Monetary policy minutes

June 2023

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

Summary

For inflation to return to the target of 2 per cent within a reasonable period of time, the Executive Board decided to raise the Riksbank's policy rate by 0.25 percentage points to 3.75 per cent. The forecast for the policy rate is that it will be increased at least one more time this year. The Executive Board also decided to increase the pace of government bond sales from SEK 3.5 billion to 5 billion per month with effect from September this year.

The members noted that, although CPIF inflation has continued to fall since the monetary policy meeting in April, it is still far too high and far from the target of 2 per cent. In addition, the downturn is mainly explained by falling energy prices. Inflation adjusted for energy prices is falling slowly and the members expressed concern over this being due to an unexpectedly high rate of increase in service prices. The fact that service prices are still increasing rapidly indicates that demand pressures are still high in parts of the economy and this trend in service price increases can also be noted abroad.

The members pointed out that the krona has continued to depreciate since April and that there is also a risk that the pass-through of the weak krona to price increases will be greater in the current situation with high inflation. The weakening of the krona and continued high demand in the service sector contribute to the upward revision of the assessment of inflationary pressures. Several members noted that the risk of inflation becoming entrenched at too high a level has increased.

The Executive Board assessed that there was a need to raise the policy rate further to bring inflation back down to the target within a reasonable period of time and that it is appropriate to increase the pace of the normalisation of the Riksbank's balance sheet. The sales of government bonds are therefore being increased from SEK 3.5 billion to 5 billion per month, with effect from September this year. All members also supported the forecast showing that the policy rate will be raised at least one more time this year. However, they emphasised that monetary policy may need to be tightened more than in the forecast. New information and how it is expected to affect the economic outlook and inflation prospects will continue to be decisive for the design of monetary policy.

MONETARY POLICY MINUTES

Executive Board, No. 3

DATE:	28 June 2023
TIME:	09:00
INFORMATION CLASS:	OPEN
PRESENT:	Erik Thedéen, Chair Anna Breman Per Jansson Martin Flodén Aino Bunge --- Bo Broman, Chair, General Council of the Riksbank Tomas Eneroth, Vice Chair, General Council of the Riksbank --- Mattias Ankarhem Lena Arfalk Hanna Armelius Charlotta Edler Mattias Erlandsson Anders Gånge Marie Hesselman Christina Håkanson Iida Häkkinen Skans Jens Iversen Anders Kvist Pernilla Meyersson Ann-Leena Mikiver Åsa Olli Segendorf Olof Sandstedt Maria Sjödin Ulrika Söderberg --- Joel Birging (§1–3a) Maria Johansson (§1–3a)

It was noted that Mattias Ankarhem and Iida Häkkinen Skans would prepare the draft minutes of the monetary policy meeting.

§3 a. Economic developments

Market developments since the last monetary policy meeting

Joel Birging from the Markets Department began by presenting the latest developments in the financial markets. Since the monetary policy decision in April, short-term government bond yields have gradually moved higher due to expectations that central banks in developed economies will continue to tighten monetary policy. Even if investors believe that central banks will raise policy rates further, market rates indicate that the end of the tightening cycle is close.

Sentiment in equity markets has been positive overall during the period, even though broad equity indices have fallen recently. There has been significant spread in returns in the equity market and the United States has developed relatively well with help from the tech sector. Measures of implied volatility indicate no great unease among investors and VIX is at the year's lowest levels.

Commodity prices remain relatively subdued, partly due to signs of weaker growth in China. The price of oil is around the year's lowest levels and has not received a significant boost from production cuts by OPEC+.

The krona has depreciated since April and has reached historical weak levels against the euro. One reason for this depreciation highlighted by market participants is the unease over Swedish commercial property companies. According to analysts, the weak krona and high core inflation in May suggest that the Riksbank will raise the policy rate by 25 points in June and increase sales of government bonds. Most of them also expect the Riksbank to increase the policy rate by a further 25 points in September.

Financial stability - current status and risks

Olof Sandstedt, Head of the Financial Stability Department, described the situation in the Swedish financial system. The high inflation and higher interest rates are challenging the stability of the global financial system and risks are elevated. Various crisis-like events have also arisen abroad, requiring authorities to take measures.

Overall, the Swedish financial system is working well. The major Swedish banks have a favourable initial position, which helped them cope well with the global banking turmoil in March. However, the vulnerabilities that the Riksbank has been pointing out for a long time are now posing challenges. These concern, not least, the most highly indebted property companies and the banks' major exposures toward the sector, as well as households' large loans.

Property companies pose the greatest risk to financial stability and the higher interest rates are a challenge to their future debt-servicing ability. Rising interest rates mean that the value of properties falls, which has so far taken place in an orderly manner. However, property values could fall faster and substantially if for instance many property companies are forced to sell larger volumes of property or if there is a credit crunch. At the same time, there are significant differences within the sector, and less leveraged property companies are better placed to cope with higher interest rates.

Property companies still have difficulties obtaining funding in the bond market and are primarily choosing to finance loan maturities with extended bank loans from Nordic banks. To reduce the risk of a negative course of events, the banks have an important role to play, both by maintaining the supply of credit to viable companies and by requiring property real estate companies to take measures to reduce their financial risks within the framework of their lending. Although property companies have started to take measures to manage the prevailing situation, more property companies need to do more.

Households are under pressure from various directions and housing prices have continued to fall during the spring but at a slightly slower pace than before. The decline so far (May) is just over 13 per cent from the peak in March 2022 (seasonally adjusted). In addition, households are highly indebted and interest-rate sensitive. Their interest payments as a share of disposable income are rising rapidly and are expected to approach the levels seen in the mid-1990s. The vast majority of mortgagors are expected to be able to keep up with their debt payments, but some households may have problems paying their loans. In addition, the high cost levels are putting further pressure on households' margins and resilience. This is reflected in consumption and savings, both of which are declining.

Even if the major Swedish banks are in a healthy initial position, experiences from the spring banking turmoil show that liquidity can vanish quickly even when regulatory requirements have been met. Given the elevated risks, the Riksbank considers that the major banks should endeavour to have significant margins over and above the capital and liquidity requirements.

The prevailing market situation, with rising interest rates and uncertain growth prospects, can also affect attitudes to risky assets, such as corporate bonds, in the period ahead. Swedish corporate bond funds therefore remain vulnerable to large outflows if risk appetite suddenly changes.

The current monetary policy drafting process – new data and forecasts

Åsa Olli Segendorf, Deputy Head of the Monetary Policy Department, presented the current assessment of macroeconomic developments and the proposal for a monetary policy decision that the Monetary Policy Department judged would gain majority support in the Executive Board at today's meeting. The background material for today's decision has been discussed by the Executive Board at meetings on 1, 12, 15 and 16 June. The draft Monetary Policy Report was discussed and tabled at a meeting of the Executive Board on 19 June.

The Monetary Policy Department constantly analyses economic developments and, at each monetary policy decision, some issues are always more in focus than others. The development of inflation both in Sweden and abroad has been a key factor in the drafting process prior to today's meeting. Incoming statistics and other information have been analysed for signs of how the high inflation will develop in the period ahead, for example via inflation expectations, wage growth and price increases for certain products. In the drafting process, the Executive Board members have pointed out the uncertainty regarding the development of inflation in both the short and the long term and emphasised the risk that inflation may become more persistent than previously assessed.

The krona has continued to depreciate since the monetary policy meeting in April. One question that has been in particular focus recently is whether the pass-through to inflation of a changed exchange rate varies depending on the state of the economy. One argument in favour of this could be that companies become more anxious to pass on increased costs in a more uncertain environment where there is concern that costs will remain high for longer, which could be the case in an environment where inflation is high. The pass-through from the exchange rate could then be relatively larger. Last year, inflation rose quickly and this may have increased the pass-through of the exchange rate to inflation.

Unemployment has decreased and the employment rate has risen both in Sweden and abroad following the pandemic. This development has been sustained, even though the high inflation has led to monetary policy tightening and despite subdued GDP growth. The recently concluded wage agreements in the Swedish labour market indicate that, although wage increases over the next two years will be higher than normal, they will still be lower than in other countries. Sweden should therefore have better preconditions than other countries for a strong labour market, with high employment, while simultaneously being able to bring inflation down. Our assessment is that employment will fall slightly when demand cools.

Inflation both abroad and in Sweden has peaked and fallen relatively rapidly in recent months. The downturn is largely due to energy prices falling back, but inflation excluding energy has also begun to decline, especially in the United States. This is because many of the factors that pushed up inflation in 2021 and 2022 have now increasingly clearly started to wane. This, combined with monetary policy tightening and falling real incomes that are dampening household demand, will reduce inflation. At the same time, there are signs that service prices are continuing to increase rapidly in many countries, which may suggest that the decline in inflation will be more sluggish than expected.

In the proposed forecast described in the draft report, GDP growth abroad will be subdued this year, which affects the economic outlook also in Sweden. Interest-sensitive sectors in Sweden are showing clear signs of weakness, but developments differ considerably between different parts of the economy. The labour market has continued to be surprisingly strong and unemployment is still at historically low levels in both the United States and the euro area, as the article "Strong labour market in Sweden and abroad" describes. The strength of the labour market is partly due to household's pent-up willingness to consume services after the pandemic. Another reason is that, for various reasons, companies have chosen to continue to recruit, even though demand has subsided. The slowdown in growth this year is nevertheless expected to result in higher unemployment in the period ahead.

Following the previous monetary policy decision, the krona exchange rate has reached the weakest levels since the financial crisis of 2008–2009 and contributed to the rise in inflation. However, the Riksbank's assessment is that the development of the krona is neither the main reason for the upturn in inflation last year, nor the factor that will determine whether inflation falls going forward. However, as mentioned earlier, the Riksbank discussed in its preparations for the monetary policy decision in June whether the pass-through from the exchange rate may be greater when inflation is high, compared to when it is low.

In Sweden, CPIF inflation continued to fall in April and May, to a level somewhat below the Riksbank's forecast from April. One important explanation for this development is the surprisingly large falls in energy prices. However, stripped of energy prices, inflation is declining much more slowly and is marginally higher than expected. This is mainly because service prices are increasing faster than expected, which may reflect continued high demand pressures in parts of the Swedish economy.

In 2024 and 2025, inflation both abroad and in Sweden is expected to be roughly in line with central banks' inflation targets.

The forecasts are based on the proposal for monetary policy described in detail in Annex A to the minutes and which the Monetary Policy Department judges will gain a majority in the Executive Board at today's meeting. In brief, according to the proposal, the policy rate will be raised by 0.25 percentage points to 3.75 per cent, and the Riksbank's asset holdings will decrease at a faster rate than previously by increasing the pace of monthly government bond sales from SEK 3.5 billion to SEK 5 billion in September. The forecast is for the policy rate to be increased at least one more time this year.

§3b. The economic situation and monetary policy

First Deputy Governor Anna Breman:

I support the proposal to raise the policy rate, the rate path and the forecasts in the draft Monetary Policy Report. I also support the proposal to increase the sales of nominal and real government bonds in line with Annex A to the minutes.

Since the last monetary policy meeting, inflation has fallen further. Our target variable for inflation, the CPIF, has fallen from a peak of just over 10 per cent in December to 6.7 per cent in the latest outcome for May. This decline has primarily been driven by lower energy prices, although the rate of price increase for goods and food has also begun to fall (see Figure 43 in the draft report). The conditions for inflation continuing to fall are favourable. Inflation expectations are well-anchored, producer prices have fallen sharply and the social partners have shown responsibility when negotiating the new wage agreements.

The reason I support a rate rise is because underlying inflation is showing signs of becoming entrenched. This reflects the fact that parts of domestic demand, primarily in the service sector, are high despite the monetary policy tightening. The rate of increase in the CPIF excluding energy was 8.2 per cent in the outcome for May and service prices, which make up close to 50 per cent of the CPI basket, continued to rise. A broad downturn in the rate of increase in all price categories, including service prices, is needed for inflation to continue to fall towards the target. In the near term, the annual rate of increase in service prices will rise further in our forecast but this is largely because the weights for travel and visitor services are higher this year than last year.[1] Today, I would like to start by commenting on why high service prices in particular are problematic, before moving on to the monetary policy considerations.

First, service prices reflect domestic demand to a greater extent than prices for goods, energy and food, which are affected to a greater extent by global factors.

[1] The rate of increase in service prices rises from 7 per cent in May to just over 8 per cent in July. This reflects how prices for travel, hotels and restaurant services, for example, tend to rise in the summer months. And this year, these have a greater weight in the CPIF than they did last year, which means that these price changes are pushing the overall price level up in relation to last year's price level.

Domestic demand has cooled,[2] but the average conceals large differences between sectors. Housing construction, the retail trade and the durable goods segment are very weak, while service consumption continues to increase (see Figure 2 in the draft report). Households seem to be prioritising the consumption of services such as recreation, travel and entertainment at the cost of other consumption.

Second, the service sector has continued to raise prices at a fast pace despite extremely moderate wage increases. Costs in the sector are heavily influenced by wage development as the service sector is employment-intensive. In addition, electricity prices and food prices, which affect hotels and restaurants, have fallen, but hotel and restaurant prices continue to increase at a fast pace. The fact that companies continue to raise their prices despite the steady improvement in input costs supports the view that demand remains high in the service sector. Bringing inflation down to target in a timely manner therefore requires further monetary policy tightening.

This leads me on to the monetary policy deliberations at today's meeting. At the last meeting, I said that I expected "further gradual increases in June and/or September. This would allow us to keep our options open for other courses of action later in the year, including the possibility of a return to larger increases if inflation should become entrenched on a high level". Now that the data indicate that underlying inflation remains high and is being driven by service prices, my current assessment is that a rate rise is appropriate at today's meeting, probably in September and maybe even after that. I support the proposed rate path. I still consider it appropriate to move forward with increases of 0.25 percentage points but, as I said at the last meeting, I do not rule out a return to increases in larger steps.

The other aspect I would like to address regarding the monetary policy deliberations is that it is problematic that many households and companies seem to expect the policy rate to be cut soon. Let me explain why. We know that household savings were high during the pandemic. These pandemic-related savings may have been used to maintain consumption, and counteracted the tightening of monetary policy. Data now indicate that the inflow of new money into savings accounts has decreased, but households' total funds in savings accounts remain very high.[3, 4] With large buffers, policy rate expectations become

---

[2] Household consumption and housing construction have fallen significantly in the latest outcome (1.2 and 1.5 per cent respectively at a quarterly rate or 2.5 and 16 per cent respectively at an annual rate) and, in our forecast, domestic demand is expected to fall by 1.4 per cent this year.

[3] See Charts 30 and 31 in Financial Stability Report 2023:1, Sveriges Riksbank, and "Households withdraw money from bank accounts and borrow less and less" (scb.se).

[4] It is difficult to analyse how important this effect may be as we have no statistics on households' debts and assets on the household level (see page 47, Financial Stability Report, 2023:1, Sveriges Riksbank).

important. For example, if households believe that the tightening is temporary and that the policy rate will soon be cut, they may choose to use these savings to smooth consumption over time. Demand strengthens and inflation risks becoming entrenched at a high level. Ultimately, this may require us to implement further interest rate hikes. Paradoxically, expectations of interest rate cuts in the near term may mean that we have to raise the policy rate more, and keep it high for longer, than we would otherwise have needed to.

In this context, I would also like to emphasise that it is not obvious that the policy rate will be cut, even when inflation has returned to two per cent. To keep inflation low and stable, we may need to hold the policy rate at a higher level than before the pandemic.

I also support increasing sales of government bonds. This complements policy rate rises well. In addition, sales of government bonds may help improve liquidity and counter further depreciation of the krona.

The depreciation of the krona is problematic. We have no target for the krona but the long trend of a weak krona is counteracting a decline in inflation. Imported goods and food may become more expensive but there are also more indirect effects that may be important in the current situation. A strong export sector may counteract a weakening in demand. A weak krona also means that more foreign tourists will come to Sweden while some Swedes may decide to remain in Sweden over their holidays, which could be one reason why demand in the service sector is high and service prices continue to rise.

Another aspect of this is whether the depreciation is being driven by unease among international investors over the commercial property sector. If so, it could be counter-productive to raise the policy rate as this could lead to greater weakness in this sector, in turn weakening the krona further. The commercial property sector is interest-rate sensitive but there are major differences among companies, with some being weak and others strong. [5] The capacity for managing vulnerabilities in individual companies is significantly better today than in the early 1990s due to a competitive business sector and strong public finances. Problems in individual companies are no reason to refrain from raising the policy rate.

Allow me to summarise. It takes time for monetary policy to have an effect. We know that. Interest rate rises started in the spring of 2022 but the major hikes took place in the autumn of 2022 and, with normal pass-through, we should see clearer effects on inflation this autumn. The problem is the sluggish decline in underlying inflation. In addition, it is parts of domestic demand, primarily in the

[5] See, for example, Chart 19 in the Riksbank's Financial Stability Report 2023:1, Sveriges Riksbank.

service sector, that are driving this, despite the monetary policy tightening. I have no tolerance for inflation becoming entrenched. Now that the decline has started, it is of uttermost importance that it continues.

I therefore support a rate rise, the rate path and the increased sales of government bonds. The conditions are favourable for a continued decline in inflation but this rests entirely on monetary policy staying on the chosen course. Monetary policy needs to be significantly contractionary for a considerable period going forward in order for us to return to sustainably low and stable inflation.

Deputy Governor Per Jansson:

Since our last monetary policy meeting in April, we have received two new inflation outcomes, for April and May. Including energy prices, the outcome in May amounted to 6.7 per cent. This is 0.4 percentage points lower than expected and since the peak in December last year, it signifies an overall decline in inflation of 3.5 percentage points. Stripped of energy prices, however, the development is not as positive. The May outcome for inflation excluding energy prices came in at 8.2 per cent, which is 0.1 percentage points higher than in our last forecast from April. The peak for price increases when energy prices have been excluded occurred in February, and compared to this, the rate of increase has only declined by 1.1 percentage points. Much of the dampening of inflation that has occurred over recent months is therefore a consequence of a reduced contribution from energy prices.

The development of the Riksbank's various measures of underlying inflation confirms that inflationary pressures are now easing but that this is happening rather slowly. The median of our measures of underlying inflation has continued to fall in April and May. In May, it was 7.6 per cent, to be compared with 8.3 per cent in March, which was the latest figure we had access to at our previous meeting in April. Just as inflation excluding energy prices, the median of the measures of underlying inflation peaked in February. Since then it has decreased by 1.2 percentage points, that is, at about the same rate as inflation stripped of energy prices.

Regarding some of the more fundamental determinants of inflation – inflation expectations, wage formation and fiscal policy – I am more or less sticking to the positive interpretation I expressed at our last meeting.

Fiscal policy has clearly internalised the existing inflation problems and does not have a focus that makes it significantly more difficult for the Riksbank to bring down inflation. It is possible that the energy price support is increasing economic activity slightly more than we have anticipated, but in that case, this is a temporary effect and will not affect the inflation outlook in the slightly longer term. Going forward, it will be important that fiscal policy is not adjusted too early in a more expansionary direction. This is underlined not least by the tendencies towards sluggishness in the easing of inflationary pressures that we are now seeing.

The new two-year industrial agreement, struck by the parties in the manufacturing sector on 31 March and giving workers a total of 7.4 per cent in wage increases, gives Sweden a major advantage in the fight against inflation compared with other countries. Additional agreements concluded after the manufacturing sector settlement are in line with this so-called benchmark, which highlights the strength of the Swedish wage formation model in this situation.

However, central agreements being struck at appropriate levels does not mean that there is now no risk at all of too rapid wage increases that could make our work to bring down inflation more difficult. A point of concern here is reports in the media of local agreements well above the industrial benchmark in a number of manufacturing companies.[6] Some shifting between sectors when economic developments are uneven is neither strange nor unreasonable. But if wage increases are significantly higher than the benchmark in companies in precisely that sector that normally attaches particularly high importance to restraint, it is nevertheless slightly worrying. It may mean that the risk of widespread compensatory demands will be greater than if the deviations from the benchmark occur in sectors where international competition is of less significance.

This would also indicate that the weak development in the krona exchange rate, which in such a risk scenario can be presumed to be behind the vast majority of the higher wage increases in the manufacturing sector, is a greater cause for concern for inflation than we have so far assumed. I will return to this aspect in my monetary policy discussion.

Kantar Prospera's new readings of inflation expectations also continue to convey the picture of strong confidence in the inflation target. The five-year inflation expectations of money market participants have remained stable at between 2.1 and 2.2 per cent since February.[7] In the latest survey for June, they are at 2.2 per cent. In the June reading, the labour market organisations' more long-term inflation expectations also remain close to the target, 2.2 per cent for the employee organisations and 2.1 per cent for the employer organisations. For the

[6] See an article in Swedish in the Swedish financial newspaper Dagens industri https://www.di.se/nyheter/loner-langt-over-market-pa-industribolag/.

[7] I am focusing as usual on the expectations for CPI inflation rather than for CPIF inflation, as the response rate for CPIF inflation is often lower. As we are now in a rate-hike cycle, it may become more important going forward to follow and emphasise the expectations for CPIF inflation. For five-year inflation expectations, however, the differences between the two measures are generally small.

latter group, this is an increase of just under 0.2 percentage points, but the deviation from the target is nevertheless still small.[8]

In summary, the situation still looks quite bright as regards the more fundamental determinants of inflation. There are indeed risks, but there is rather little to right now justify making a larger, more fundamental revision to how quickly inflation is expected to return to target. This is also the perspective in the new forecast in the draft Monetary Policy Report, where relatively small revisions limited to the coming year are proposed.

This time, too, it is proposed that the forecast for the development of energy prices be revised down somewhat. That the assessment for inflation including energy prices, despite this, has been slightly revised upwards in the near term is due to the outcome for the rate of increase in service prices coming in significantly higher than expected in May, at the same time as certain more technical adjustments in the seasonal pattern of some goods and services have been made. Towards the autumn of this year, the unusually weak development of the krona is also contributing more significantly to the upward adjustment of the forecast. As the contribution from energy prices is expected to be smaller than previously, the upward revision for inflation excluding energy prices is greater than the corresponding revision for inflation including energy prices. The shift upward in the assessment of inflation including energy prices is in the magnitude of one to two tenths of a percentage point, while the corresponding adjustment to the prospects for inflation stripped of energy prices amounts to two to three tenths of a percentage point.[9] As from the summer of 2024, the deviations from the previous forecast are very small. Overall therefore, target fulfilment for inflation has not been noticeably changed compared with the assessment in April. Inflation is still expected to be close to target in 2024.

To achieve a development of inflation in accordance with these forecasts, it is assumed in the draft report that the Riksbank will continue to tighten monetary policy. More precisely, it is presumed that the policy rate will be raised by 0.25 percentage points to 3.75 per cent at today’s meeting. It is further assumed that the pace of government bond sales will be increased from SEK 3.5 billion to SEK 5 billion per month with effect from September this year. A higher policy-rate path is also contributing to the tightening of monetary policy, where the assumption now is that the policy rate will peak at 4.05 per cent, compared with 3.65 per cent in April. Just as in the assessment in April, the policy rate is expected to start to fall slightly during the second half of 2025. At the end of the forecast

[8] If we look instead at the five-year expectations for CPIF inflation, these are at 2 per cent for both the employee organisations and the employer organisations.

[9] For a few individual months, the revisions are slightly larger due to base effects.

period, which is the second quarter of 2026, the policy rate is expected to be at 3.75 per cent as a quarterly average.

I support the forecasts in the draft report. And I also support the monetary policy assumptions made therein. That we are now tightening monetary policy slightly more than we planned to do in April I find to be entirely reasonable – the updated inflation forecast is higher than before even conditioned on this tighter monetary policy.

Even though I think that our new monetary policy plan currently is well-balanced, I fear that we may need to revise the plan further in a tighter direction going forward. This is because, at present, my assessment is that the inflation outlook has greater upside risks than downside risks. I would like to finish my contribution by elaborating on these thoughts somewhat.

Although, after the outcome in May, the April forecast for inflation stripped off energy prices is only marginally too low, the figure conceals some rather tricky dynamics, in which we first clearly overestimated the development in April, to then, due to a major underestimation of the monthly increase between April and May, ultimately end up quite close to the assessment from April, for the price increase measured as an annual percentage change. To better understand the size of the fluctuations in inflation excluding energy prices during these two months, the monthly price change in annualised terms can be calculated for each month respectively. This shows, for each month respectively, what inflation excluding energy prices amounts to as an annual percentage change in a thought experiment where the current monthly change is held constant for all time.

This is done in Figure 43 of the draft report and there one can see that the two new monthly outcomes imply that inflation stripped of energy prices as an annual percentage change goes from being quite close to the inflation target in April to being well in excess of 5 per cent in May.[10] As I have pointed out earlier, this development is primarily explained by an unusually large increase in service prices, with a rate of increase, measured in the same metric, that went up by around 10 percentage points from April to May. This is a very large upswing from one month to another, and a more even development in the rate of increase in service prices, and thus inflation stripped of energy prices, would of course have been significantly less concerning.

The fact that it is price increases for services that are surprising negatively is especially troublesome for several reasons. One is that services have a heavy weight in the Swedish CPI basket, close to 50 per cent. Another is that, for some

[10] The figure is based on data with 2023 weights to better be able to distinguish price changes from so-called basket effects.

time now, persistent large service price increases have become quite a major problem in a number of other countries, such as the United States and the United Kingdom. This may suggest that our problems in this area could also increase in the period ahead. So far, there has been a tendency for us to be hit by the same inflation problems as other countries, but that this occurs with a certain time-lag.

A third reason concerns a possible link between the rapid rate of increase in service prices and the weak krona. The low-valued Swedish exchange rate makes it cheap for foreign tourists to consume in Sweden. It can be assumed that much of this consumption is of services, for example campsites, cottage rentals, hotels or restaurants. It is also feasible that the weak krona exchange rate means that an unusually high number of Swedes will choose to holiday at home, which could further push up service consumption.

Of course, we do not know whether these types of effects had a bearing on the rapid service price rises in May. But this cannot in any case be ruled out and, if it indeed is the case, then there is every reason to believe that the rate of increase in service prices will be even more affected in the coming months, which are the peak season for tourism.

A fact box in the draft report discusses among other things the possibility that the pass-through of the exchange rate to inflation may recently have been larger than usual as companies in a high-inflation environment have been more prone than previously to pass on various costs to their customers, where the krona exchange rate's effects via more expensive imports may be included.[11] The above-mentioned possible link to the development of service prices is another channel that could mean that the inflation effects of the krona are now greater than they usually are. And at the beginning of my contribution today, I have already talked about a third channel that may reinforce the effects, namely the link to wage development in the large manufacturing companies. It seems reasonable to believe that these latter two channels also have greater significance in a high-inflation environment where companies are more prone to increase their prices. But it is also reasonable to assume that these particular channels also depend more directly on the level of the exchange rate, so that their significance grows, the weaker the krona exchange rate is.

The problems associated with a greater exchange-rate pass-through to inflation will naturally be exacerbated if the krona exchange rate continues to develop unexpectedly and unjustifiably weakly. And of course, such a development would be problematic even if the pass-through was not greater than normal.

[11] See the fact box "Pass-through of the exchange rate when inflation is high" in the draft report.

In summary, then, my assessment is that there are several upside risks for inflation. Several of these are perhaps risks of a more short-term nature but they can, if the Riksbank does not react to them, nevertheless create very serious problems, by delaying the return to the inflation target or, in the worst case, lead to weakening confidence in the target. As we have pointed out many times before, the crucial aspect in order to maintain confidence in the target is that inflation adjusts so that there continues to be preconditions for real wage increases within the not-too-distant future. In light of this, we should, at least in my view, continue to have very low tolerance for inflation surprises on the upside and full preparedness to, if judged appropriate, increase the policy rate by more than we currently anticipate – and if it becomes necessary, even by much more.

Deputy Governor Aino Bunge:

I support the assessments and forecasts made in the draft Monetary Policy Report, and I support the proposal to raise the policy rate by 0.25 percentage points to 3.75 per cent, as well as the interest-rate path. In addition, I would like to express my support for increasing sales of government bonds from SEK 3.5 billion to SEK 5 billion.

At the last meeting, I expressed a hope that, by this meeting, inflation would have clearly started its path down towards the inflation target. We now see that this is happening, which is a sign that monetary policy is taking effect. The outcome for May for our target variable CPIF inflation of 6.7 per cent is slightly below the forecast made in April. However, as described in the draft report, underlying inflation excluding energy is falling significantly more slowly. According to the May outcome, inflation measured as the CPIF excluding energy is at 8.2 per cent, which is a very high level.

When it comes to CPIF inflation, the downturn is primarily still being driven by falling energy prices, in contrast to last year's sharply elevated levels following the outbreak of the war in Ukraine. To assess the sustainability of the decline in inflation, I consider it reasonable to focus just now primarily on underlying inflation, that is to say excluding energy. And here, developments are more mixed. In April, we were positively surprised to see the rate of increase in food prices slowing down and even falling. This development continued in May but then service prices instead clearly surprised on the upside. For me, this indicates continued uncertainty over the development of inflation and its path down to the inflation target.

What does indicate a rapid decline in inflation is that several of the factors that led to the upturn last year are now easing: in addition to energy prices, this applies to producer prices and supply shocks in the form of delivery problems, for example. The wage negotiations that resulted in a new industrial agreement also reduced the risk of a wage-price spiral in Sweden, even if wage drift needs to be monitored.

On the demand side in Sweden, it is also clear that the interest-rate sensitive parts of the economy are substantially affected. Housing construction is slowing down abruptly due to lower housing prices, higher interest rates and increased construction costs. And we can see that consumption is falling as low real wages and rising interest rates undermine household purchasing power. We can also note that inflation expectations in the medium term remain reassuringly close to the target, while more short-term expectations are falling in the wake of lower outcomes for actual inflation.

At present, however, there are also factors indicating that the high inflation may persist for longer than expected. When it comes to companies' pricing behaviour, the most recent business survey showed that companies' price plans are decreasing but primarily within the manufacturing sector. In more consumer-related sectors, companies want to continue trying to raise prices more than normally. The development of prices in the service sector, which is responsible for almost half of the CPI basket, is clearly above the average trend. As the draft report emphasises, this follows an international pattern and indicates risks that inflation both in Sweden and abroad may stick at a high level. Even though we can see a weakening of economic activity internationally, the labour market also seems to be resisting better than expected. In Sweden, once again we can see that employment is surprising on the upside. As regards other risk factors, I note that geopolitical uncertainty understandably remains high, while we also have to consider that drought due to a warmer climate and weather phenomena may have a relatively strong effect on global food prices.

Overall, as in April, inflation risks are relatively balanced. The financial conditions are also calmer than earlier in the spring, although risks to financial stability, including the Swedish commercial property market, require continued monitoring. Today, however, I would like to raise two issues that are contributing to increasing uncertainty over future prospects: the weak development of the krona and persisting behavioural effects of the pandemic.

Since the last monetary policy meeting, the Swedish krona has again depreciated and reached the weakest levels since the financial crisis of 2008–2009. Such a weak krona exchange rate hinders monetary policy and increases inflationary pressures. As the draft report makes clear, it may also be the case that, in this uncertain environment in which inflation is already high, the pass-through to inflation of a krona depreciation is greater than has been the case historically (see the fact box "Pass-through of the exchange rate when inflation is high").

As regards the development of the krona last year, we have ourselves pointed to increased uncertainty in international financial markets, together with relatively larger interest rate rises abroad.[12] However, I share the assessment made in the draft report, namely that the exchange rate now appears to be unjustifiably weak. The conditions for a long-term healthy economic policy in Sweden are favourable, with well-functioning wage formation and very sound public finances, for example. However, as the alternative scenario in the draft report shows, a weaker exchange rate combined with a greater pass-through to inflation may lead to monetary policy needing to be tightened further.

Another issue contributing to the uncertainty over economic developments, not least for the service sector, is the persisting behavioural effects of the pandemic. The strong development of the labour market, in which some companies are retaining staff due to their recent experiences of recruitment difficulties following the pandemic, provides a partial explanation for employment developing more strongly than expected (see also the article “Strong labour market in Sweden and abroad” in the draft report). Of course, a scenario in which demand declines and inflation falls without a sharp upturn in unemployment would be desirable.

We are now also seeing that household demand and consumption are falling as purchasing power decreases. However, the downturn is primarily focused on goods, while, as I have said, services are developing significantly stronger (see Figure 2 in the draft report). We are continuing to see a mirror image of the pandemic, when we could not consume services, with travel, hotel and restaurant visits now being prioritised.

An associated source of uncertainty is that households built up large buffers of savings during the pandemic that can now be used to maintain consumption. Statistics Sweden’s Financial Accounts show that deposits in bank accounts in the first quarter of this year were negative for the second quarter in a row, which is unique in a historical perspective.[13] And this occurred despite electricity price support payments of SEK 17 billion in this period. There is some uncertainty over how much of their savings households can and will use in the period ahead to counter the effects of reduced real wages and increased costs and how this, in turn, will effect consumption and the development of prices, not least for services.

My overall assessment is that monetary policy is now having a contractionary effect but that further tightening is needed. Inflation remains far too high. The fact that we see inflation having spread to the development of prices in the

[12] See the article “Why has the krona weakened this year?”, Monetary Policy Report, November 2022, Sveriges Riksbank.

[13] See [Households withdraw money from bank accounts and borrow less and less (scb.se)](scb.se).

service sector is increasing the risk that it will persist, and the weak exchange rate is making a negative contribution. I consider that the policy rate now needs to be raised by 0.25 percentage points. It also seems reasonable, as the policy-rate path indicates, that at least one more increase will be needed this year. As we have said previously, it will not be until underlying inflation has also been close to the target for a while that there will be any scope for a possible policy-rate cut and we still have a lot further to go before we are there.

Finally, the proposed decision concerning the Riksbank's asset holdings, which I also support, takes us one step closer to a normalisation of the balance sheet. Following our decision in February to sell government bonds with longer maturities, actual sales started in April. They have proceeded according to plan with high demand from the market. As previously, the plan for reducing the asset holdings should be characterised by predictability. I agree completely with the assessment in the draft report that it is primarily the policy rate that should be used if further monetary policy tightening is needed.

Summer now awaits, with three new inflation outcomes to come before the next monetary policy meeting in September. Bringing inflation down to the target remains top priority. If inflation is too high over the long term, the negative consequences for Swedish growth and the labour market will definitely be much greater.

Deputy Governor Martin Flodén:

I support the proposal to raise the policy rate by 0.25 percentage points to 3.75 per cent. I also support the forecast for the policy rate and the proposal to sell government bonds at a faster pace.

The policy rate increase in combination with the new assessment of how we will set the policy rate going forward mean that monetary policy will be somewhat tighter than we planned at the previous monetary policy meeting, and quite significantly tighter than I argued for at that time. I argue that this is necessary despite CPIF inflation having decreased more than expected after the previous monetary policy meeting.

There are mainly three developments that together justify the tightening: Although the economic outlook is difficult to interpret, it seems stronger than our previous assessment. The krona has again depreciated significantly. And the latest inflation outcomes are a disappointment despite CPIF inflation declining more than expected. Let me elaborate on all this.

Over the past year or so, we have, like many other central banks, raised the policy rate rapidly. It is clear that the rate hikes are having an impact and that many in the economy are being affected by the higher interest rates. Growth in parts of the economy is very weak, although other parts of the economy are showing unexpected resilience. This applies in particular to the labour market where the figures have continued to be surprisingly strong. At the beginning of the year, exports and investment also grew unexpectedly rapidly. Another example is the housing market, where the price fall seems to become slightly smaller than our previous assessment.

The continued and reinforced signs of the economy's resilience are therefore one reason to continue to increase the interest rate. But the picture of the economic situation is unusually blurred and difficult to interpret. For example, households this past year have been very pessimistic in the Economic Tendency Survey. Their real disposable incomes have fallen rapidly as has the consumption of goods. Despite this, the consumption of services such as restaurants and hotels has developed quite strongly. Another example is construction. Despite talk of a collapse in housing construction, the construction sector as a whole reports a normal cyclical position.

A third example is the manufacturing sector. Most indicators, such as the Riksbank's Business Survey and the National Institute of Economic Research's confidence indicator suggest that development there is relatively strong. The export industry is benefiting from the weak krona and investment is on a high level. According to the Purchasing Managers' Index (PMI), however, development in the manufacturing sector is almost as weak as during the pandemic.

Against the backdrop of this divergent economic picture, new information about the direction of the economic cycle will be more significant than usual in the run-up to the next monetary policy decision.

A second reason to continue to raise the policy rate is the increasingly weak krona. Since the previous monetary policy meeting, the krona has depreciated by almost 4 per cent against the euro. And since the beginning of 2022, the depreciation is nearly 15 per cent. On the one hand, the krona depreciation is impossible to explain based on economic fundamentals, such as the current account balance and public finances, or on yield spreads between countries. For example, the policy rates of the ECB and the Riksbank have developed much the same, as have expectations of monetary policy going forward.

On the other hand, high-frequency changes in monetary policy and monetary policy communication have had a major impact on the exchange rate. Much of the recent krona depreciation seems to be explained by expectations of foreign central banks' policy rates having shifted upwards. In light of the krona being so weak and of other central banks tightening their monetary policy, the Riksbank's monetary policy also needs to be tightened. Otherwise, the krona risks weakening further, which in turn counteracts the slowdown in inflation.

The third development I mentioned was the most recent inflation outcomes. Energy prices have fallen rapidly and have become lower than expected in recent months. This is good, and will help inflation to fall. Excluding the volatile energy prices, inflation has developed more or less in line with our earlier forecast. But hidden behind the figures are rapid falls in food prices and high rates of increase in the price of services such as travel, restaurants and hotels.

Although the fall in food prices in both April and May was not in our forecast, there were certain indications suggesting such a development. And against the backdrop of the large price increases in food in 2022 and early 2023, it almost goes without saying that the price rises need to be reversed to a certain extent when wage increases remain moderate.

However, the rapid upturn in service prices in May was both surprising and worrying. It is possible that the price increase is due to temporary factors such as strong demand for hotel and restaurant services in the wake of electricity price support pay-outs during the spring, but service price increases in other countries contradict this. Furthermore, prices in Sweden can be driven by demand in these sectors being sustained by increased tourism when the krona is weak.

The latest inflation outcome in combination with the weak krona and several surprisingly strong cyclical signals mean that our assessment of inflationary pressures has been revised up noticeably. As a consequence of this, monetary policy needs to be tightened.

I therefore think it is right to raise the policy rate to 3.75 per cent today. And I also support the policy-rate forecast indicating that the rate will need to be increased to 4 per cent later this year. But this assessment is associated with considerable uncertainty.

In the draft report, we highlight a number of factors that suggest inflation is on its way down towards the target. Electricity and fuel prices along with global freight and commodity prices have fallen considerably. In Sweden, producer prices have recently increased at a historically normal rate, or have even fallen. And consumer prices are no longer increasing as rapidly as at the beginning of the year.

Before the next monetary policy meeting, in September, we will receive outcomes for inflation during the three summer months. These outcomes will naturally be important for the next monetary policy decision. I will be particularly interested in the monthly price changes for various sub-indices.

If the outcomes are approximately in line with our forecast (see Figure 43 in the draft report), at the same time as there are growing signs of a rapid weakening of the economy, I can envisage a situation in which it will be appropriate to hold the policy rate at 3.75 per cent for the rest of the year. But this probably will also require the krona to appreciate somewhat from its current level, perhaps caused by a similar slowdown in inflation and economic activity abroad.

I can also see scenarios in which the policy rate will need to be raised more than in the forecast. One possible scenario after the inflation figures for May is service prices continuing to rise surprisingly quickly while the demand for services remains high.

Another scenario that is difficult to rule out after the unjustified depreciation of the krona this past year is illustrated in the draft report. In this scenario, the krona continues to depreciate and it also has an unusually large pass-through to inflation. The cause of such a krona depreciation could be inflation abroad remaining stubbornly high and monetary policy in other countries therefore having to be tighter.

A third scenario we need to be vigilant about is increasing wage drift. The employment rate has continued to rise and there is a clear shortage of labour in some parts of the labour market. The wage agreements struck in the spring provide good hope that the strong labour market can be combined with moderate wage increases and thus not hinder the fight against inflation. This is also the starting point in our forecast. But in some places, there is now anecdotal evidence that wage increases over and above the agreements are beginning to pick up. So far, I consider such a development to be rather unlikely, but if signs of rapid wage increases become clearer, monetary policy may need to be tightened further.

Governor Erik Thedéen:

I support the proposal to raise the policy rate by 0.25 percentage points to 3.75 per cent. I also support the forecasts presented in the draft report, including the policy-rate path indicating that the policy rate may be raised at least one more time in the autumn. By increasing the policy rate, we are taking action so that inflation will continue to fall in 2023 and 2024 and then stabilise around the target of 2 per cent. I also support the proposal to increase the volume of the government bond sales that began in April to SEK 5 billion a month as from September. As the sales we have implemented so far have worked well, it is reasonable to expand them somewhat, especially when there is still a need for monetary policy tightening. Otherwise, the sales of government bonds should be characterised by predictability and signify a gradual normalisation of the Riksbank’s balance sheet.

Economic developments since the previous meeting have in general been in line with the forecasts we made in April. Internationally, growth has been marginally weaker, the labour market somewhat stronger and inflation approximately as expected. However, the latest economic signals indicate somewhat weaker international economic developments.

In Sweden, GDP growth has been slightly better than we expected in April. The anticipated recession has not yet occurred. At the previous monetary policy meeting, I pointed out the possibility of the Swedish economy not developing as weakly as some analysts predicted. Certain data indicate that developments have been as I expected. The economy's adjustment to higher interest rates seems to have been more robust than many have so far assumed. This increases the likelihood of a so-called soft landing in the economy, but at the same time poses a higher risk of activity not cooling enough to push down inflation.

But factors such as higher prices, lower real wages, higher interest rates and weak demand abroad still suggest slightly negative growth during the rest of 2023. This year, GDP is expected to fall by 0.5 per cent, followed by a weak 2024. In 2025, growth will increase to just under 2 per cent, that is to say, close to normal growth.

However, the GDP figures conceal significant disparities in developments between different parts of the Swedish economy. The decline in growth is not broad-based, but seems to be concentrated to a small number of sectors. Among the sectors showing weak development is primarily housing investment, which is expected to fall by over 25 per cent this year and by the same percentage next year. Other investments by the business sector, on the other hand, are expected to continue to grow this year, with a slight decline in 2024. The development of housing investment is worrying. Historically, variations in housing investment are responsible for a large share of the fluctuations in GDP growth. In our current forecast, GDP growth in 2023 is revised down by over 1.5 percentage points as a result of the weak housing construction.[14] Price developments in the housing market look set to stabilise going forward. This will probably not benefit housing investment, at least not in the short term, but does have, all else equal, a certain positive effect on private consumption.

Private consumption also looks set to develop weakly this year, and this applies to the consumption of goods in particular. It may be worth remembering that goods consumption rose sharply during the pandemic, and in a longer perspective, developments so far do not look as bad as the short-term outcome suggests. But there is no doubt that there are groups in the household sector that have been

[14] The figure is not adjusted for the import content of housing investment. If imports are taken into consideration, the negative contribution to GDP will be somewhat smaller.

hard-hit by higher prices and weakened purchasing power. Especially households with limited buffers are therefore being forced to adjust their consumption.

At the same time, it may be worth pointing out that different households are affected in different ways. Among groups with higher incomes, and, above all, higher buffer savings, the effects on consumption seem to be more limited. The continued rise in service consumption is probably due, among other things, to many households having high margins.

A natural financial adjustment to the higher interest rates is occurring in these groups, where households' bank deposits, among other things, are decreasing. If households choose to fund some of their consumption by reducing their savings, demand may develop more strongly than expected. If savings were instead to increase again, consumption could fall further. There is considerable uncertainty here and this is something that should be monitored closely going forward.

We have received two new outcomes for the CPI since the previous monetary policy meeting in April. The latest was for May, and CPIF inflation was then 6.7 per cent, several tenths lower than we expected at the April meeting. CPIF inflation has now fallen for several months and even slightly more than in our previous forecasts. But I wish to point out that there are features in the development of inflation that do not look good and that for me are clear signs that the job of bringing down inflation to target is not finished. The last stretch of the marathon is still to come!

One sign is that CPIF inflation excluding energy (CPIFxe) is not falling as much as CPIF inflation, despite food prices, that are included in the CPIFxe, having declined for some time. The reason for this is that prices for goods and particularly for many services continue to increase at a relatively rapid pace. Most worrying is the development of service prices, with an annual rate of increase of 7 per cent in May. Bearing in mind that service prices make up almost half of the CPIF basket, this is a troublesome development. The rate of price increase for services must cool significantly if we are to succeed in bringing CPIF inflation back to around 2 per cent. The risk of persistently higher service prices is also a theme in other comparable countries. Reduced supply shocks indicate that the rate of price increase for goods is continuing to fall, but the development of service prices may have a different dynamic. There is reason to be vigilant here. It should be noted at the same time that the different measures of underlying inflation presented in the draft report have begun to decline and this supports the forecast that inflation will fall towards the target of 2 per cent.

The development of the Swedish krona has continued to provide a negative surprise. The depreciation of the krona over the past year has been unexpected, and there are several hypotheses as to what lies behind it. I am not convinced that the explanations given recently that have to do with the turmoil surrounding Swedish property companies, are probable. The fact is that other smaller currencies, such as the Norwegian krone, have also depreciated to approximately the same extent. In addition, we see few other indications from pricing in the financial markets, such as banks' borrowing costs, to suggest that the turmoil among property companies is a decisive factor in the negative development of the krona. On the contrary, there are in my view economic fundamentals that indicate a stronger Swedish krona, but it is difficult to predict when an appreciation may occur. The krona's development is important to the Riksbank as it affects the inflation rate. And here I see a risk from the depreciation that has persisted for some time. There is an interesting fact box in the draft report that outlines a few new studies on the pass-through of the exchange rate to consumer prices. A conclusion is that the percentage pass-through of a weak exchange rate can be greater when inflation is high, as companies in such situations of greater uncertainty are keener to pass on cost increases to their customers. This is particularly true if the change in the exchange rate is perceived as permanent.

The development of the krona will therefore be an important factor - of several - in the design of monetary policy. However, there is *no* reason for the Riksbank to react to temporary movements in the exchange rate, but we need to deepen our understanding of the impact of the exchange rate on inflation. And if it turns out that the krona's depreciation this past year has a greater pass-through to inflation than we have previously assumed, it may, all else equal, lead to a tighter monetary policy than is now projected in our rate path.

Before I summarise, allow me to say something more about the labour market and wage formation. Employment continues to develop strongly and in relation to the population is now about 70 per cent, the highest employment rate since the years before the crisis in the early 1990s. Notices of redundancy are low. Overall, both our own and other forecasts indicate that the labour market will develop better, perhaps even much better, than we have previously thought. This is good news for the Swedish economy, but it may also lead to inflation not falling as we would wish. It could cause wage drift when companies are forced to increase wages in a strong labour market. However, my assessment is still that Swedish wage increases will largely be in line with the so-called benchmark and thus in line with the inflation target. But we must monitor this closely.

To summarise: Inflation measured as our target variable CPIF has been falling for several months. In other words, we see clear signs that we have now completed the first phase of our work to bring inflation back to target. But we are not done yet. We now need to pursue a monetary policy to ensure that inflation does not become entrenched at a level above the target but continues to fall to 2 per cent and stabilise there. Developments in underlying inflation and not least in service prices are worrying in this context. Similarly, the development of the krona is a risk factor, as the krona can continue to develop more weakly than expected and also have a greater pass-through to consumer prices than we have so far anticipated. A higher policy rate is required, not least to counteract tendencies that service prices will get stuck at too high levels. I therefore vote to raise the policy rate by 0.25 points at today's meeting. And as I currently see it, most indications are that the rate will have to be raised again in the autumn.

My assessment is that the inflation risks are overall on the upside and I therefore do not rule out that we may have to increase the policy rate more than is indicated in the rate path in the draft report. I said at the previous meeting that we should adopt a more open approach to our forthcoming decisions. This still applies, but the inflation risks are more on the upside at this meeting, which justifies today's decision and the elevated rate path. It is still the case that new incoming information and data will determine future policy-rate decisions, including the inflation figures in the coming months, the development of companies' pricing plans, the design of monetary policy abroad and the development of the krona.

Thank you!

§4. Monetary policy decisions

The Executive Board decided

- on monetary policy measures in accordance with the provisions of the draft Annex A to the minutes, Policy rate decision and government bond sales. The policy rate will be raised by 0.25 percentage points to 3.75 per cent and this decision will apply as from Wednesday 5 July 2023. As from September 2023, the Riksbank will increase the pace of sales of Swedish nominal government bonds to a nominal value of SEK 4.2 billion per calendar month, and Swedish inflation-linked government bonds to a nominal value of SEK 800 million every calendar month. Otherwise, the Riksbank's decision from 8 February with regard to sales of government bonds will still apply,
- to establish the Monetary Policy Report according to the proposal, Annex B to the minutes Monetary Policy Report,
- to publish the monetary policy decision with the reasons for it in a press release at 09.30 on Thursday 29 June 2023,
- to publish the minutes from today's meeting at 09.30 on Monday 10 July 2023.

This paragraph was confirmed immediately.

Minutes taken by

Mattias Ankarhem Iida Häkkinen Skans

Verified by

Erik Thedéen Anna Breman Per Jansson

Martin Flodén Aino Bunge

SVERIGES RIKSBANK
SE-103 37 Stockholm
(Brunkebergstorg 11)

Tel +46 8 - 787 00 00
Fax +46 8 - 21 05 31
registratorn@riksbank.se
www.riksbank.se