Monetary Policy Report April 2020
Figure 1.1. Turnover in the restaurant industry

Annual percentage change

Note. Daily turnover for about 600 restaurants with a total annual turnover of about SEK 11 billion. Source: Caspeco.se
Figure 1.2. Redundancy notices

Note. Redundancies for April refer to the period 1-17 April. Source: The Swedish Public Employment Service
Figure 1.3. Difference between yields on corporate bonds and government bonds in the United States and euro area

Percentage points

Note. Yield differentials refer to 5-year benchmark bonds issued by companies with good credit ratings and the government, respectively.

Source: Macrobond
Figure 1.4. The IMF’s forecast for GDP abroad

Annual percentage change

Note. The KIX is an aggregate of countries that are important for Sweden's international trade.

Sources: The IMF World Economic Outlook April 2020 and the Riksbank.
Figure 1.5. GDP in Sweden
Index, 2019Q4 = 100

Sources: Statistics Sweden and the Riksbank
Figure 1.6. Unemployment
Per cent of the labour force

Sources: Statistics Sweden and the Riksbank
Figure 1.7. Different measures of underlying inflation

Annual percentage change

Note. The field shows the highest and lowest outcomes among different measures of underlying inflation. The measures included are the CPIF excluding energy, UND24, Trim85, CPIF excluding energy and perishables, persistence-weighed inflation (CPIFPV), factors from principal component analysis (CPIFPC) and weighted mean inflation (Trim1).

Sources: Statistics Sweden and the Riksbank
Figure 1.8. CPIF and CPIF excluding energy
Annual percentage change

Source: Statistics Sweden
Figure 1.9. CPIF

Annual percentage change

Sources: Statistics Sweden and the Riksbank
Figure 1.10. Long-term inflation expectations

Per cent

Note. Inflation compensation refers to a 5-year period starting in 5 years’ time, calculated on the basis of bond yields, 15 days moving average.

Sources: Kantar Sifo Prospera and the Riksbank
Figure 1.11. Bond yields
5-year bonds, per cent

Note. Covered bonds and corporate bonds are zero coupon rates calculated using the Nelson-Siegel method. Corporate bonds for companies with credit ratings of BBB or higher. Municipal bonds are benchmark bonds, issued by Kommuninvest i Sverige AB.

Sources: Macrobond and the Riksbank
Figure 1.12. Policy rates

Per cent

Sources: The national central banks, Reuters and the Riksbank
Note. Since the situation is so uncertain, a scenario for the repo rate is shown only one year ahead. The uncertainty bands for the repo rate are based on the Riksbank’s historical forecasting errors and the ability of risk-premium adjusted forward rates to forecast the future repo rate for the period 1999 up to the point when the Riksbank started to publish forecasts for the repo rate during 2007. The uncertainty bands do not take into account the fact that there may be a lower bound for the repo rate. Outcomes are daily rates and forecasts refer to quarterly averages.
Article – The Riksbank’s balance sheet is growing
Figure 1.14. Assets on the Riksbank’s balance sheet

SEK billion

Source: The Riksbank
Figure 1.15. Potential consequences of the Riksbank’s measures for the Riksbank’s balance sheet

SEK billion

Source: The Riksbank
Chapter 2
Figure 2.1. Stock market movements in domestic currency

Index, 2 January 2018 = 100

Note. The vertical line indicates the Monetary Policy Meeting in February.

Source: Macrobond
Figure 2.2. Volatility index for US equity and bond markets
Per cent and index, respectively

Note. Volatility Index (VIX) shows the expected volatility on the US stock market based on options prices. The Merrill Lynch Option Volatility Estimate (MOVE) Index is a measure of the expected volatility of US government bonds on the bases of options prices.

Sources: Chicago Board Operations Exchange and Merrill Lynch
Figure 2.3. Difference between yields on corporate bonds and government bonds in the United States and euro area

Percentage points

Note. Yield differentials refer to 5-year benchmark bonds issued by companies with good credit ratings and the government, respectively. The vertical line indicates the Monetary Policy Meeting in February.

Source: Macrobond
Figure 2.4. Yield difference between bonds and government bonds in Sweden

Per cent

Note. Covered bonds and corporate bonds are zero coupon rates calculated using the Nelson-Siegel method. Corporate bonds for companies with credit ratings of BBB or higher. Municipal bonds are benchmark bonds, issued by Kommuninvest i Sverige AB. Vertical line marks 16 March 2020, when the Executive Board decided to extend the asset purchases to cover municipal bonds and covered bonds.

Sources: Bloomberg, Macrobond, Refinitiv and the Riksbank
Figure 2.5. Difference between bid and ask prices on bonds in Sweden

Note. Average listed prices, based on all available nominal government bonds, and just over 50 corporate bonds with varying maturities and with credit ratings equivalent to BBB or higher.

Sources: Refinitiv and the Riksbank
Figure 2.6. Government bond yields with 10 years to maturity

Per cent

Note. Implied zero-coupon yields from government bonds for Sweden, Germany and United Kingdom. 10-year benchmark bonds for the United States. The vertical line indicates the Monetary Policy Meeting in February.

Sources: The national central banks, US Treasury and the Riksbank
Figure 2.7. Difference between interbank rates and rates on treasury bills, 3 months

Per cent

Note. For LIBOR, the difference is taken in relation to a US benchmark treasury bill, and for STIBOR in relation to a Swedish treasury bill with a zero coupon rate calculated using the Nelson-Siegel method.

Sources: Macrobond and the Riksbank
Figure 2.8. The repo rate and market rates

Per cent

Note. Zero coupon rate with 2-year maturity calculated from government bonds. The vertical line indicates the Monetary Policy Meeting in February.

Sources: Macrobond and the Riksbank
Figure 2.9. Nominal exchange rate, KIX

Index, 18 November 1992 = 100

Note. The KIX (krona index) is a weighted average of the currencies in 32 countries that are important for Sweden's international trade. A higher value indicates a weaker exchange rate. The vertical line indicates the Monetary Policy Meeting in February.

Sources: National sources and the Riksbank
Figure 2.10. Market measure of long-term inflation expectations

Per cent

Note. The measures refer to a 5-year period starting in 5 years’ time. For the United States and Sweden, they are calculated on the basis of bond yields and refer to the CPI. For the euro area, they are calculated on the basis of inflation swaps and refer to the HICP. The vertical line indicates the monetary policy meeting in February.

Sources: Bloomberg, Macrobond and the Riksbank
Figure 2.11. Financial conditions index, FCI

Standard deviations

Note. A higher value indicates more expansionary financial conditions.

Source: The Riksbank
Article – The central banks’ measures
Figure 2.12. Central banks’ balance sheet totals
Per cent of GDP

Note. Observations after 31 December 2019 are expressed as a percentage of GDP per 2019 Q4.

Sources: Macrobond and the Riksbank
Figure 2.13. Policy rates

Per cent

Sources: The national central banks, Reuters and the Riksbank
Figure 3.1. Restaurant visits abroad

Source: Open Table
Figure 3.2. Confidence indicators in the euro area

Note. Purchasing Managers' Index for the manufacturing industry and service sector published on 23 April 2020.

Source: Markit Economics
Figure 3.3. New applications for unemployment support in the USA

Source: U.S. Department of Labor
Figure 3.4. The IMF’s forecast for GDP abroad

Annual percentage change

Note. The KIX is an aggregate of countries that are important for Sweden’s international trade.

Sources: The IMF World Economic Outlook April 2020 and the Riksbank
Figure 3.5. Crude oil price
USD per barrel

Note. Brent oil, forward prices are calculated as a 15-day average. The outcome refers to daily outcomes for WTI and monthly spot price averages for Brent.

Sources: Macrobond and the Riksbank
Figure 3.6. Hotel bookings in Stockholm

Occupancy rate in per cent

Source: Benchmarking Alliance
Figure 3.7. Air traffic in Sweden
Total number of flights at Arlanda Airport, Landvetter Airport and Bromma Airport

Source: Flightradar 24
Figure 3.8. Confidence indicators in Sweden

Index, average = 100, standard deviation = 10, seasonally-adjusted data

Source: National Institute of Economic Research
Figure 3.9. Bankruptcies in Sweden

Annual percentage change

Source: Statistics Sweden
Figure 3.10. Redundancy notices

Number per month

Note. Redundancies for April refer to the period 1-17 April.

Source: The Swedish Public Employment Service
Figure 3.11. Prices of fruit and vegetables

Annual percentage change

Online data refers to prices of fruit and vegetables that can be bought online. Average of daily price observations up until 21 April.

Sources: Statistics Sweden and the Riksbank
Figure 3.12. Electricity prices and fuel prices in the CPI

Annual percentage change

Note. Broken lines show mean values from 2000.

Sources: Statistics Sweden and the Riksbank
Figure 3.13. CPIF and CPIF excluding energy

Annual percentage change

Source: Statistics Sweden
Figure 3.14. GDP abroad (KIX2)
Index, 2019Q4 = 100

Note. KIX2 is the euro area and the United States combined with their respective relative KIX-weights (about 0.86 and 0.14, respectively)

Sources: Eurostat, Bureau of Economic Analysis and the Riksbank
Figure 3.15. GDP in Sweden
Index, 2019Q4 = 100

Sources: Statistics Sweden and the Riksbank
Figure 3.16. Unemployment
Per cent of the labour force

Sources: Statistics Sweden and the Riksbank
Figure 3.17. CPIF
Annual percentage change

Sources: Statistics Sweden and the Riksbank
Figure 3.18. CPIF excluding energy

Annual percentage change

Sources: Statistics Sweden and the Riksbank
Article – Are those on short-term work schemes unemployed?
Figure 3.19. Unemployment in different countries
Per cent of the labour force, 15-74 years, seasonally-adjusted data

Sources: Bureau of Labor Statistics, Eurostat and Statistics Sweden
Figure 3.20. Registered unemployment in Norway
Per cent of the labour force

Source: NAV
Figure 3.21. Newly registered unemployed at the Swedish Public Employment Service

Number of people per week

Note. The reduction in new registrations in the weeks 15 and 16 (beginning 6 and 13 April) is probably due to the Easter holiday.

Source: The Swedish Public Employment Service
Tables

Table 1. Scenario A
Annual percentage change, annual average

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
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<tr>
<td>CPIF</td>
<td>1.7</td>
<td>0.6</td>
<td>1.5</td>
<td>1.6</td>
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<tr>
<td>GDP*</td>
<td>1.3</td>
<td>−6.9</td>
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<tr>
<td>Unemployment, aged 15–74**</td>
<td>6.8</td>
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<td>Employed, aged 15–74</td>
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<tr>
<td>General government net lending***</td>
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<td>−6.9</td>
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<td>GDP abroad (KIX2)*</td>
<td>1.4</td>
<td>−8.0</td>
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<td>5.0</td>
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<tr>
<td>CPI (KIX2)</td>
<td>1.3</td>
<td>0.2</td>
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</table>

*Calendar-adjusted growth rate  **Per cent of the labour force  ***Per cent of GDP. Outcome and forecast for general government net lending are based on EDP statistics published at the end of March by Statistics Sweden.

Note. KIX2 is the euro area and the United States combined with their respective KIX-weights relative to the sum of the two weights (0.86 and 0.14 respectively).


Table 2. Scenario B
Annual percentage change, annual average

<table>
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<td>CPIF</td>
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<td>1.4</td>
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<tr>
<td>GDP*</td>
<td>1.3</td>
<td>−9.7</td>
<td>1.7</td>
<td>5.4</td>
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<tr>
<td>Unemployment, aged 15–74**</td>
<td>6.8</td>
<td>10.1</td>
<td>10.4</td>
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<tr>
<td>Employed, aged 15–74</td>
<td>0.7</td>
<td>−3.8</td>
<td>−0.7</td>
<td>1.6</td>
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<tr>
<td>General government net lending***</td>
<td>0.5</td>
<td>−9.3</td>
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<tr>
<td>GDP abroad (KIX2)*</td>
<td>1.4</td>
<td>−10.7</td>
<td>3.0</td>
<td>5.2</td>
</tr>
<tr>
<td>CPI (KIX2)</td>
<td>1.3</td>
<td>0.2</td>
<td>1.1</td>
<td>1.4</td>
</tr>
</tbody>
</table>

*Calendar-adjusted growth rate  **Per cent of the labour force  ***Per cent of GDP. Outcome and forecast for general government net lending are based on EDP statistics published at the end of March by Statistics Sweden.

Note. KIX2 is the euro area and the United States combined with their respective KIX-weights relative to the sum of the two weights (0.86 and 0.14 respectively).