

Monetary policy decision

October 2019

Slowdown towards a more normal economic situation

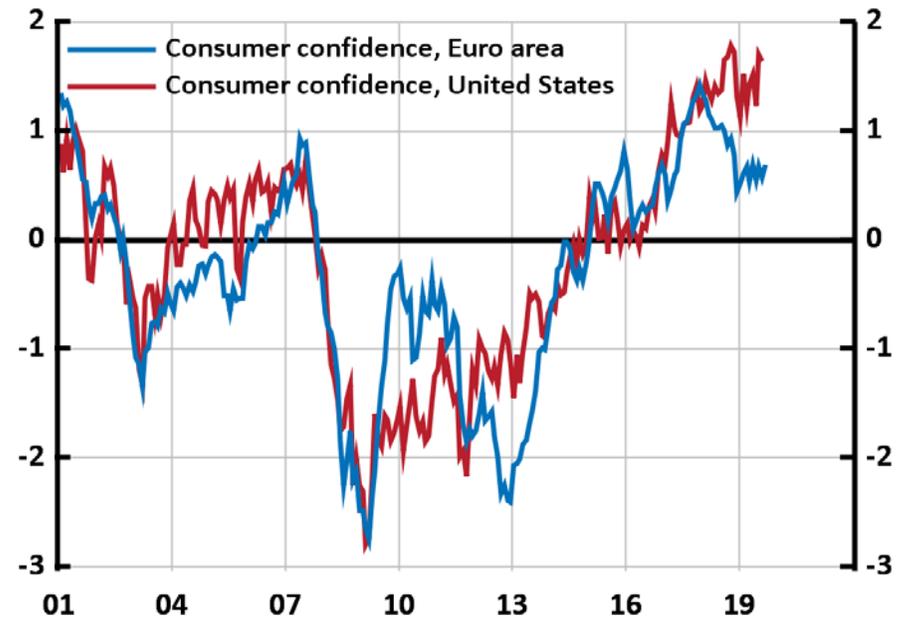
Slowdown in international growth

Clear decline in manufacturing sector confidence



Index and deviation from historical average, respectively

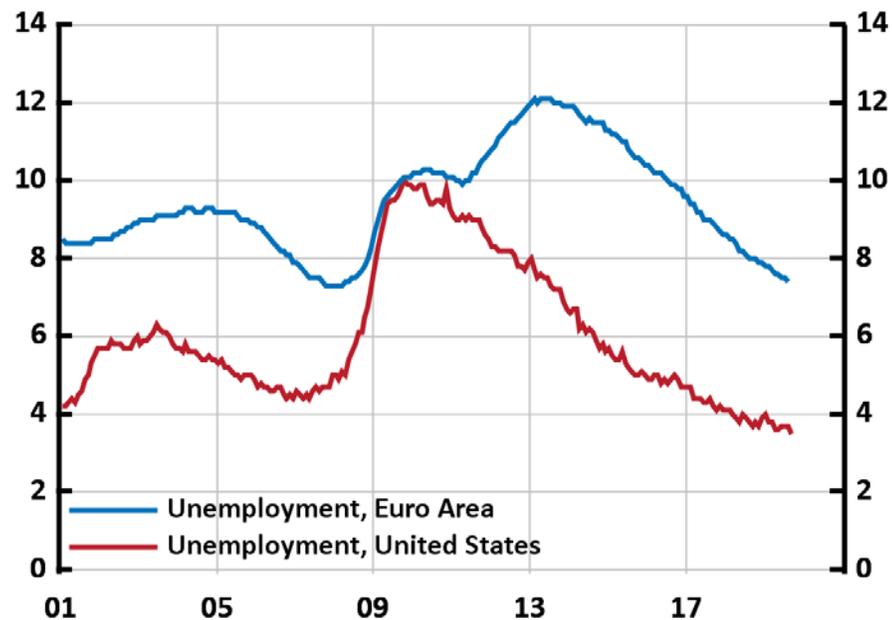
Continued high confidence among households



Sources: Conference Board, European Commission, Markit, ISM and the Riksbank

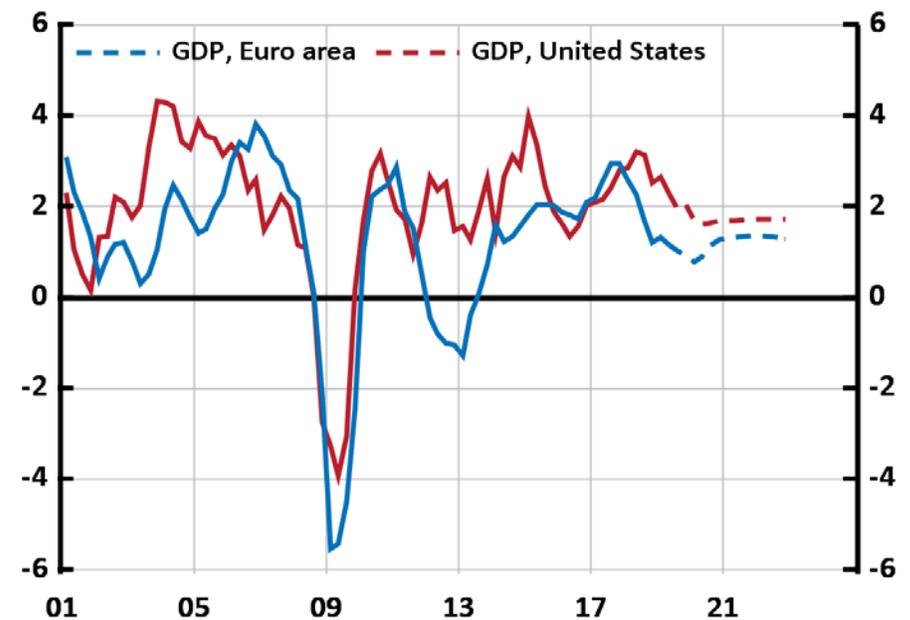
... but no recession in the forecast

Strong labour market



Per cent of labour force and annual percentage change.

Growth close to normal levels



Sources: Bureau of Economic Analysis, Eurostat and the Riksbank.

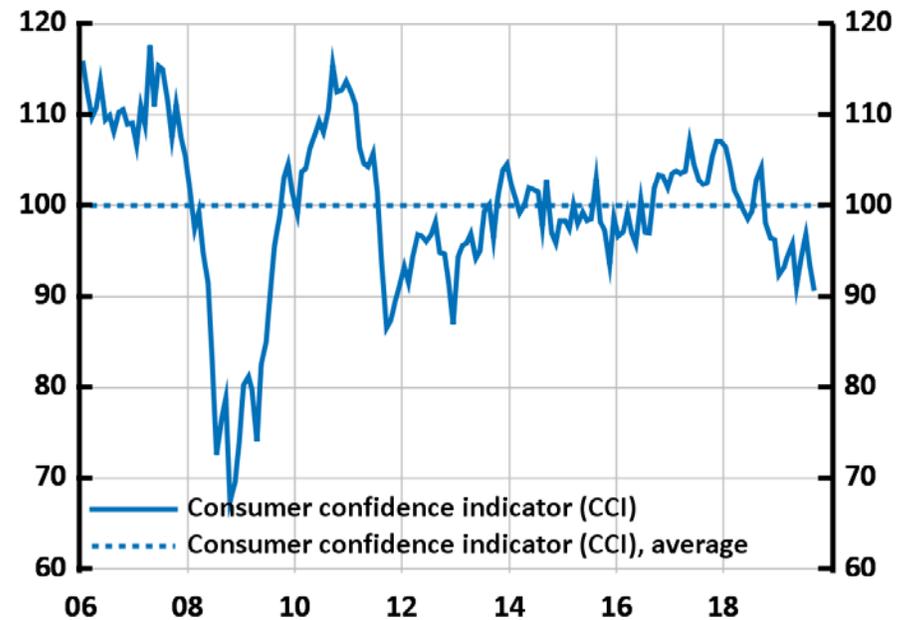
Weaker confidence indicators in Sweden, too

In the manufacturing sector



Index, seasonally-adjusted data. Average for PMI calculated since 1995.

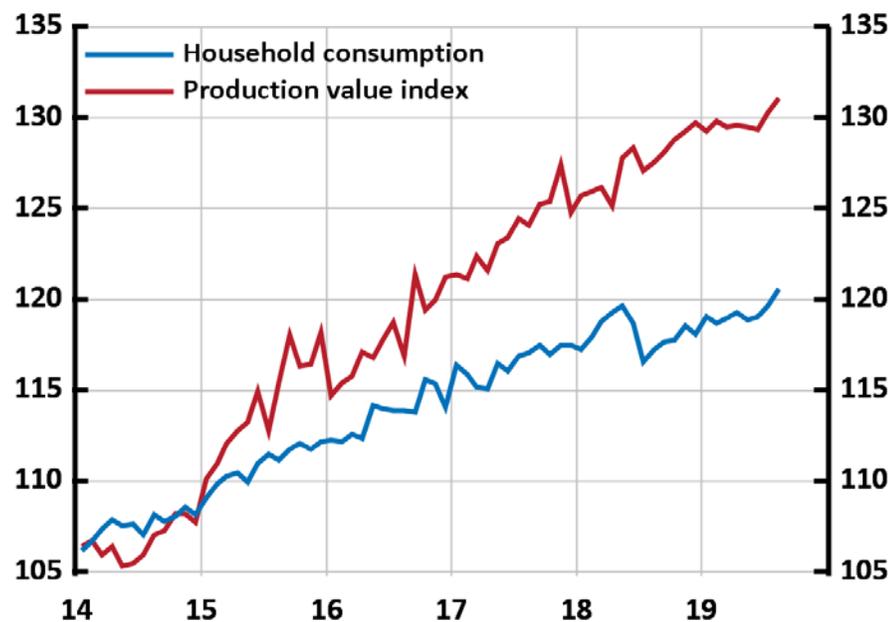
and among households



Sources: Swedbank and the National Institute of Economic Research

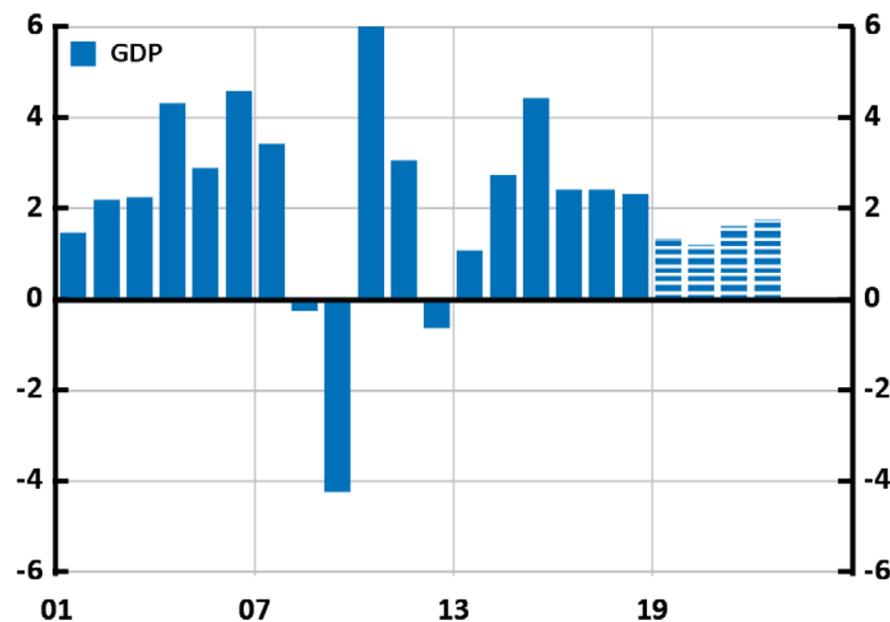
Actual figures give a brighter view, but GDP growth revised down

Strong consumption and output



Index: 2010 =100 Annual percentage change

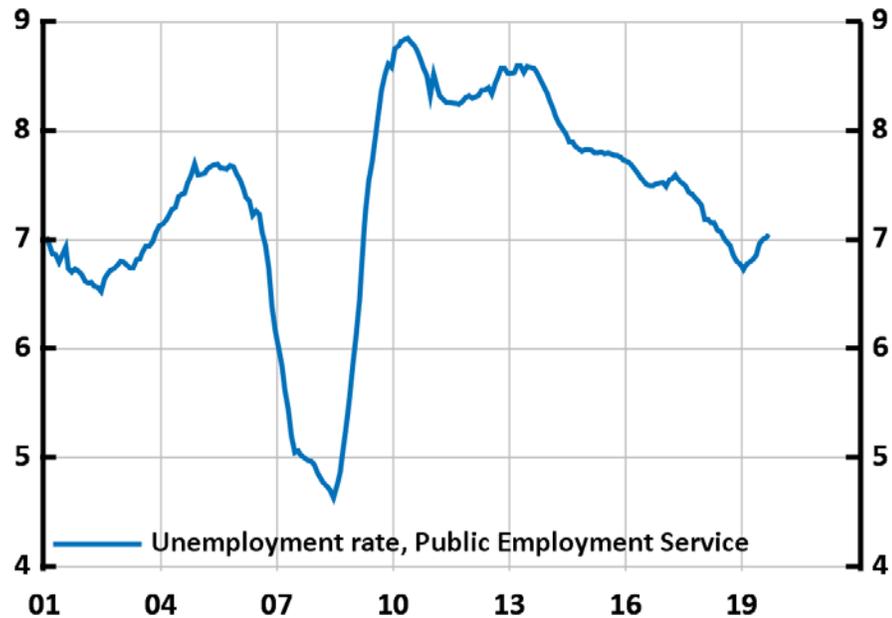
Calmer growth ahead



Sources: Statistics Sweden and the Riksbank

Labour market weakening

Unemployment has risen slightly



Average for recruitment plans from 2001. Per cent of labour force, 16-64 years, and net total, per cent respectively

Recruitment plans at historical average



Sources: Swedish Public Employment Service and National Institute of Economic Research

From clear economic upswing to more normal economic situation in Sweden

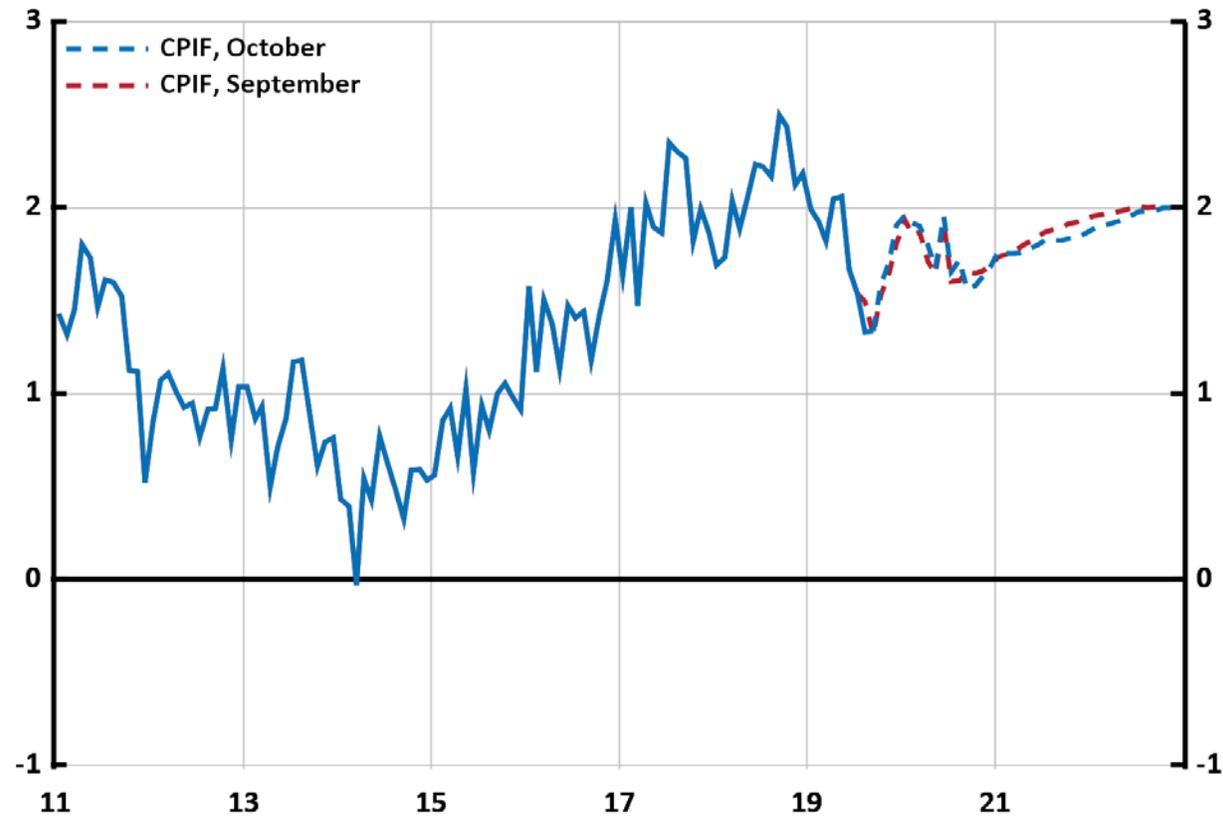
Negative interest rate and government bond purchases since start of 2015

- Good GDP growth
- Strong labour market
- Inflation back around target

Faster slowdown towards more normal economic situation



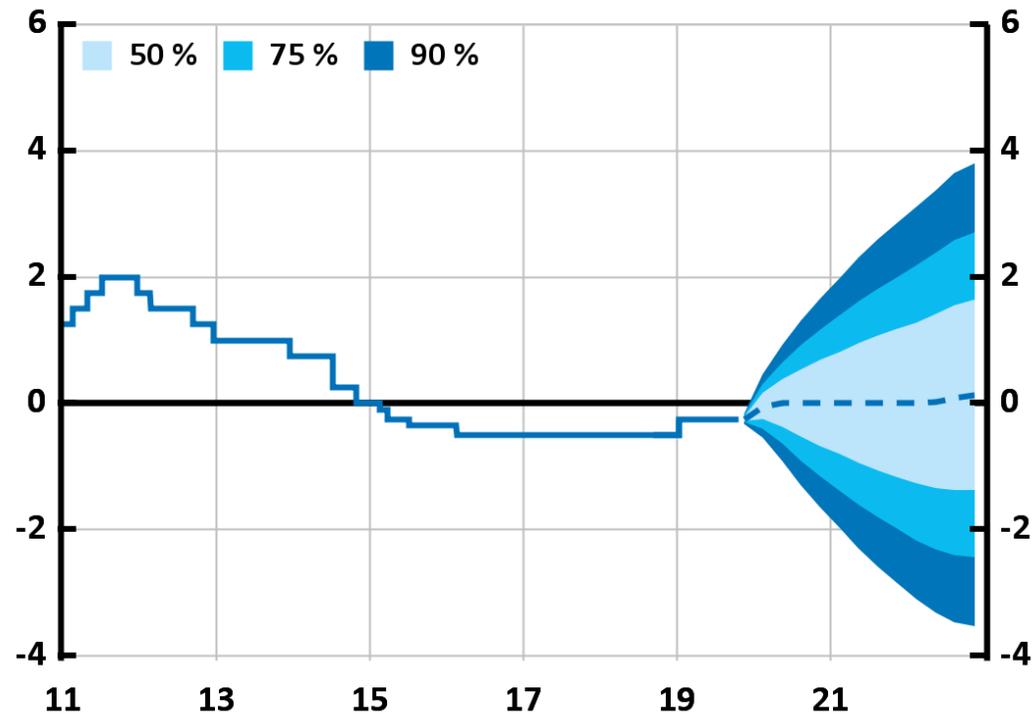
Inflation prospects largely holding up



Annual percentage change

Sources: Statistics Sweden and the Riksbank

Low interest rates continuing to support economic activity and inflation



Repo rate, per cent

Source: The Riksbank

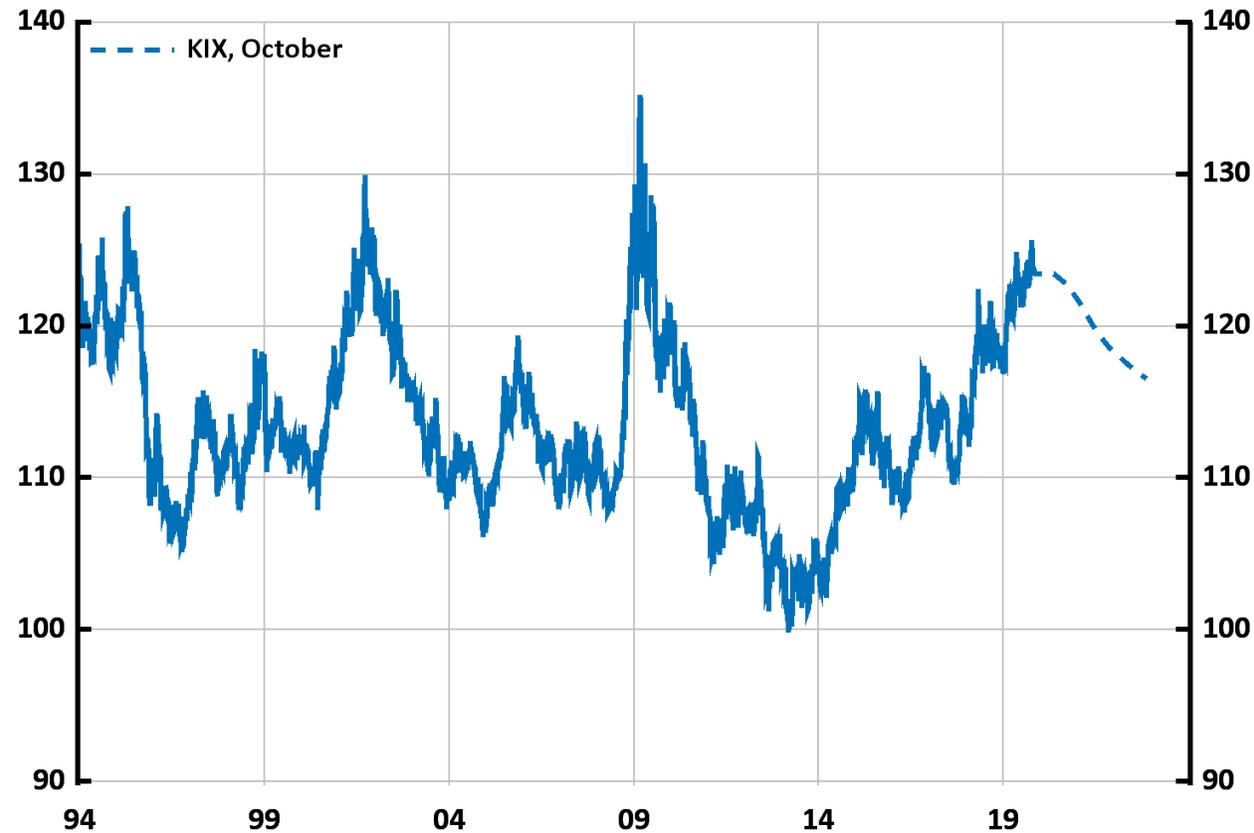
Slowdown towards more normal economic situation

Inflation prospects largely the same

Likely that repo rate will be raised in December

Uncertainty over economic outlook and inflation prospects

Swedish krona at weaker levels



Note. Outcomes are daily rates and forecasts refer to quarterly averages. KIX refers to an aggregate of countries that are important for Sweden's international transactions.

Source: The Riksbank.

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