

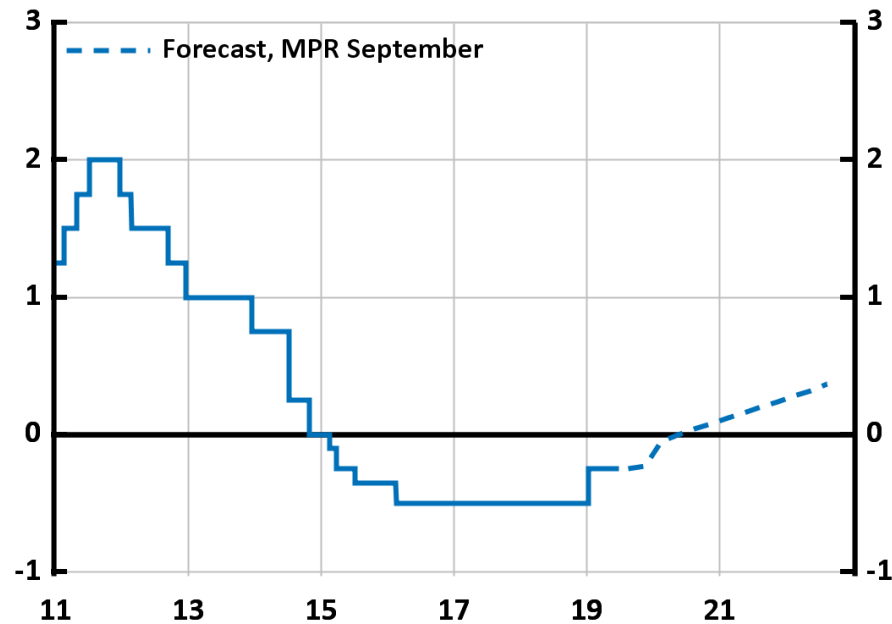
My view on monetary policy

Riksdag Committee on Finance
24 September 2019

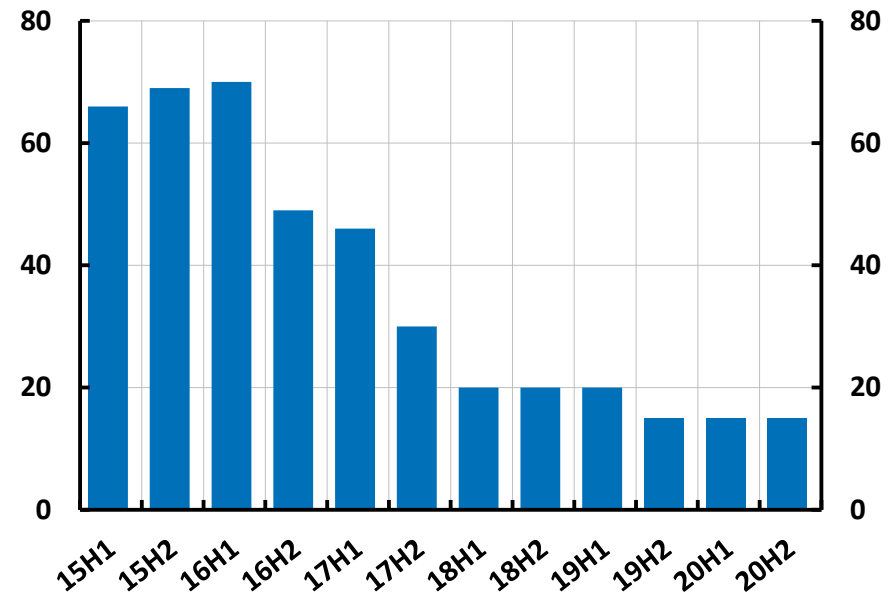
Per Jansson
Deputy Governor

Unusual monetary policy in recent years

Repo rate



Purchases of government bonds



Per cent and SEK billions, nominal amounts respectively.

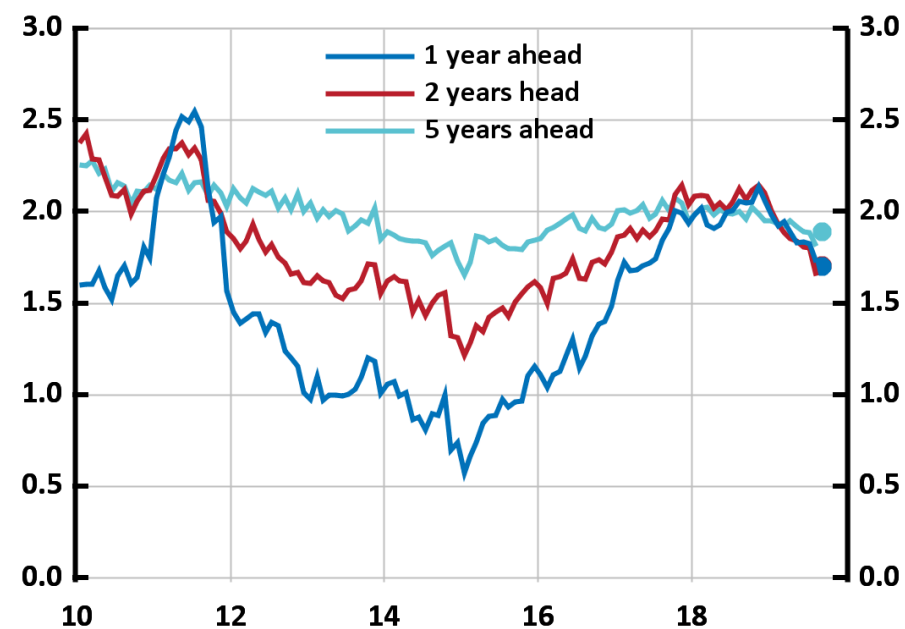
Source: The Riksbank

The policy has improved the inflation picture significantly

Inflation



Inflation expectations

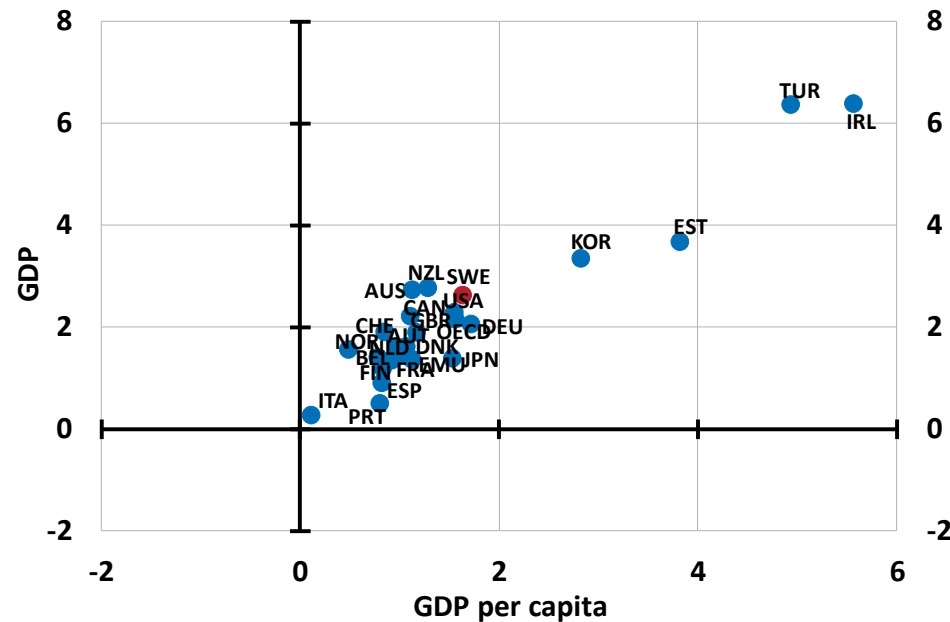


Annual percentage change and per cent, mean value. The dot marks the outcome since the Monetary Policy Report in September. Inflation expectations among money market participants.

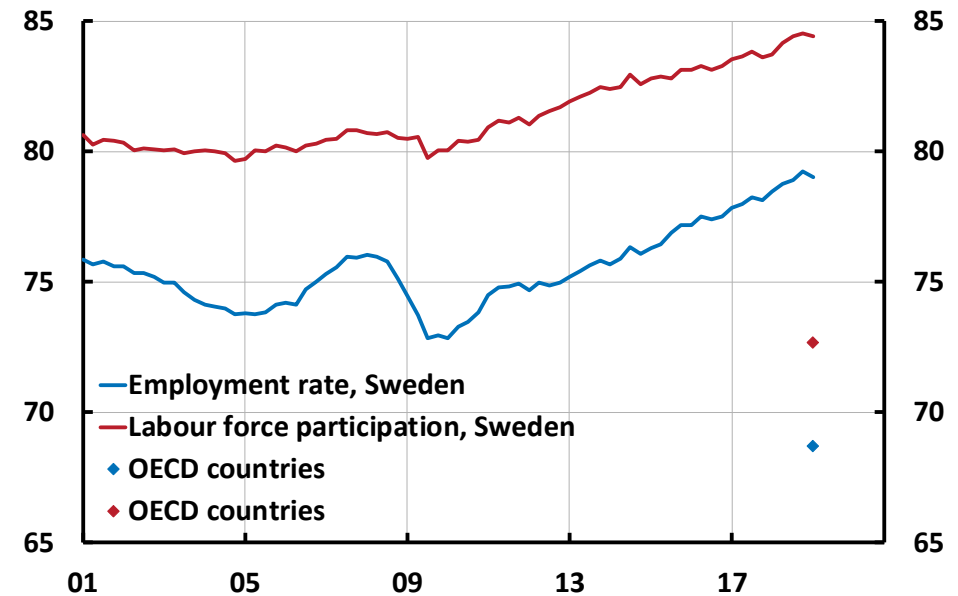
Sources: TNS Sifo Prospera and Statistics Sweden

And also contributed to good development in the real economy

GDP growth



Employment and labour force

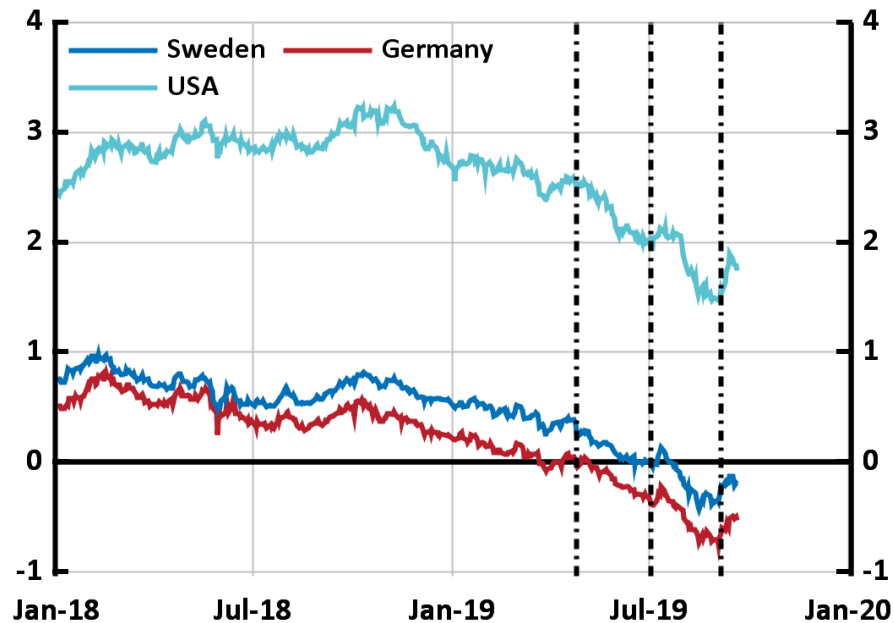


Average growth rate in GDP and GDP per capita 2010-2018, and employment and labour force participation as a percentage of the working-age population respectively. In Sweden, measures for the working-age population aged 16-64 years are used and aged 15-64 years for OECD countries.

Sources: OECD, Statistics Sweden and the Riksbank.

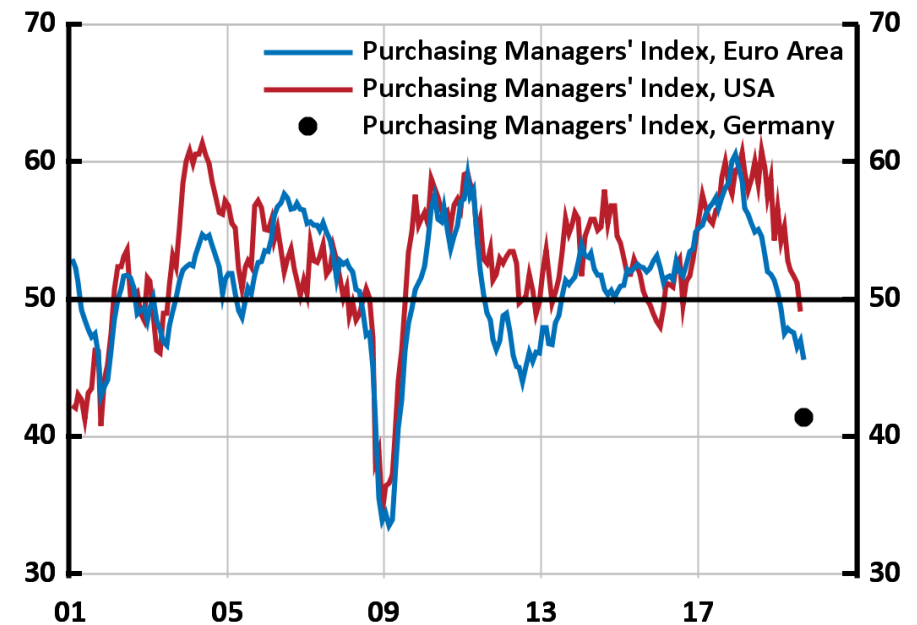
Poorer sentiment and lower interest rates in 2019

10-year government bonds



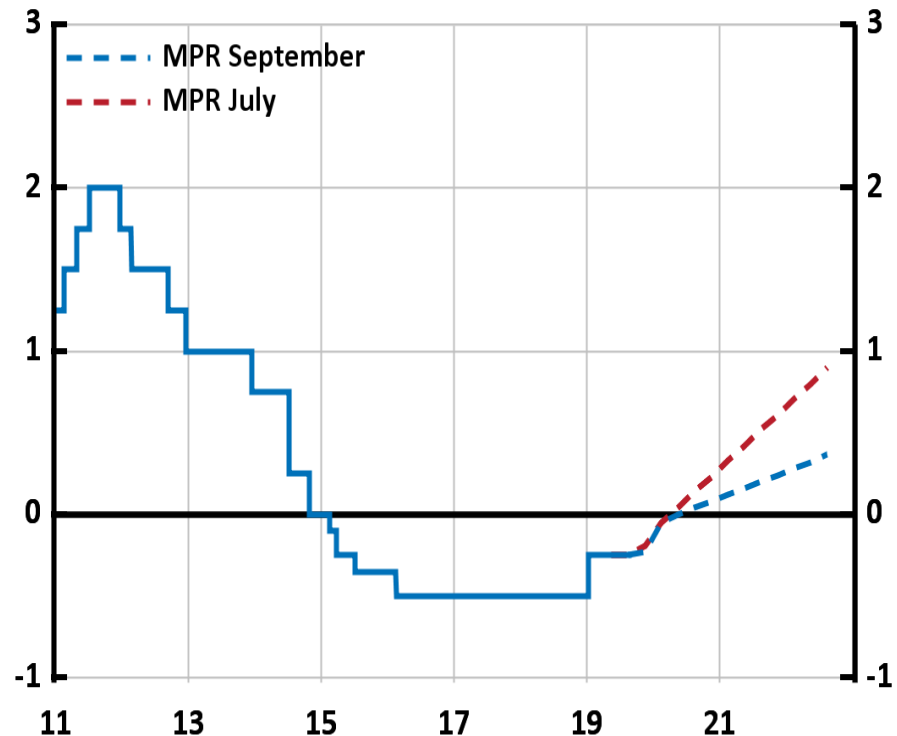
Per cent and annual percentage change respectively. Yields on 10-year government bonds. The vertical lines indicate the monetary policy meetings in April, July and September. Purchasing managers' index in the manufacturing sector.

Clear decline in industry



Sources: Institute for Supply Management, Markit and Macrobond

Low interest rates supporting economic activity and inflation



Per cent.

Source: The Riksbank

Hesitant about increasing the rate around the turn of the year

- Inflation quite low in the near term (even prior to the August outcome)
- Worrying development tendency for inflation expectations
- No appreciable upside risks
- The Riksbank and leading central banks going in different directions; what does this mean?

But still not entering a reservation at this time

- Increase not decided, a forecast (that is uncertain)
- Rate path is otherwise reasonable