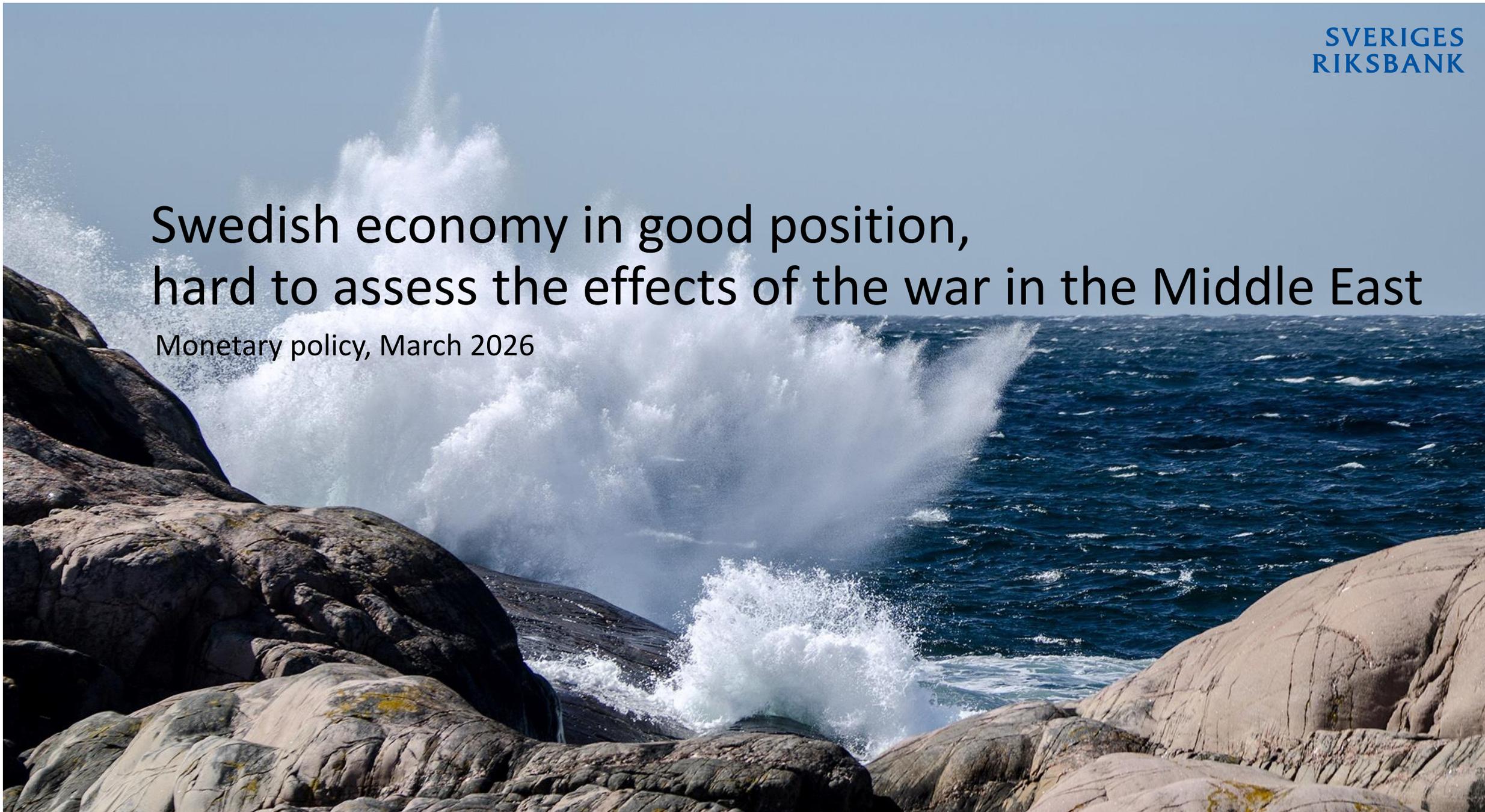


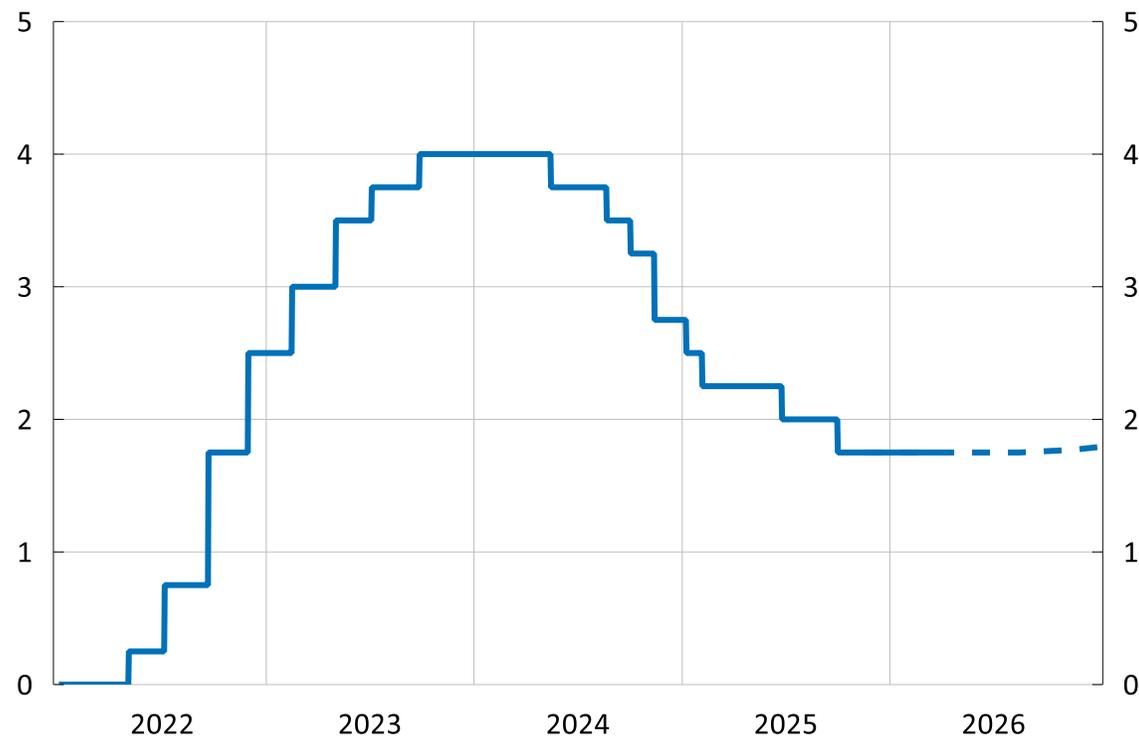
Swedish economy in good position, hard to assess the effects of the war in the Middle East

Monetary policy, March 2026



Monetary policy decision, March 2026

Policy rate



- Policy rate **unchanged** at 1.75 per cent.
- The policy rate is **expected to remain** at this level for some time to come.

The war in the Middle East has clearly impacted energy prices



Dollar per barrel.
Source: Intercontinental Exchange.



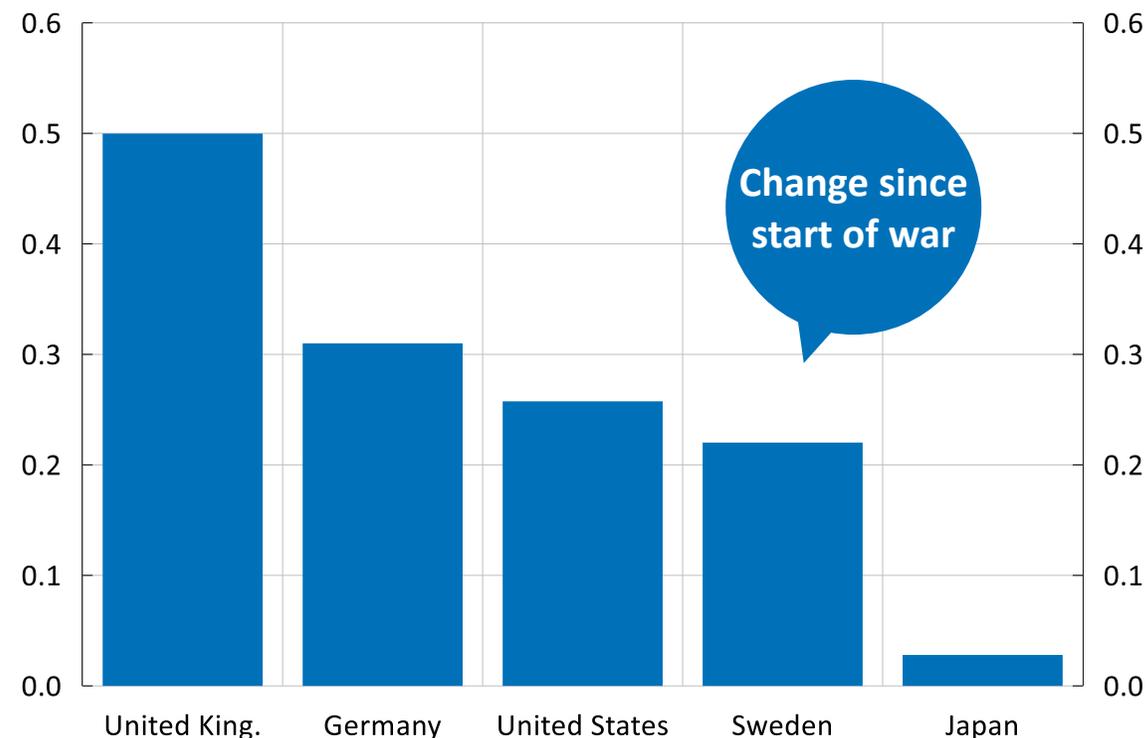
Significant movements in the financial markets

Lower stock prices



Index, 2 January 2025 = 100.
Sources: Nasdaq OMX Nordic, Nikkei Inc and S&P Global.

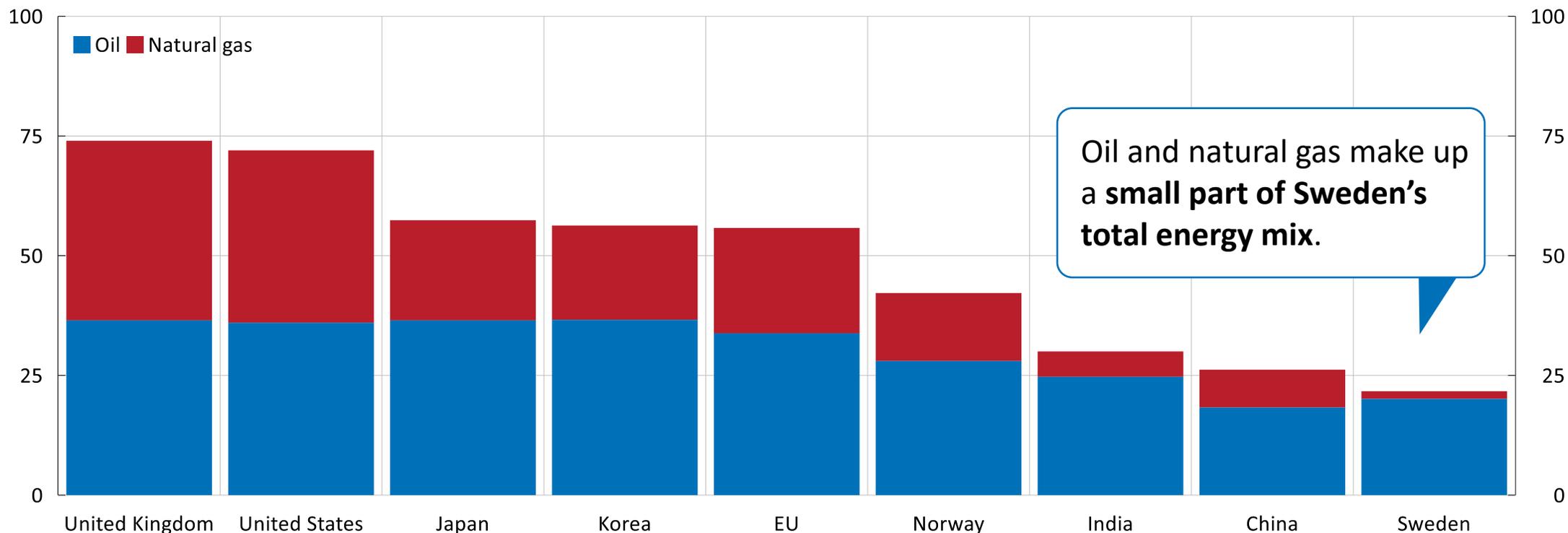
Change in yields on 2-year government bonds



Percentage points. Refers to zero coupon rates.
Sources: Bank of England, Bundesbank, Federal Reserve and the Riksbank.

Higher energy prices affect countries in different ways

Oil and natural gas in the country's total energy mix



Percentage of total energy supply. Refers to 2023 for India and China, 2024 for others.
Source: International Energy Agency.

How does this affect the Swedish economy?



- **Higher fuel prices** are reducing scope for household consumption and increasing corporate costs.
- **Lower growth in the near term** and **slightly higher inflation**, but the effects are currently assessed to be limited.
- **Duration of the war is decisive** for the effects.
- **Relatively good position** for the Swedish economy.

Conditions are fundamentally favourable for a recovery in the Swedish economy

- Economic recovery started last year.
- Household purchasing power strengthening.
- Labour market situation gradually improving.
- Increased defence spending means increased investment.

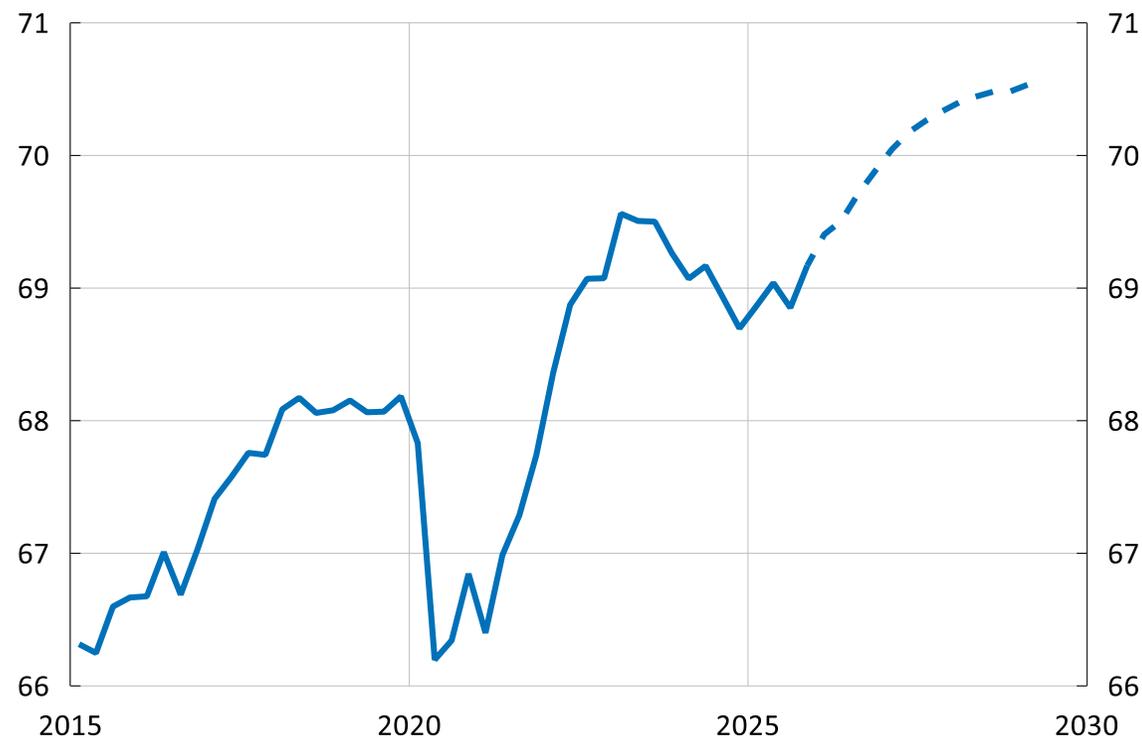
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There have been a few times when we were heading towards positive outcomes but then comes a geopolitical shock.

The Riksbank's Business Survey

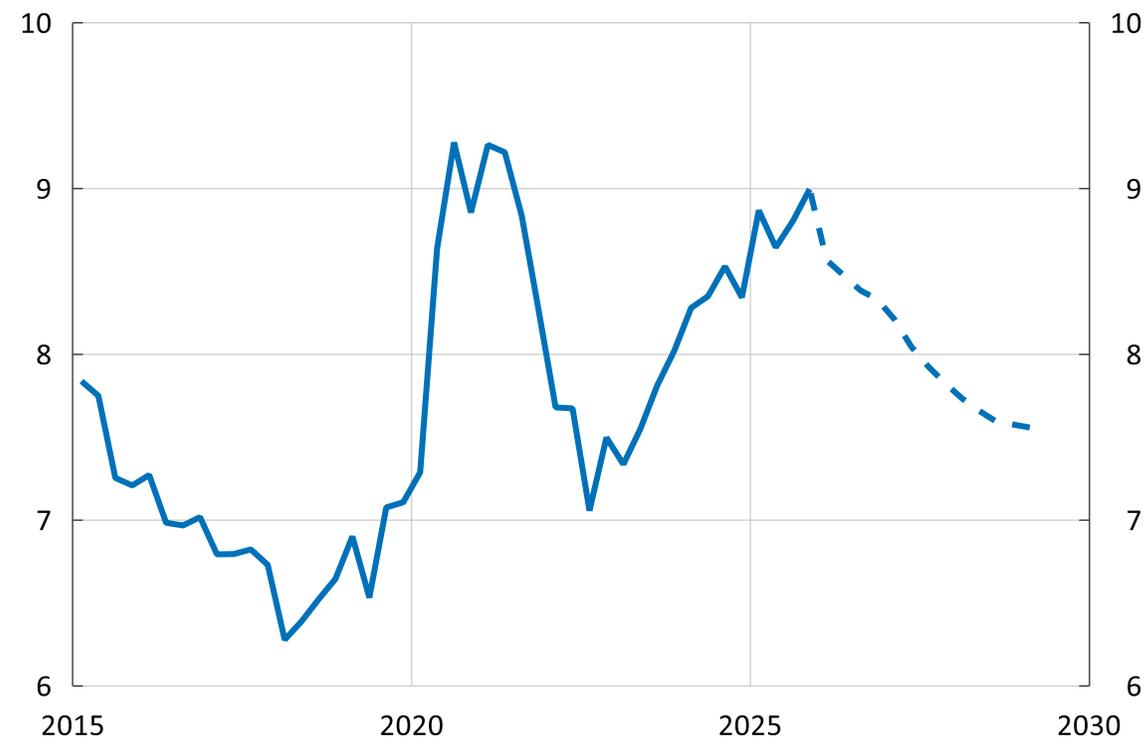
Weak labour market situation has improved slightly

Employment rate



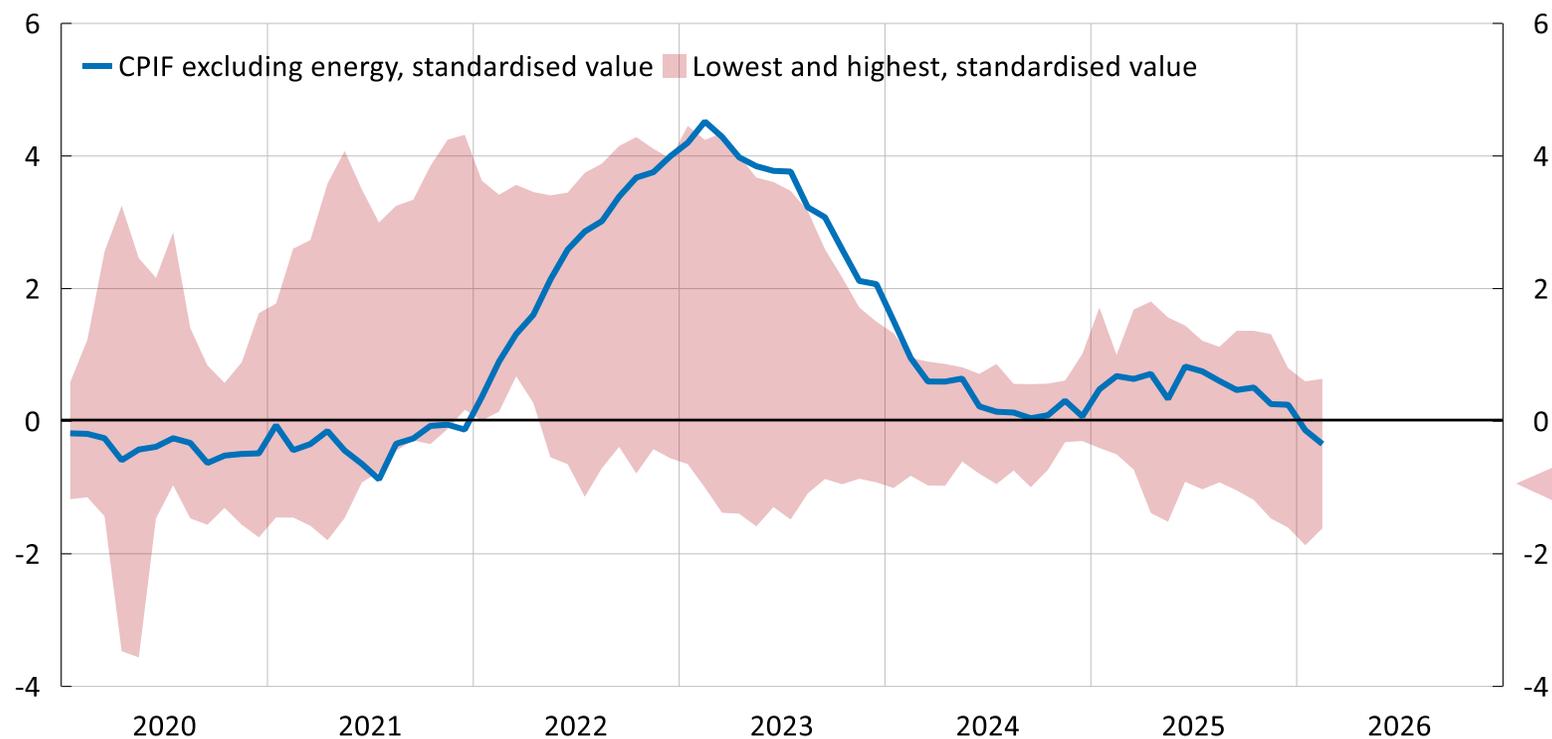
Percentage of population. Refers to 15-74 age group.
Sources: Statistics Sweden and the Riksbank.

Unemployment



Percentage of labour force. Refers to 15-74 age group.
Sources: Statistics Sweden and the Riksbank.

Rising energy prices but subdued inflationary pressures



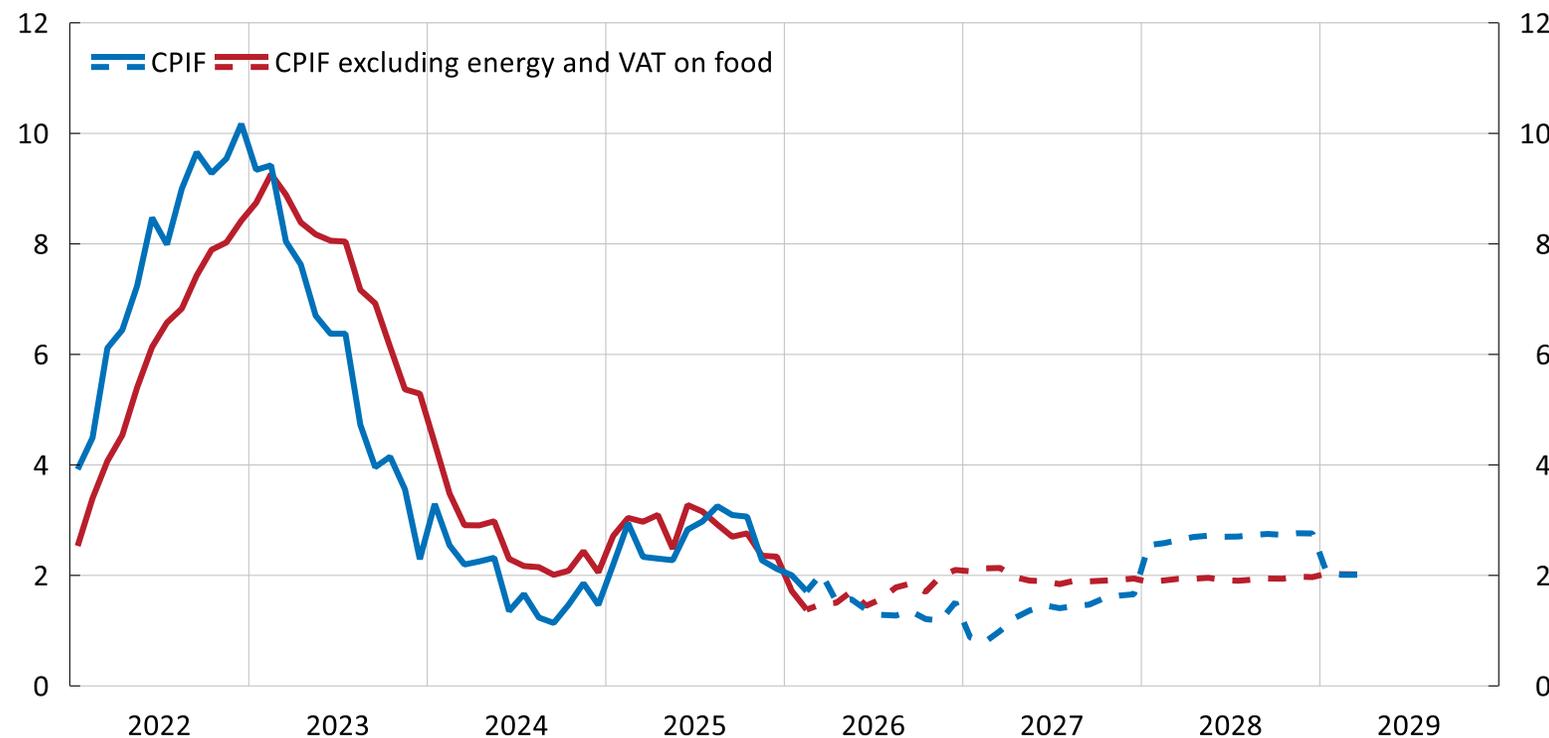
Indicators point to lower, rather than higher, inflation ahead.
A value close to 0 indicates normal inflationary pressures.

Standard deviation. Price index expressed as annual percentage change.

The field shows the span between the highest and lowest standardised value for a number of indicators.

Sources: The Economist, Eurostat, Federal Reserve, National Institute of Economic Research, Statistics Sweden, Swedbank, US Bureau of Labor Statistics and the Riksbank.

Inflation close to target in medium term



INFLATION
TARGET, CPIF:

2%

Solid line refers to outcome, dashed line refers to the Riksbank's forecast.

Sources: Statistics Sweden and the Riksbank.

Uncertain international development calls for vigilance



The main scenario that the war will have a moderate impact is **highly uncertain**.

Policy rate may need to be raised

- Substantially higher energy prices over a longer period.
- Production disruptions are pushing companies' costs up.
- Broader and more persistent inflationary upturn in Sweden.

Policy rate may need to be cut

- Increased uncertainty is reducing consumption and investment.
- Significant effects on demand in Sweden and abroad.
- Weak inflationary pressures.

Swedish economy in good position, hard to assess the effects of the war in the Middle East

Monetary policy March 2026

