



Monetary policy decision

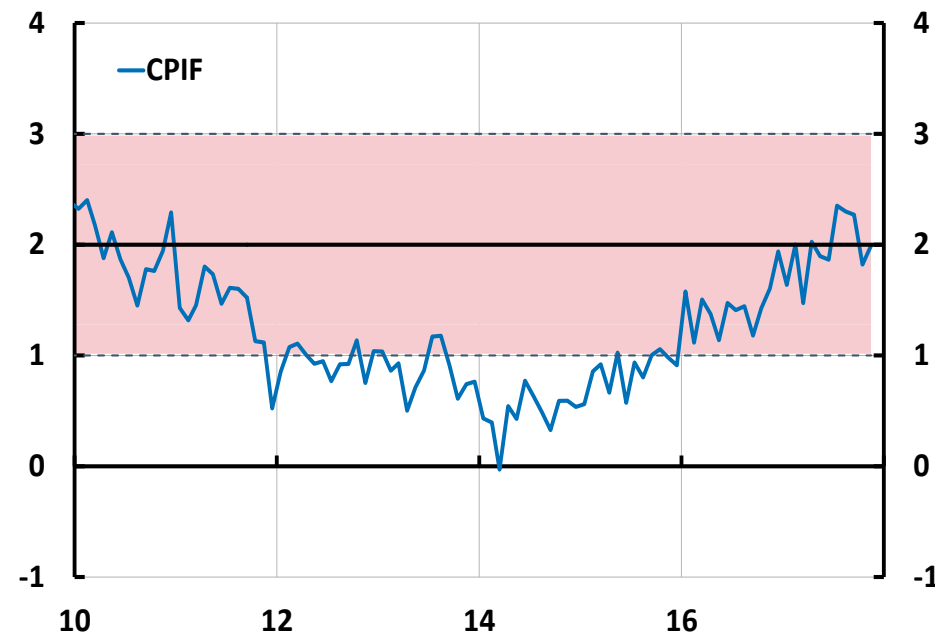
December 2017

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

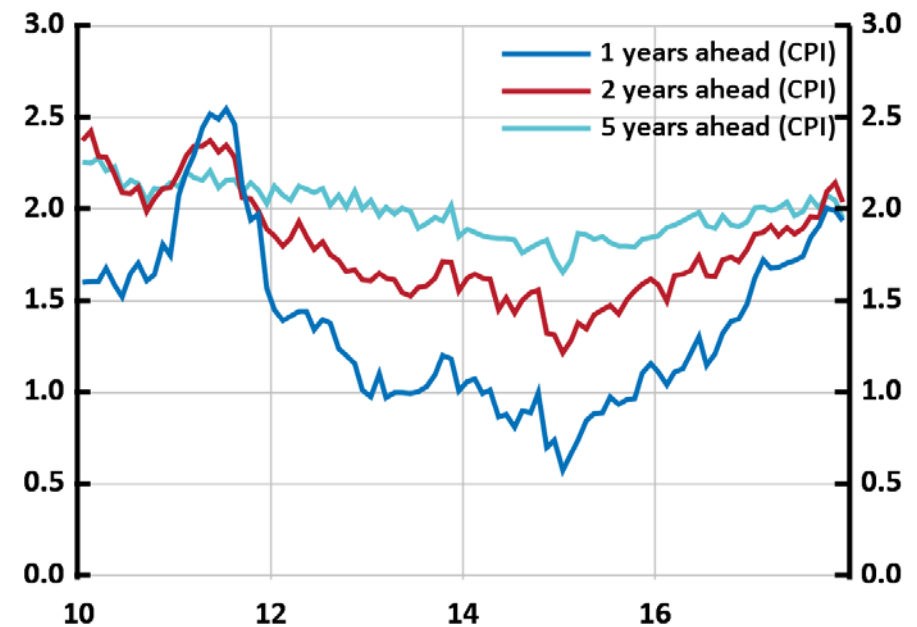
**Continued expansionary monetary policy
to keep inflation close to the target**

Inflation 2 per cent – but it has taken time

Inflation



Inflation expectations

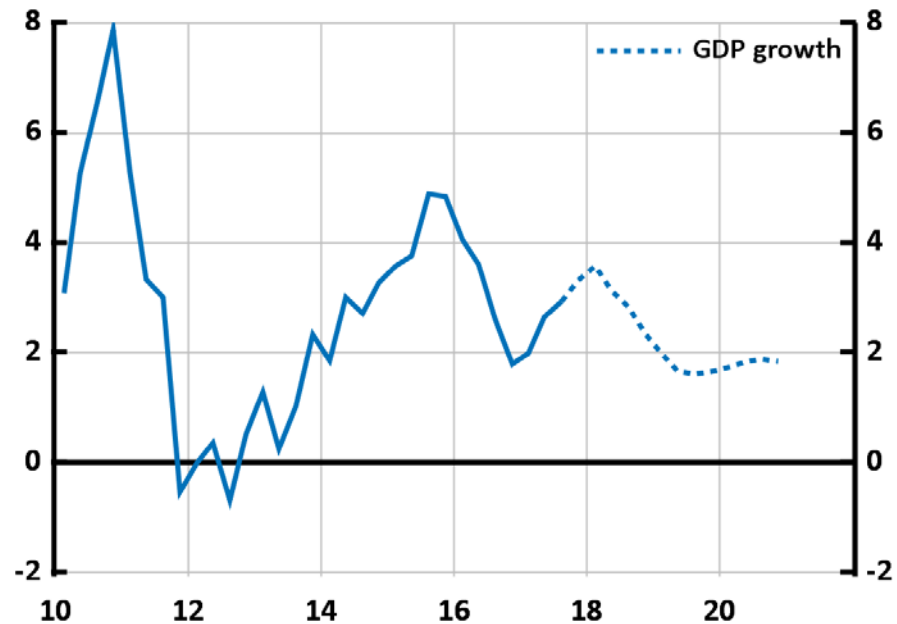


Annual percentage change and per cent.

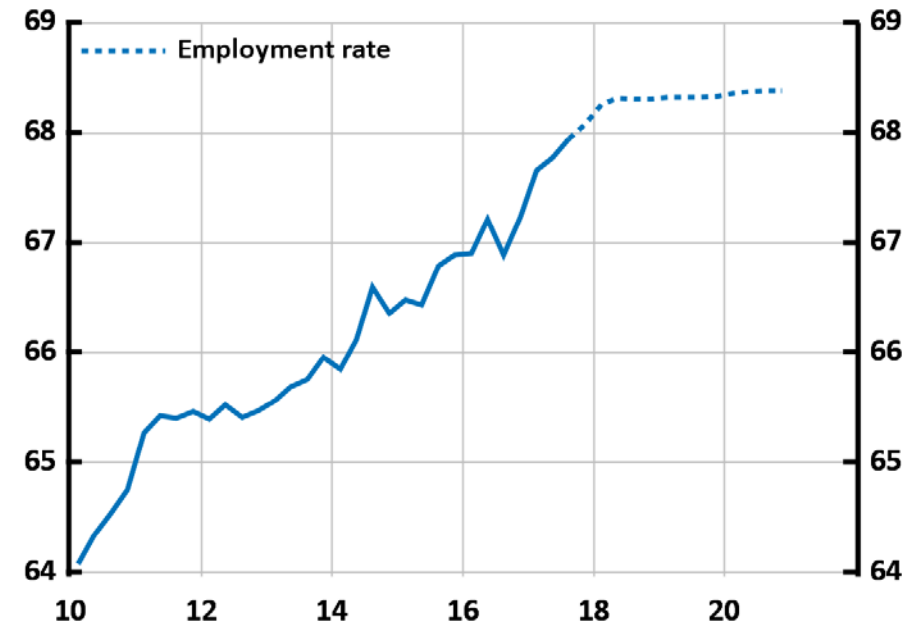
Sources: Statistics Sweden and the Riksbank

Positive development of the Swedish economy

High Swedish GDP growth



Many people in work



Annual percentage change and percentage of population,
15-74 years.

Sources: Statistics Sweden and the Riksbank

Strong growth despite cooler housing market

Housing construction has increased rapidly

Prices have fallen over the autumn

Strong economy and good demand for housing point to modest decline in prices

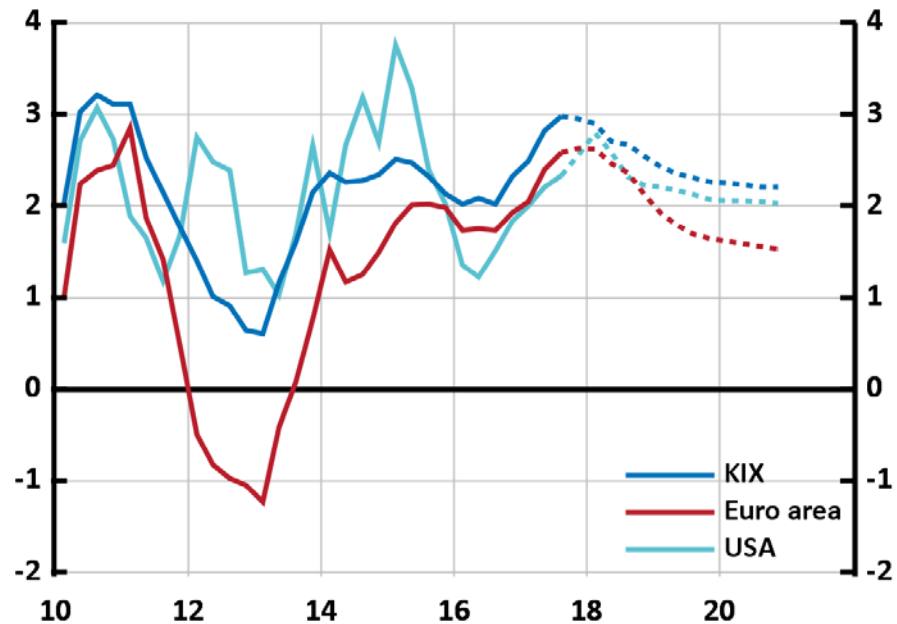
Housing investment to slow down, but little effect on total GDP

Minor effects on overall inflation



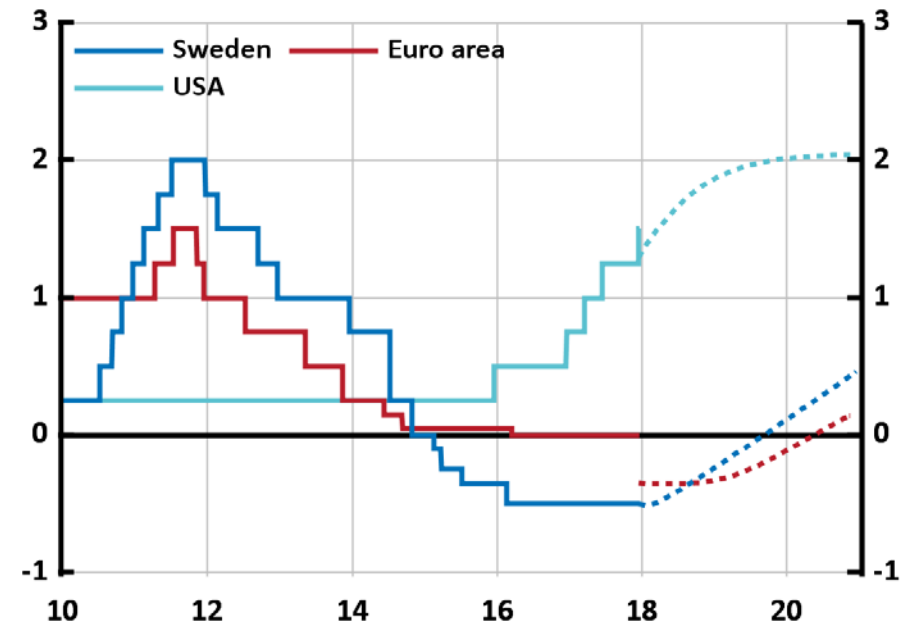
Increasingly strong international economic activity

Good GDP growth



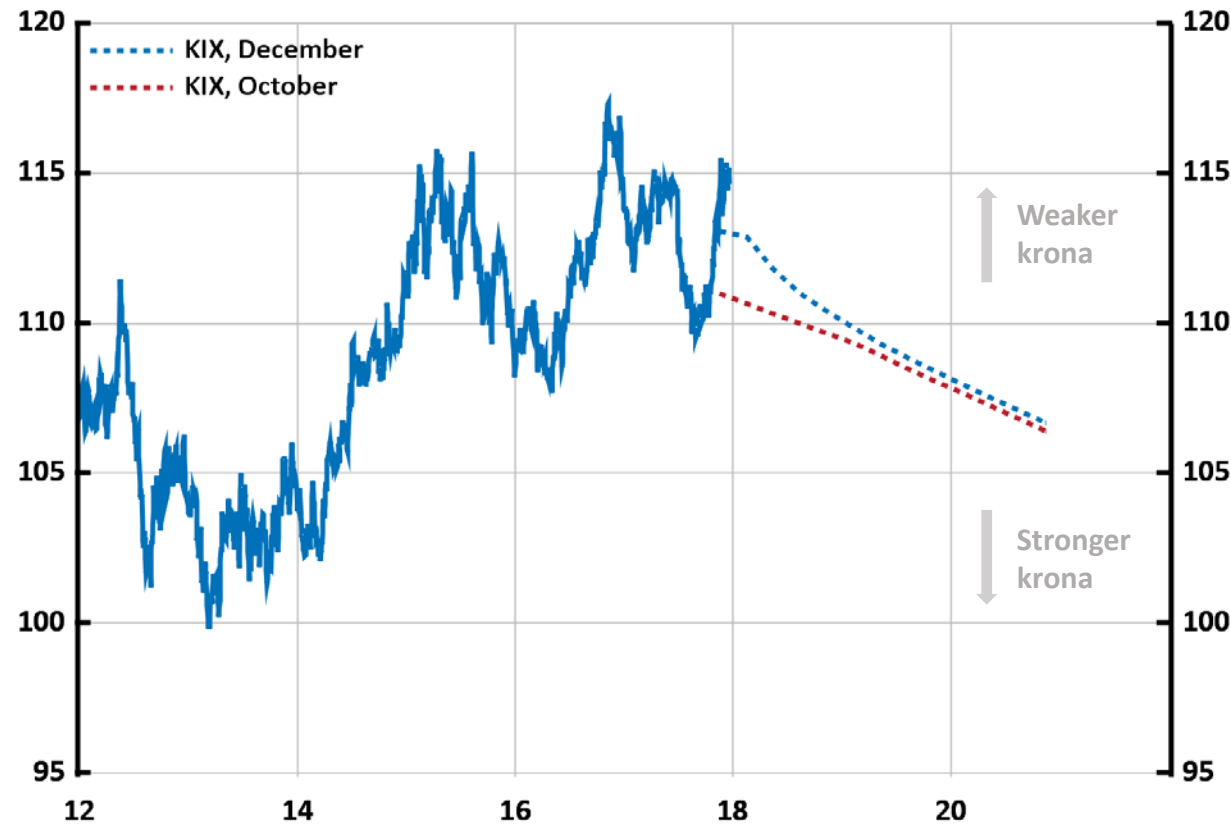
Annual percentage change and per cent. The KIX is an aggregate of countries that are important for Sweden's international transactions. Interest rate expectations according to forward pricing, estimated 18 December 2017.

But slow normalisation of monetary policy



Sources: Bureau of Economic Analysis, Eurostat, Thomson Reuters, national sources, Statistics Sweden and the Riksbank

The krona is important for the development of inflation



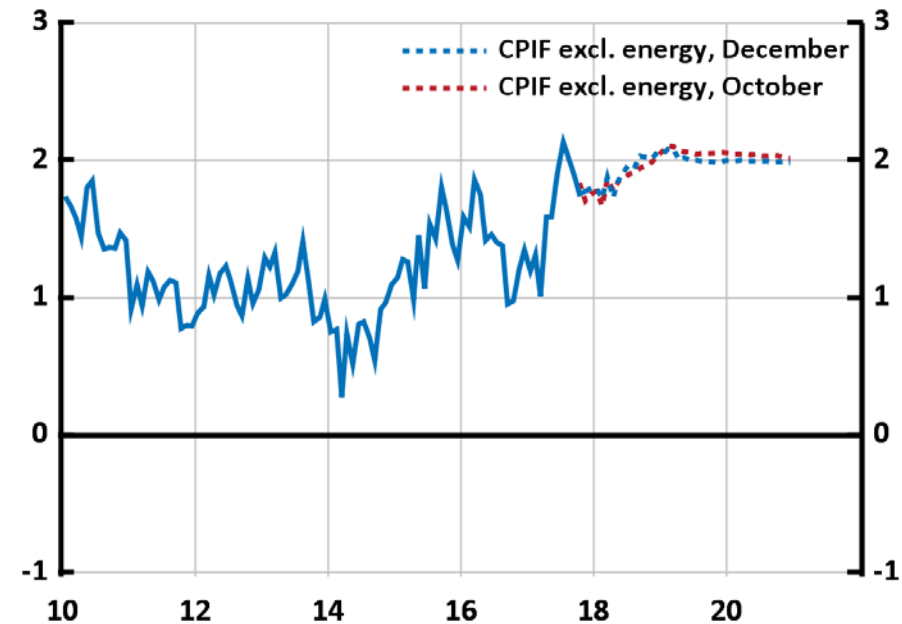
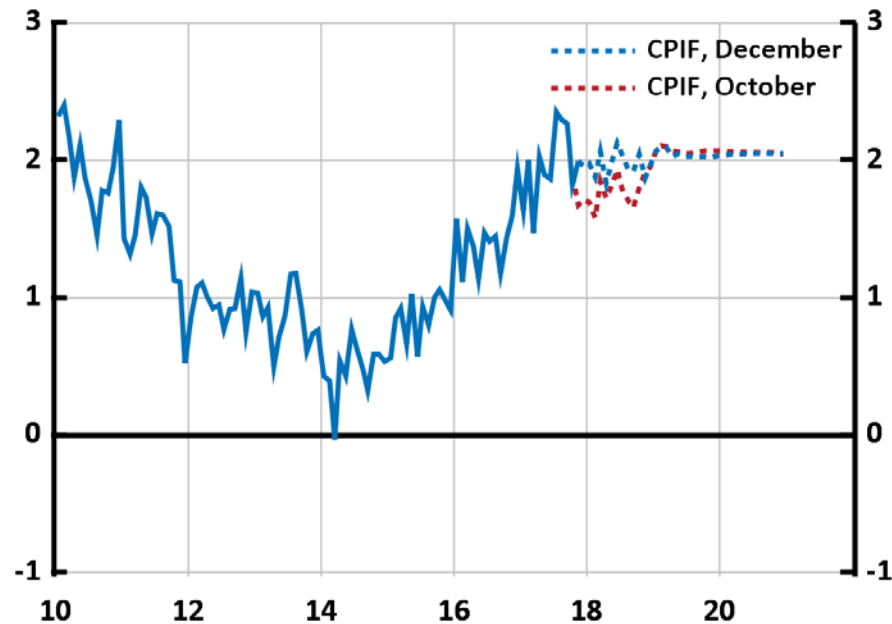
Index, 18 November 1992 = 100. Outcomes are daily data and forecasts refer to quarterly averages. KIX refers to an aggregate of countries that are important for Sweden's international transactions.

Source: The Riksbank

Largely unchanged inflation prospects

Energy prices are pushing the CPIF forecast up

Without energy prices,
the inflation forecast is the same



Annual percentage change.

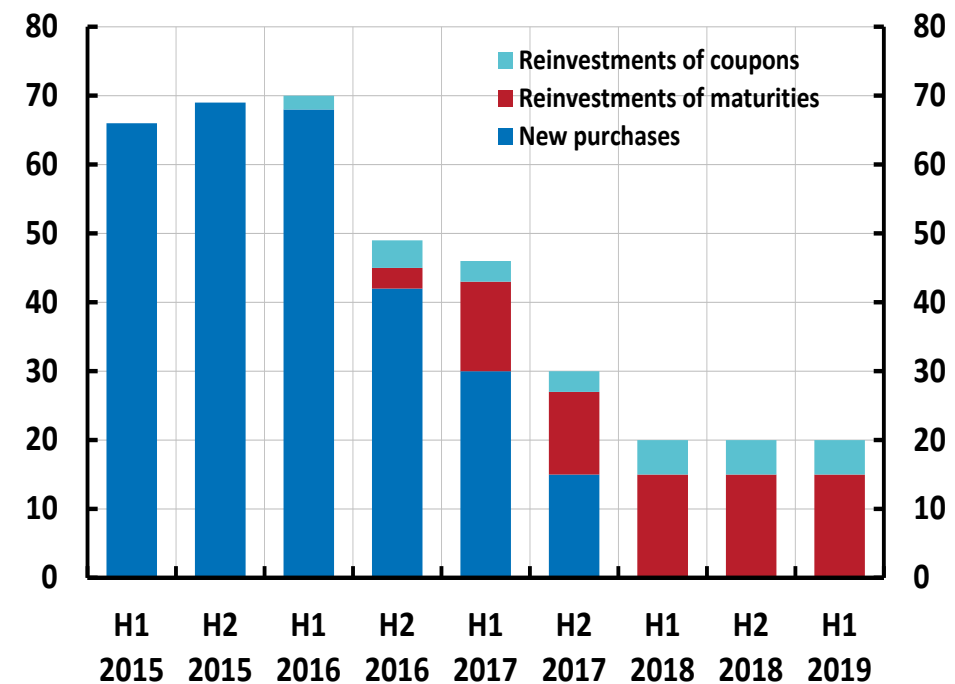
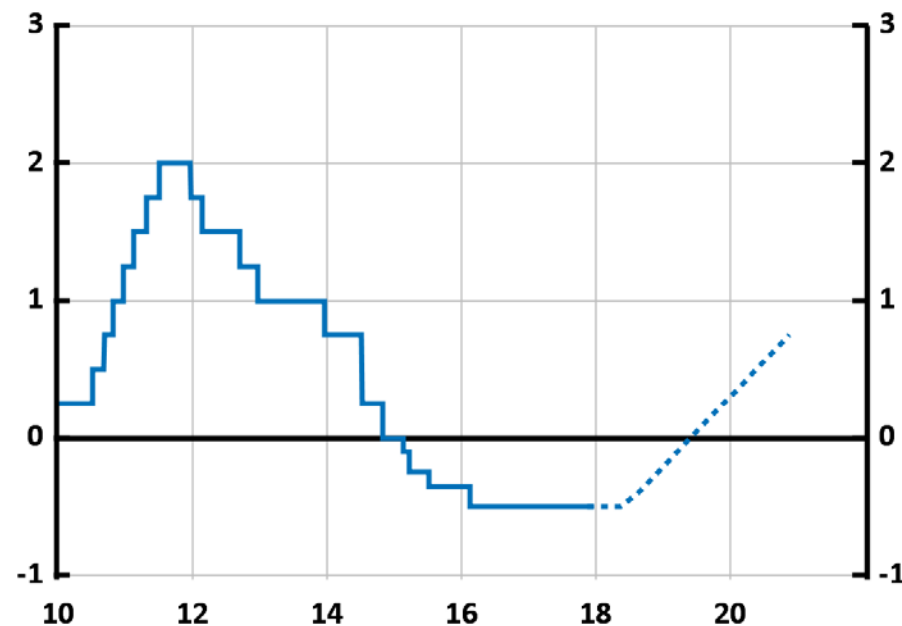
Sources: Statistics Sweden and the Riksbank

Continued expansionary monetary policy

- A necessary condition for the inflation to stay at 2 per cent in the period ahead
- It has taken time to bring the inflation back to target
- Changing the direction of monetary policy too soon would be risky

Support for economic activity and inflation

Repo rate -0.50 per cent



Per cent and nominal amount, SEK billion. The development for holdings and reinvestments from 2018 is a forecast and refers to nominal amounts. The final amount will depend on current market prices.

Source: The Riksbank

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inflation close to the target**