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Dear readers,

This year's second edition of Sveriges Riksbank Economic Review comprises a smorgasbord of questions relevant to a central bank. The first article takes a closer look at households' expectations of where the economy is headed, while the second article analyses banks that are regarded as systemically important. These are followed by an article on the development of the Swedish krona over a longer period of time, and the final article concerns how pandemics have affected Sweden over the past 200 years.

- **Can households predict where the macroeconomy is headed?**

Kamil Kladičko and *Pär Österholm* of Örebro University analyse Swedish households' expectations of inflation and unemployment. These expectations are interesting as households' decisions can be affected by their expectations of future events. Moreover, households' inflation expectations reflect their confidence in the ability of monetary policy to attain the inflation target. In this article, Kladičko and Österholm analyse how well households have managed to predict changes in inflation and unemployment in the coming period.

- **Systemically important banks: is there a TBTF premium?**

Marianna Blix Grimaldi, *Mats Christoffersson*, *Yuuki Ikeda* and *Jonas Niemeyer* describe questions concerning systemically important banks, that is to say, banks that, if they were to fail, would cause large problems for the financial system and the economy as a whole. As these banks are often protected by the state if they suffer financial problems, their financing costs are lower than those of other banks. The authors calculate the size of this premium for a large sample of international banks, and discuss how the premium varies over time and between regions.

- **The development of the Swedish real exchange rate over a longer perspective**

Carl-Johan Belfrage takes a closer look at how the Swedish krona's real exchange rate has developed in recent decades, and also in a 100-year perspective. He compares and analyses different measures of the real exchange rate and discusses various possible explanations for the long-term development of the krona. In addition, he presents an empirical estimate of the trend for the real exchange rate.

- **How lasting are the economic consequences of pandemics? 220 years of Swedish experiences**

Stefan Laséen analyses how the pandemics that have affected Sweden since the early 19th century have affected both demographics – for instance, the number of births and the total population – and the economy – for instance, GDP and inflation. In his analysis he uses data from the Riksbank's historical monetary statistics. He also discusses what possible conclusions can be drawn with regard to the effects of the current pandemic.

Read and enjoy!

Marianne Nessén and Ulf Söderström

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