PRESS RELEASE

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Policy rate raised to 2 per cent

Stronger economic activity combined with cost increases due to supply disruptions mean that inflation is expected to continue rising going forward. The Executive Board has therefore decided to raise the policy rate by 0.25 percentage points to 2 per cent. If the outlook for inflation and economic activity holds, it is likely that the policy rate will be raised further in the coming year, in line with the policy rate forecast in September.

Global inflationary pressures remain elevated due to supply disruptions linked to the war in the Middle East. Energy prices have risen further and inflation abroad has increased. In Sweden, CPIF inflation was 1.5 per cent in September, in line with the Riksbank's latest forecast. Inflation is still being held back by direct effects of temporary fiscal policy measures. Excluding these, CPIF inflation was 3 per cent. The measure that currently best reflects the more underlying inflation, which also excludes energy prices, amounted to 1.6 per cent. This was slightly lower than expected. At the same time, indicators point to cost pressures still being above normal. According to preliminary statistics, GDP increased during the third quarter and employment rose, both in line with the forecast. Sentiment among households declined in October, but among companies it rose further.

Overall, recent developments have largely been in line with the Riksbank's forecast, which implies that economic conditions are strengthening further and will become normal next year. The labour market is also expected to continue to improve. The combination of stronger economic activity, cost increases due to supply disruptions and a weaker krona this year is expected to contribute to both CPIF inflation and underlying inflation rising above 2 per cent next year.

The Riksbank has therefore decided to raise the policy rate by 0.25 percentage points to 2 per cent. If the outlook for inflation and economic activity holds, the Riksbank assesses that it is likely that the policy rate will be raised further in the

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coming year, in line with the policy rate forecast in September. With this monetary policy, inflation is expected to stabilise around the target of 2 per cent after a while.

There are several risks that could affect the outlook. The causes of supply disruptions remain, which increases the risk that inflation will be too high. The upturn in economic activity has gained momentum and it cannot be ruled out that the economy will grow faster than expected. Despite signs of improvement, there is nevertheless uncertainty regarding the strength of the recovery in the labour market. There are also risks of weaker demand linked to the global economy, such as geopolitical uncertainty, concerns about AI investments, and weak public finances in certain countries. As always, the Riksbank evaluates the outlook for inflation and economic activity in the light of new information and adjusts monetary policy accordingly.

The decision on the policy rate will apply from 11 November 2026. The minutes from the Executive Board's monetary policy meeting will be published on 10 November 2026. A press conference with Governor Erik Thedéen, and Åsa Olli Segendorf, Head of the Monetary Policy Department, will be held today at 11.00 at the Riksbank. Press cards or the equivalent are required to participate. Advance registration is required, to press officer Susanne Meyer, susanne.meyer@riksbank.se no later than 10.00 on 4 November 2026. The press conference will be broadcast live on riksbank.se.

About the Monetary Policy Update

A Monetary Policy Update is published in connection with the policy rate decision, containing the Executive Board's assessment of how new information affects economic prospects and monetary policy. The update does not contain any new forecasts. The next Monetary Policy Report containing forecasts will be published on 16 December 2026.