

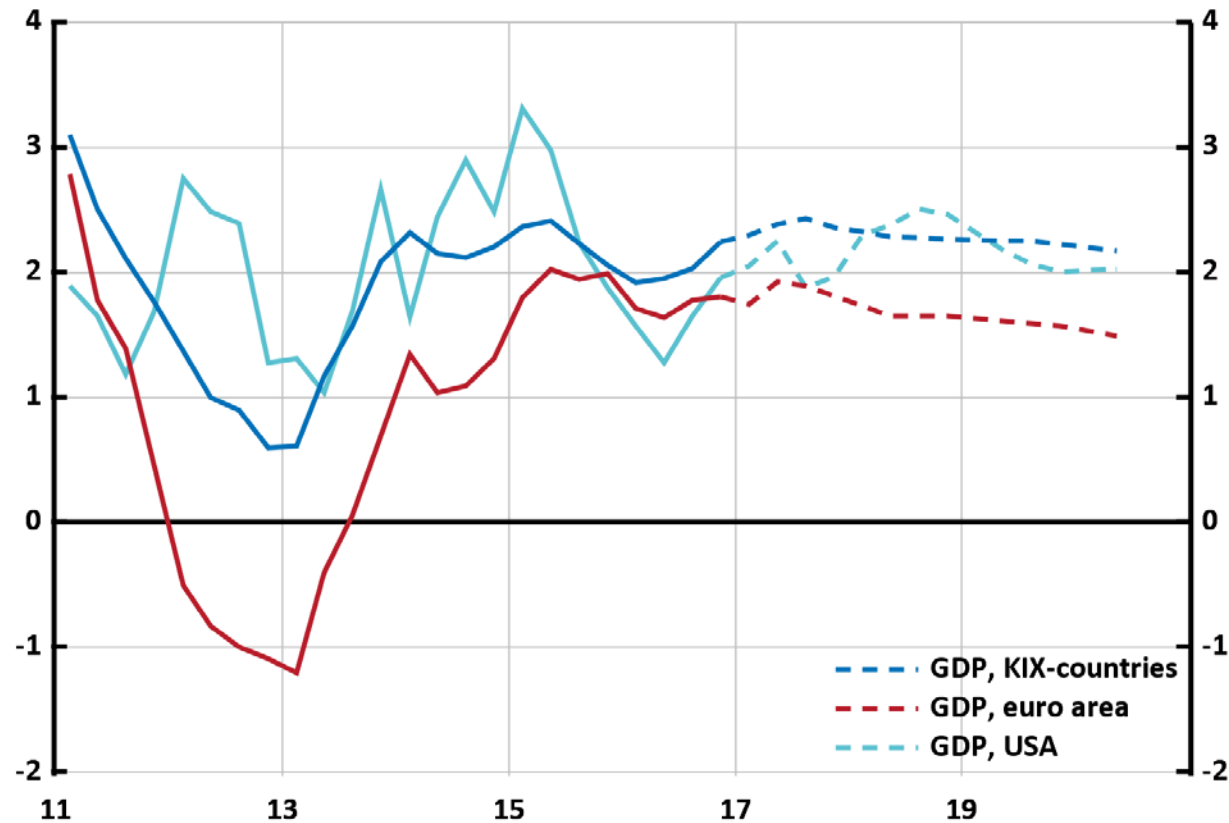


Monetary policy decision April 2017

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

Continued support for rising inflation

Stronger international economy but risk of setbacks

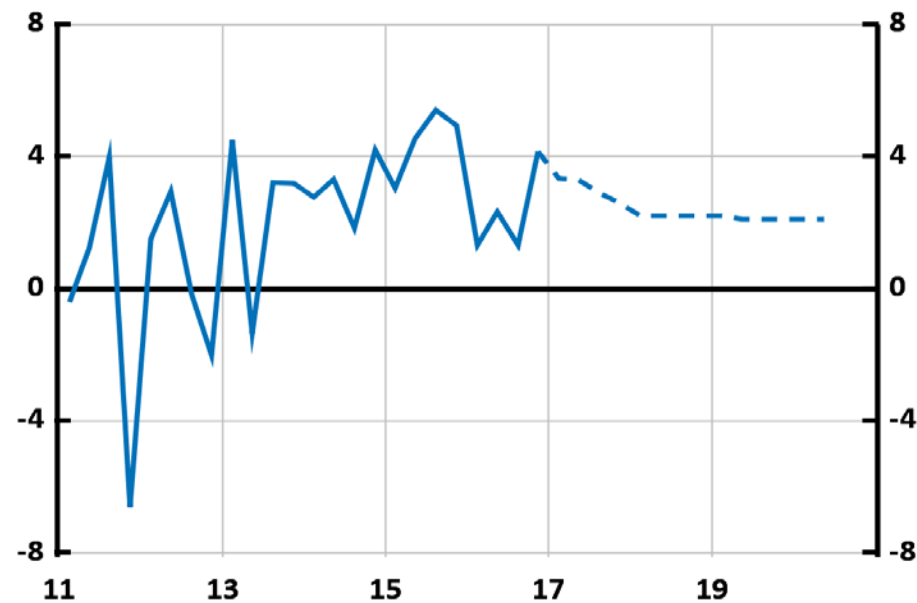


Annual percentage change. The KIX is an aggregate of countries that are important for Sweden's international transactions.

Sources: National sources and the Riksbank

Strong Swedish economic activity

Good growth



Unemployment has fallen

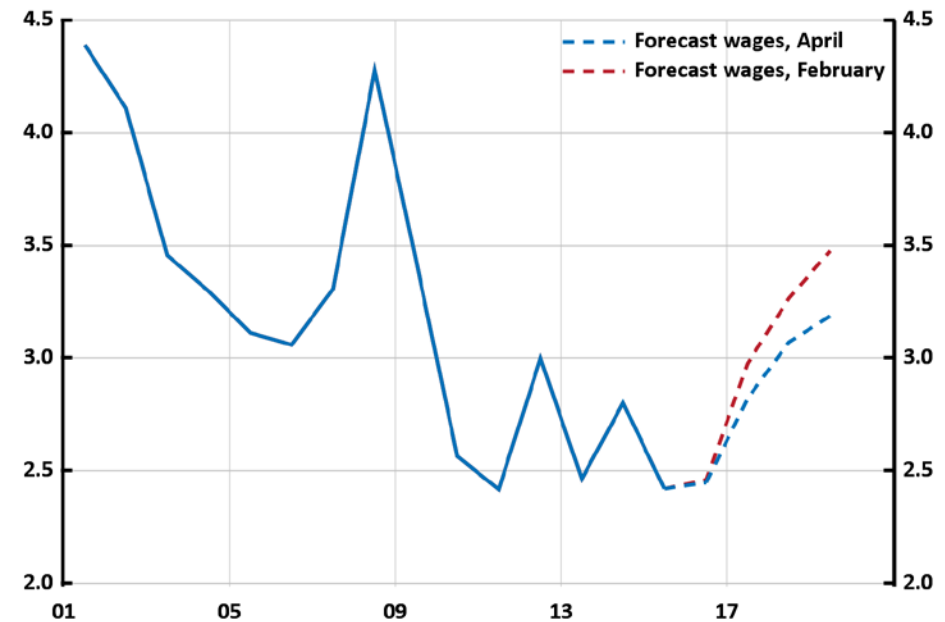


Quarterly change in per cent, calculated as an annual change and percentage of the labour force aged 15-74, respectively.

Sources: Statistics Sweden and the Riksbank

Slightly lower cost pressures

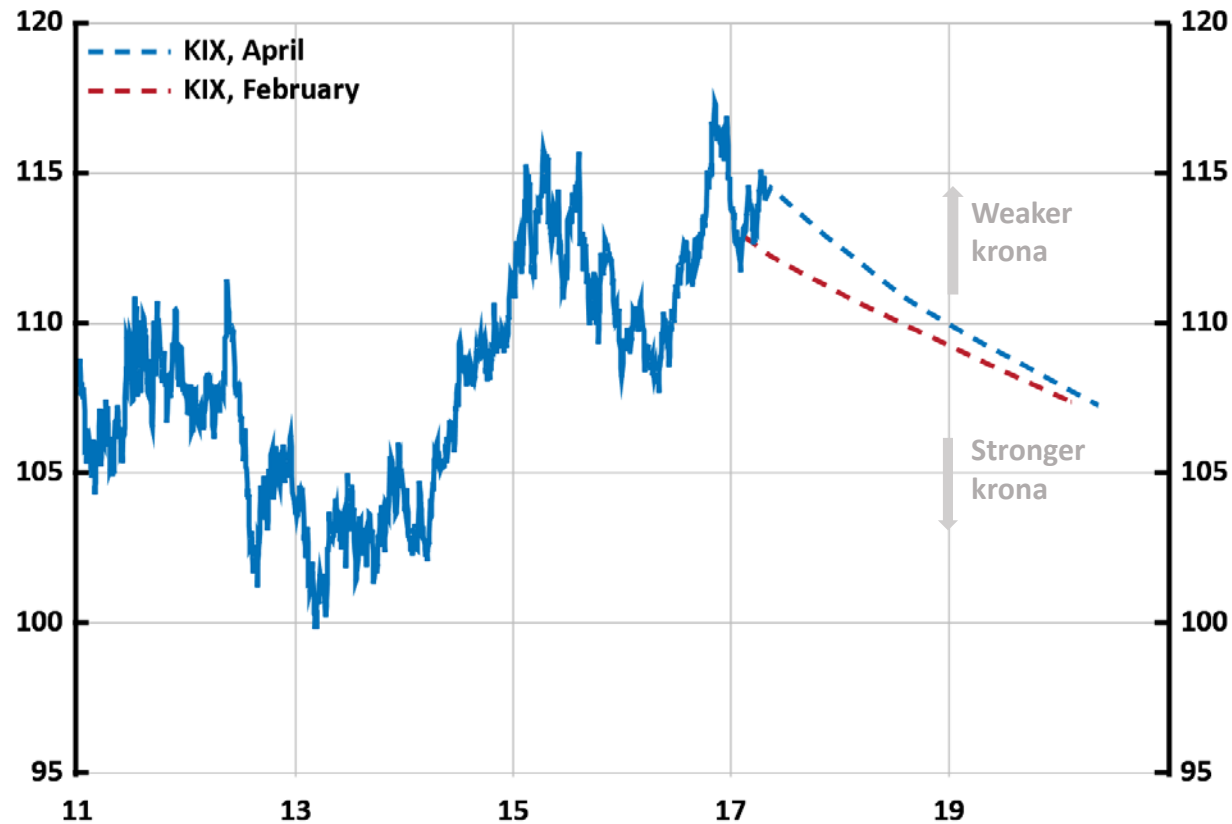
- Wage development an important part of cost pressures and thus inflation
- Agreements so far indicate that cost pressures will be slightly lower than previously expected



Annual percentage change. Wages according to short-term wage statistics.

Sources: National Mediation Office and the Riksbank

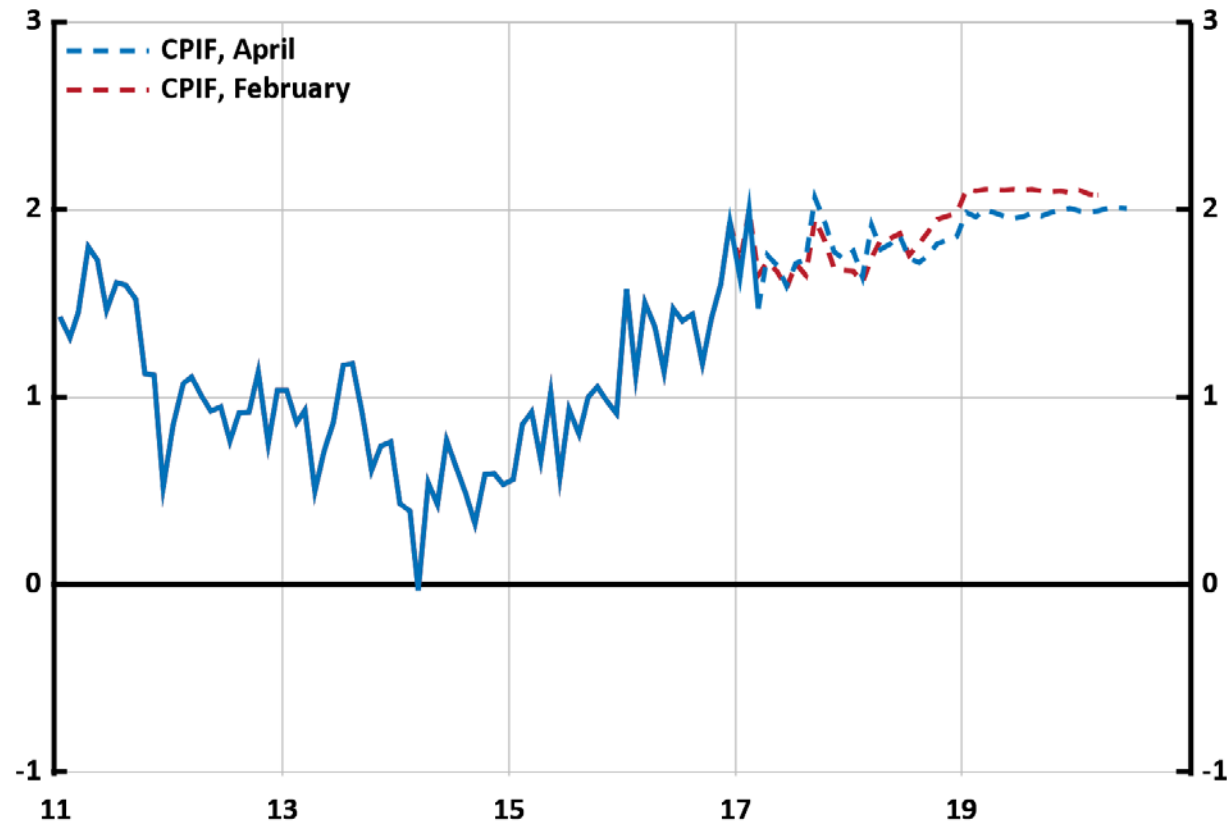
The krona has weakened



Index, 28 Nov 1992 = 100. The KIX is an aggregate of countries that are important for Sweden's international transactions. Outcomes refers to daily data and include observations up until 25 April 2017.

Sources: National sources and the Riksbank

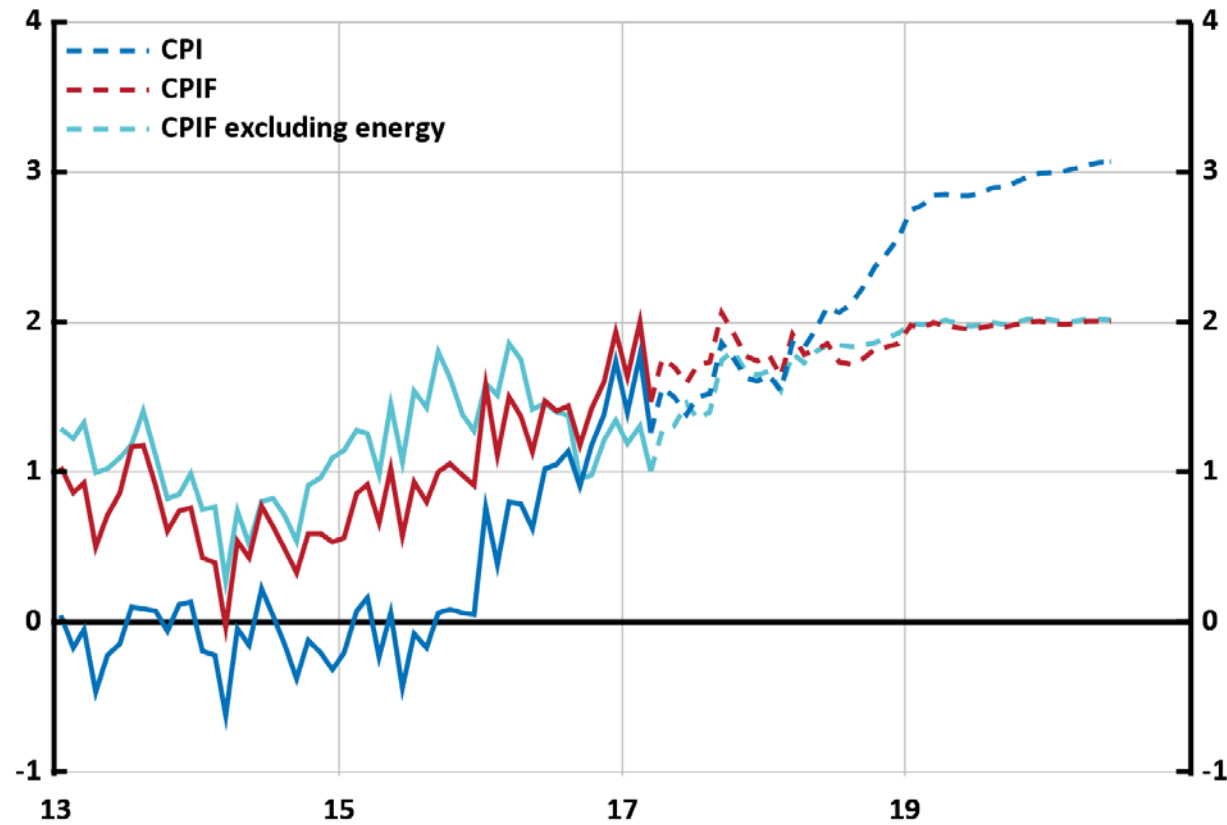
Slow upturn in inflation



Annual percentage change. The CPIF is the CPI with a fixed mortgage rate.

Sources: Statistics Sweden and the Riksbank

Inflation to stabilise around 2 at start of 2019



Annual percentage change. The CPIF is the CPI with a fixed mortgage rate.

Sources: Statistics Sweden and the Riksbank

Monetary policy trade-off

Stronger economic activity

Inflation expectations at 2 per cent

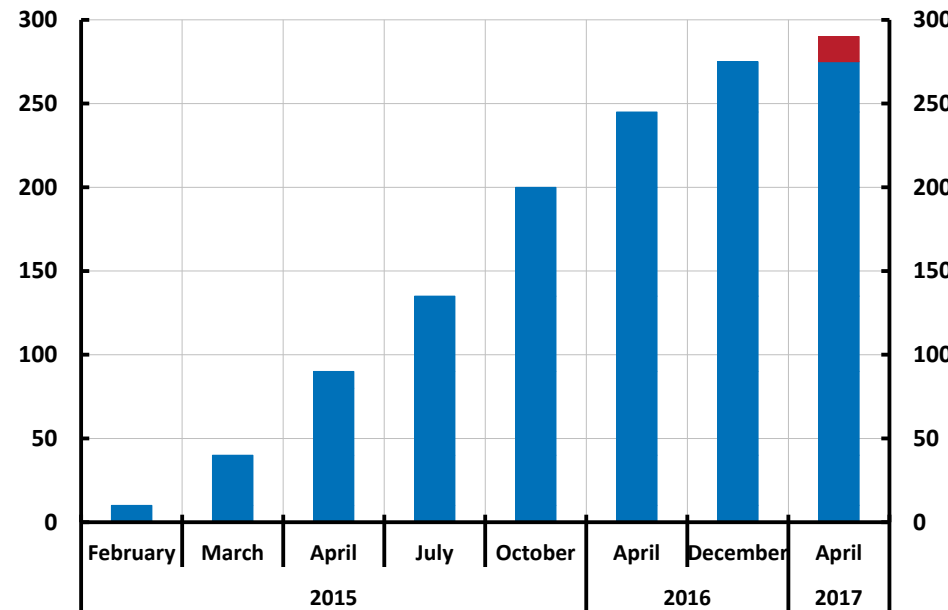
But

Will take longer for inflation to stabilise around 2 per cent

Great uncertainty over political and economic developments abroad

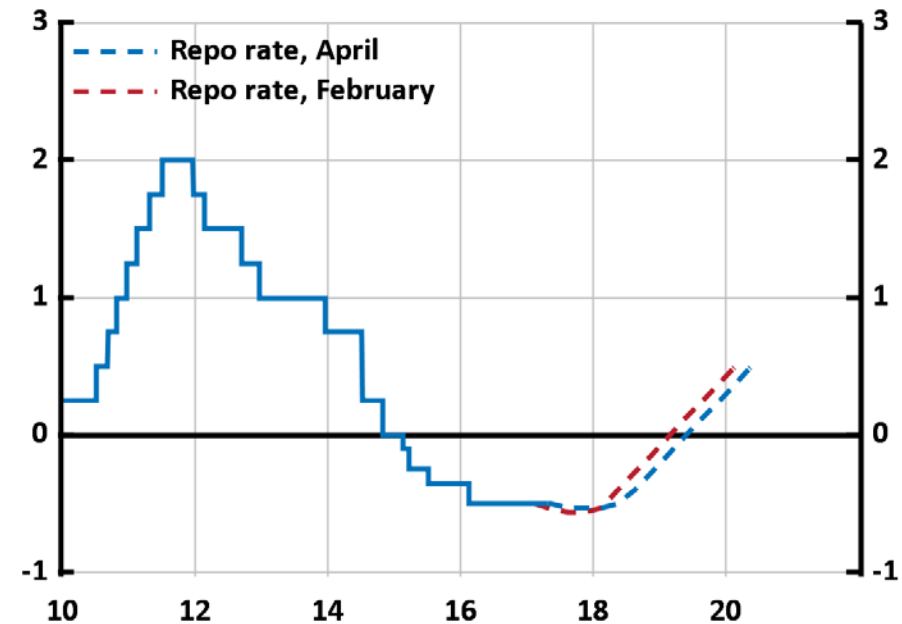
To support the upturn in inflation

Extend purchases of government bonds



SEK billion and per cent.

Repo rate expected to be raised later



Source: The Riksbank

Low interest rates needed – important with measures aimed at housing market

- Household high and rising debt
– a risk to the national economy
- Measures needed in the housing market,
taxation policy and macroprudential policy



Continued support for rising inflation