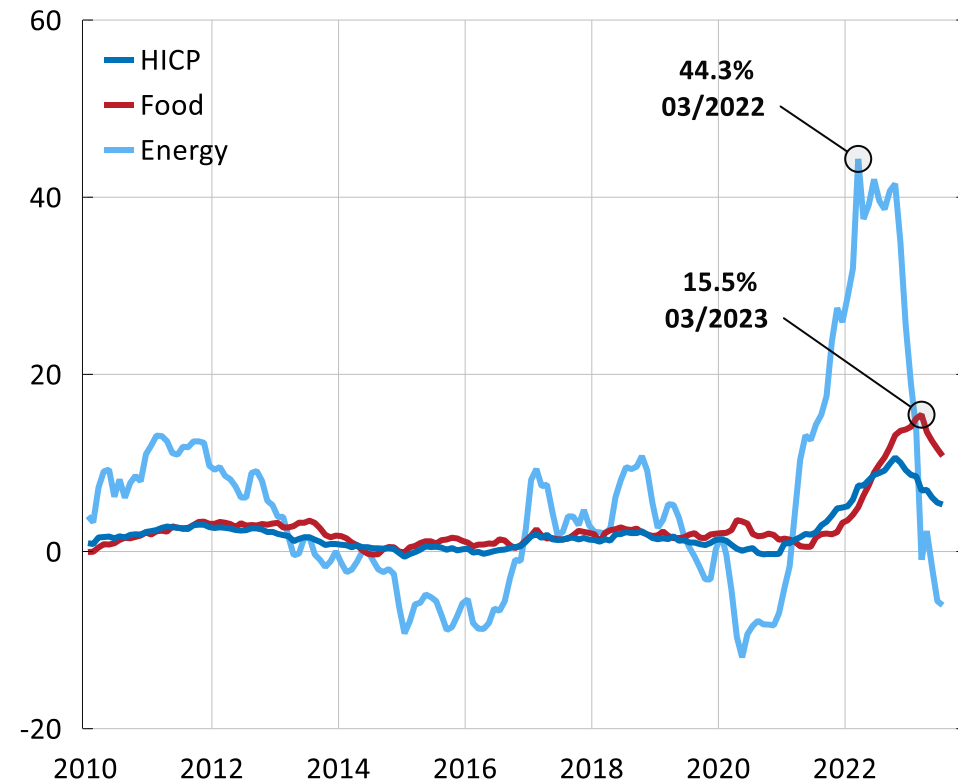
Record high increase in food and energy prices

Annual percentage change

Sweden



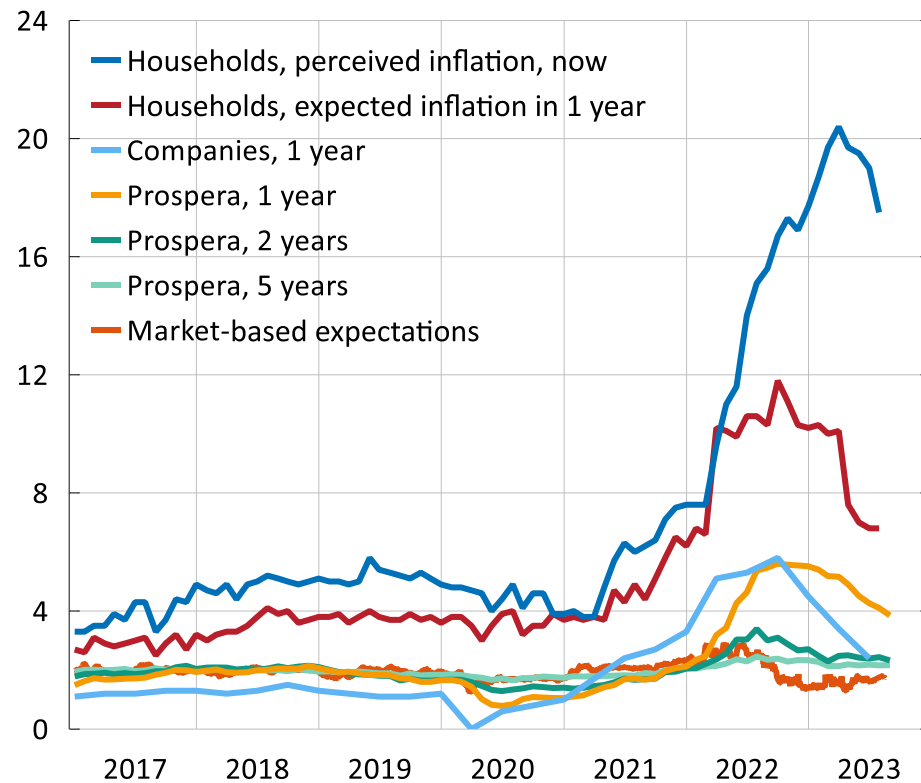
Euro area



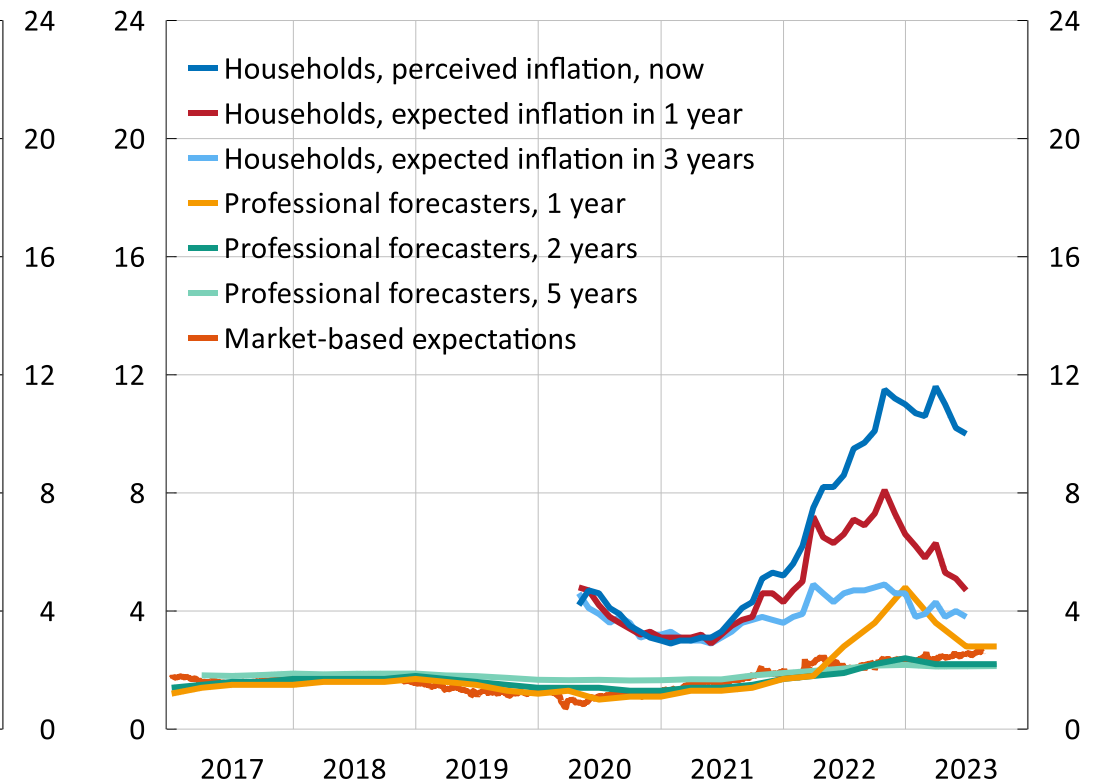
Sources: Eurostat, Statistics Sweden, and the Riksbank.

Divergence in inflation expectations

Sweden



Euro area



Note. Per cent. Quarterly data for companies and professional forecasters, monthly data for others and daily data for market-based expectations.

Prospera refers to money market agents. Households refers to median excluding extreme values. National Institute of Economic Research has informed that the household series will be revised down slightly in the next data release.

Sources: Kantar Prospera, ECB, Bloomberg and the National Institute of Economic Research.

Summary

- Suggestions for further research:
 - Inflation expectations
 - Models with heterogeneous agents, with insights from behavioural economics
 - Central bank communication and credibility during high and volatile inflation



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Thank you!