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Signs of stronger economic activity, continued inflation risks

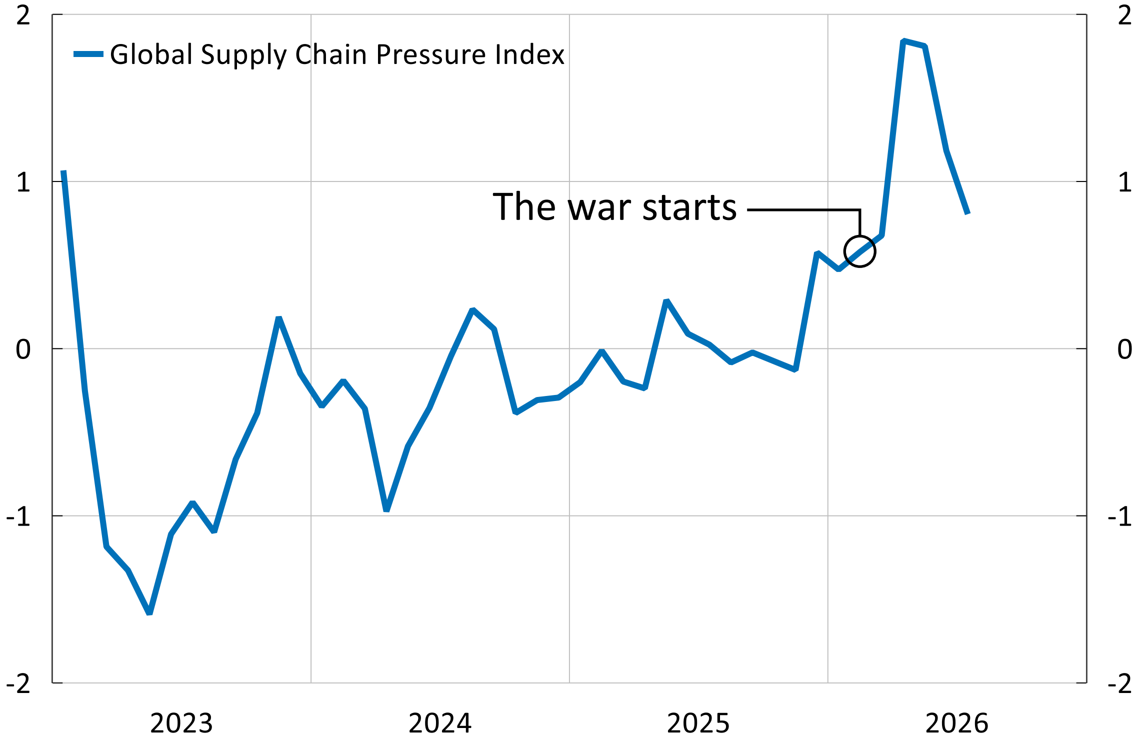
Monetary policy, August 2026

Monetary policy decision August 2026

- Policy rate **unchanged** at 1.75 per cent
- The probability of a **rate increase** later this year remains.

The war in the Middle East is still creating uncertainty

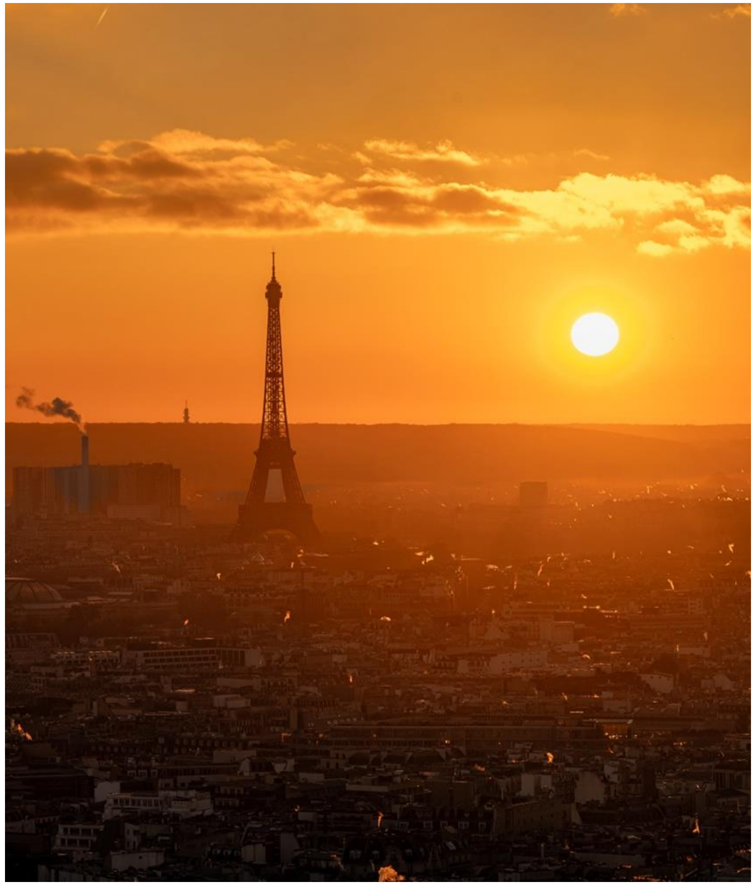
Measures of supply shocks have declined somewhat



Standard deviation, historical average 1997=0. The index summarises indicators of global supply chains, including freight costs and PMI-based measures in a selection of large economies.
Source: Federal Reserve Bank of New York.

- The tense situation persists.
- The economic effects have so far been smaller than many initially feared.
- But the disruptions are still pushing up some prices.

International developments



- Positive **economic signals** in Europe.
- Continued large investments in **AI**.
- Rising **long-term interest rates.**
- New factors affect **global cost pressures**.

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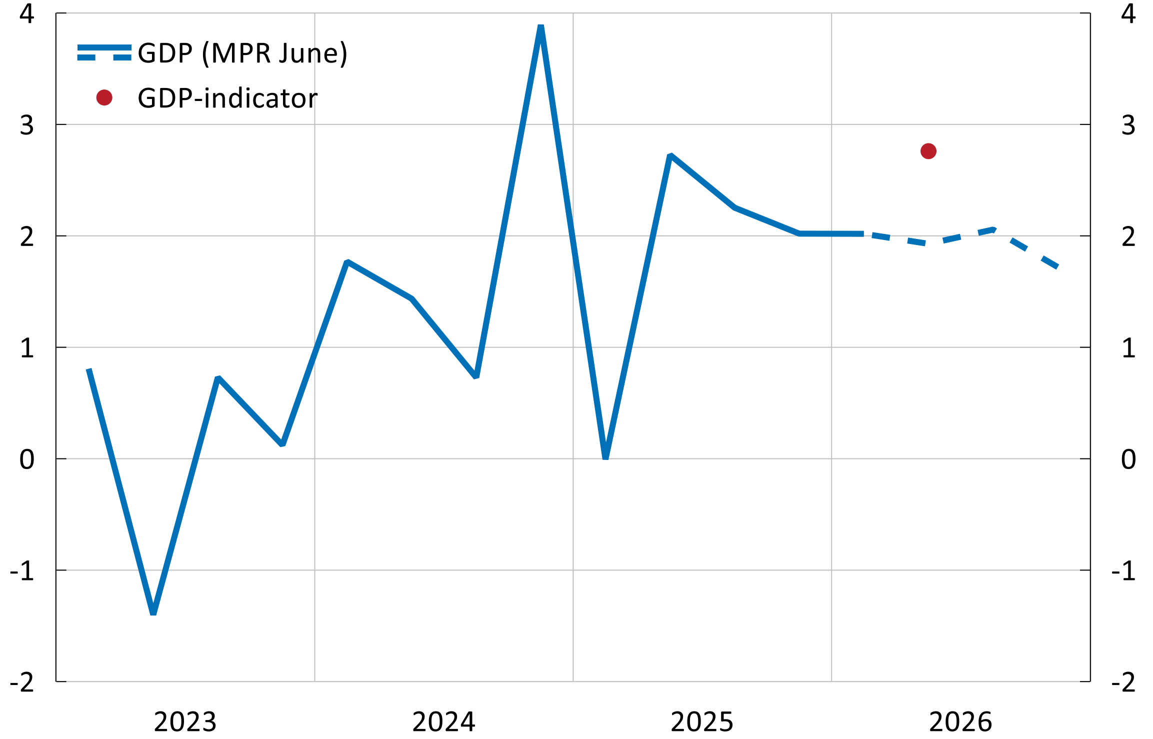
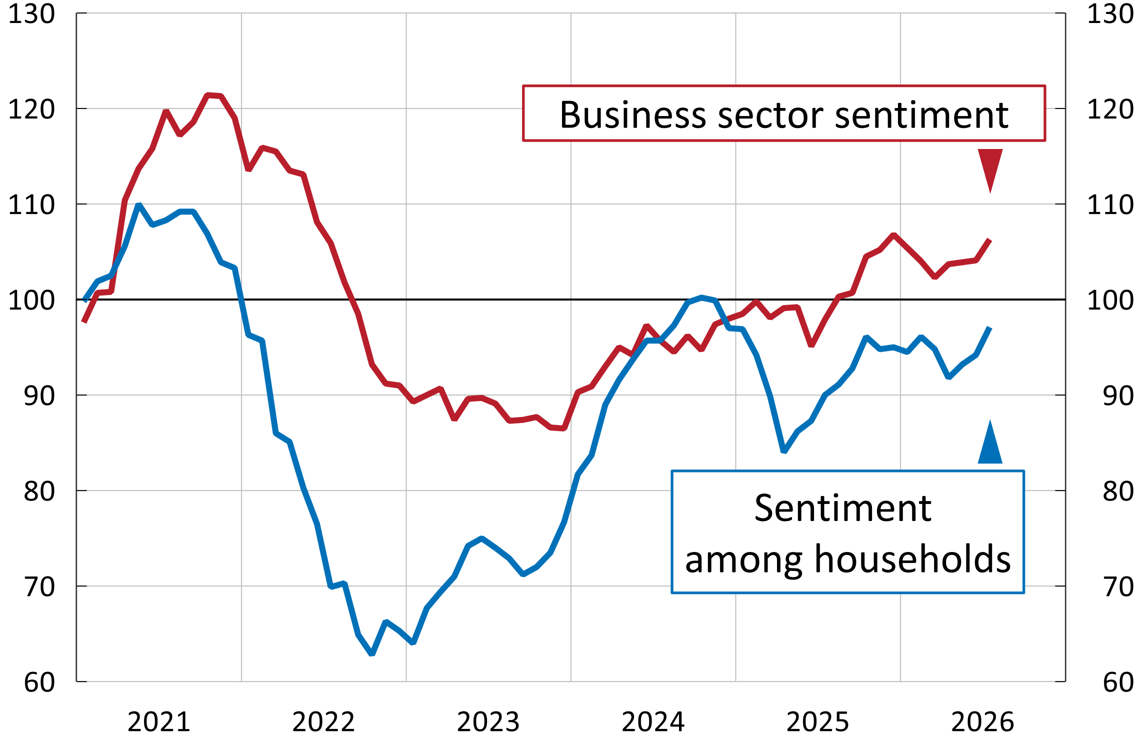
The Swedish economy is showing signs of strength

Signs of stronger GDP growth



Annual percentage change. Solid and dashed blue lines refer to outcome and forecast respectively at the monetary policy meeting in June. Red dot refers to outcome for the GDP indicator in the second quarter. Calendar-adjusted quarterly data. Sources: Statistics Sweden and the Riksbank.

Rising confidence among households and companies



Index, mean = 100, standard deviation = 10. The confidence indicators are calculated as the mean value of net figures for a number of questions concerning the economic situation and future prospects. Source: National Institute of Economic Research.

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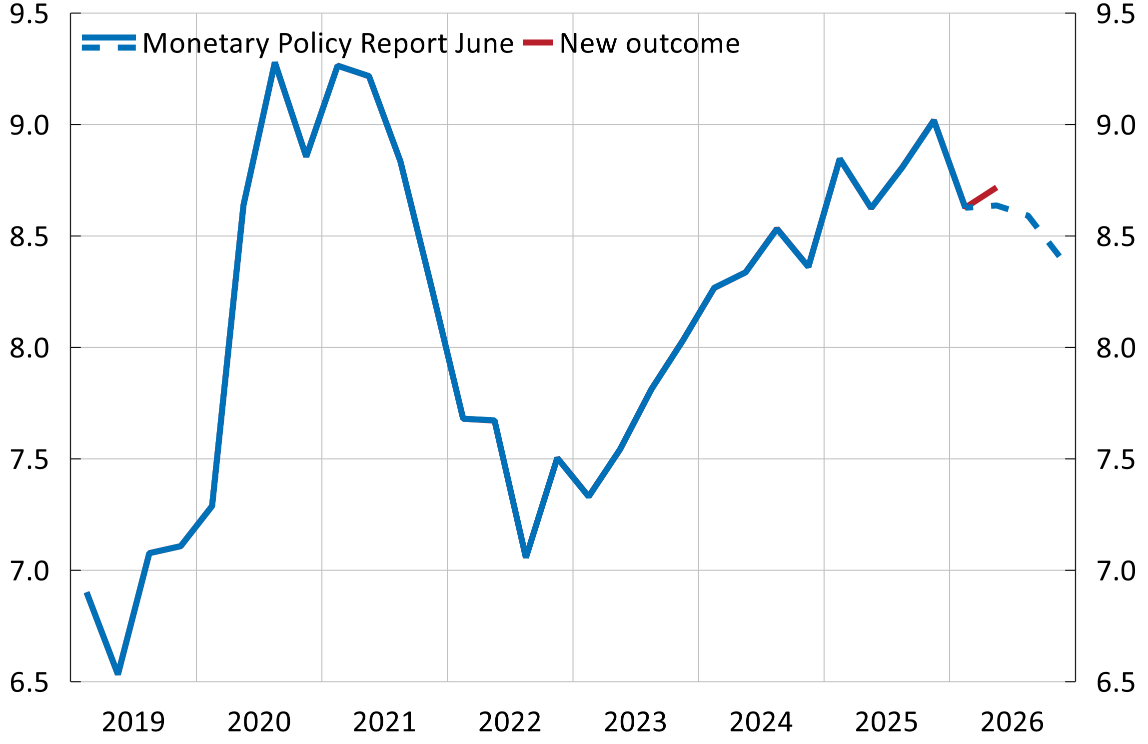
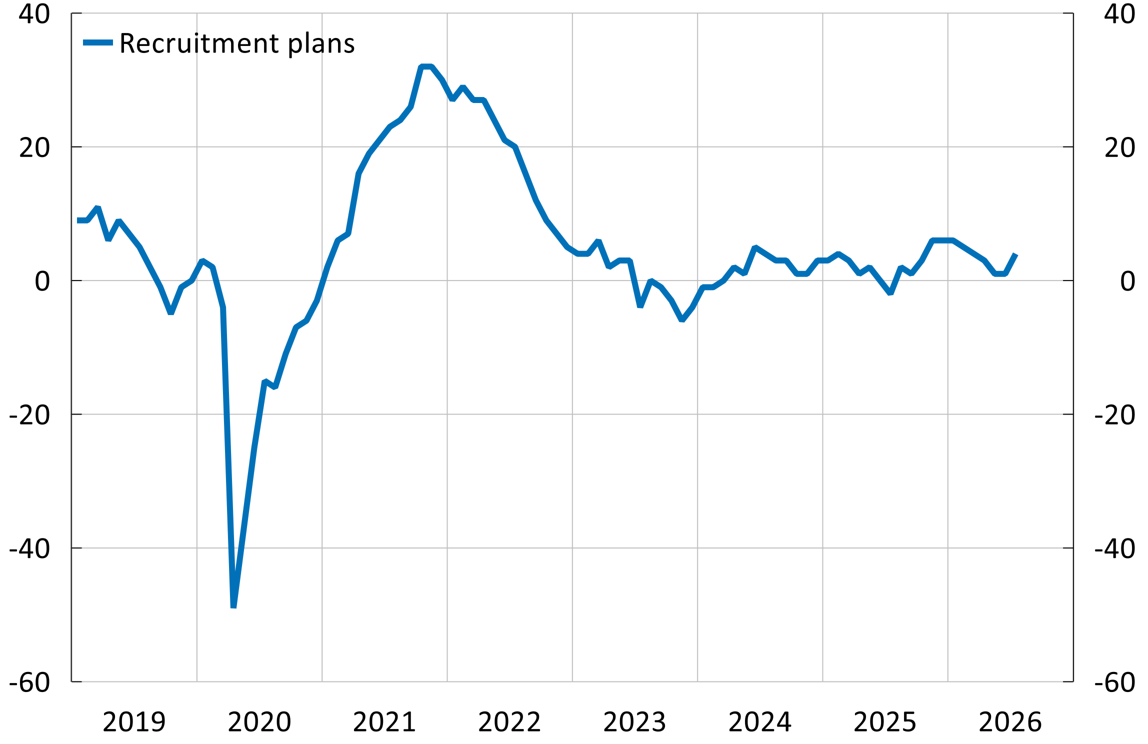
Improved situation in the labour market

Unemployment is still high



Per cent of the labour force. Refers to persons aged 15–74. Solid and dashed blue lines refer to outcome and forecast respectively at the monetary policy meeting in June. Red line refers to outcome for the second quarter. Seasonally adjusted data. Sources: Statistics Sweden and the Riksbank.

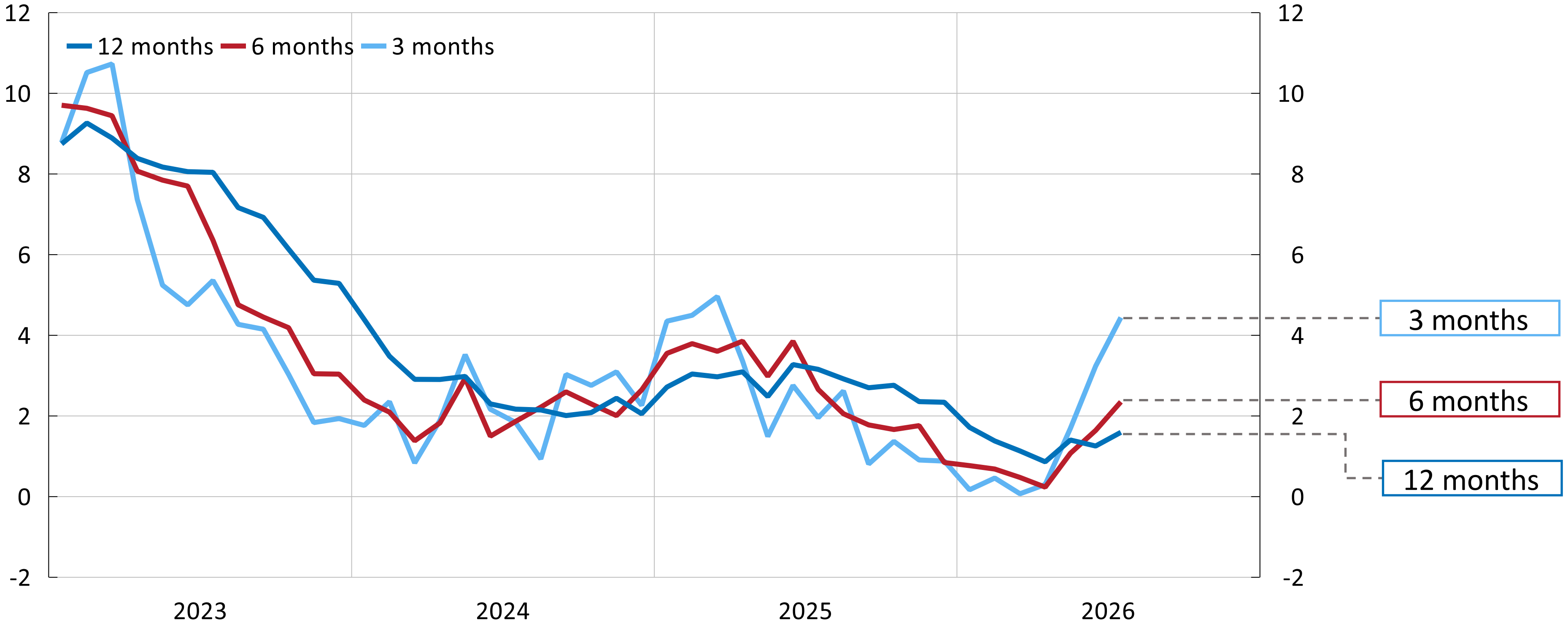
Companies are holding off on hiring staff



Net figures for number of companies responding that they plan to increase employee numbers compared with how many plan to reduce employee numbers in the coming three months. Seasonally adjusted data. Source: National Institute of Economic Research.

Prices have increased faster in recent months

CPIF excluding energy and temporary fiscal policy measures



Annual percentage change and three-month and six-month percentage change, calculated as an annual rate. The temporary fiscal policy measures refer to tax cuts on food and fuel and the price cut on public transport. Seasonally adjusted data.
Sources: Statistics Sweden and the Riksbank.

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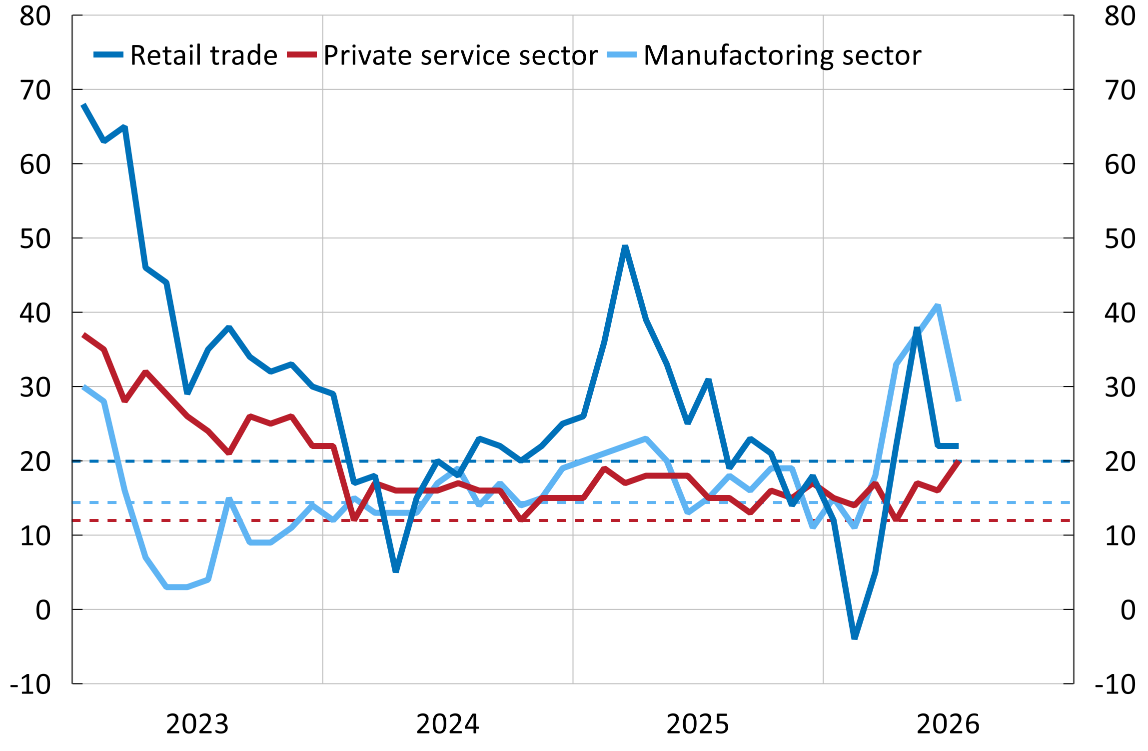
Inflationary pressures are still higher than normal

Companies’ price plans have fallen



The net figures for how many companies responded that they plan to increase their prices compared with how many plan to reduce them in the coming three months according to the Economic Tendency Survey. The dashed lines represent the average for the period 2005-2026. Seasonally adjusted data. Source: National Institute of Economic Research.

- Some forward-looking indicators point to inflationary pressures having been subdued.
- However, price increases and expectations are still higher than normal.

Temporary fiscal policy measures complicate the outlook for inflation

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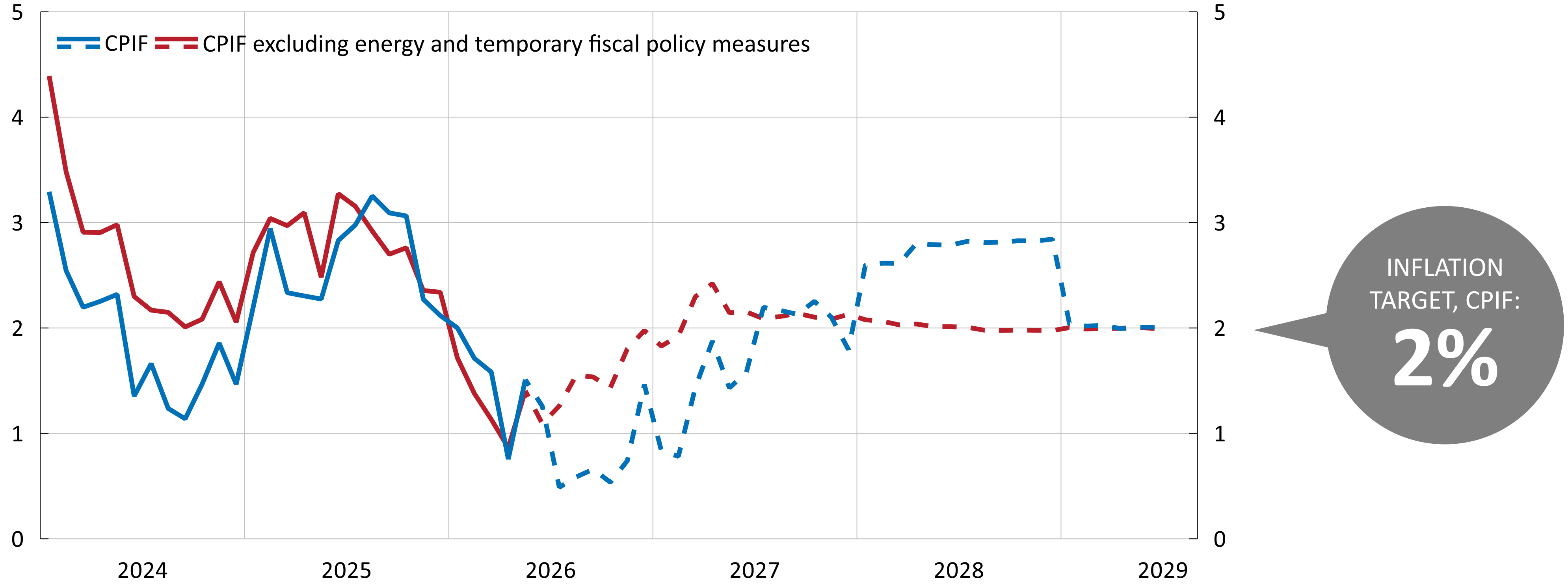
The Riksbank's inflation forecast in the Monetary Policy Report in June



Annual percentage change. The dashed lines represent forecasts in June MPR. The temporary fiscal policy measures refer to tax cuts on food and fuel and the price cut on public transport.
Sources: Statistics Sweden and the Riksbank.

Inflation was higher than expected during the summer

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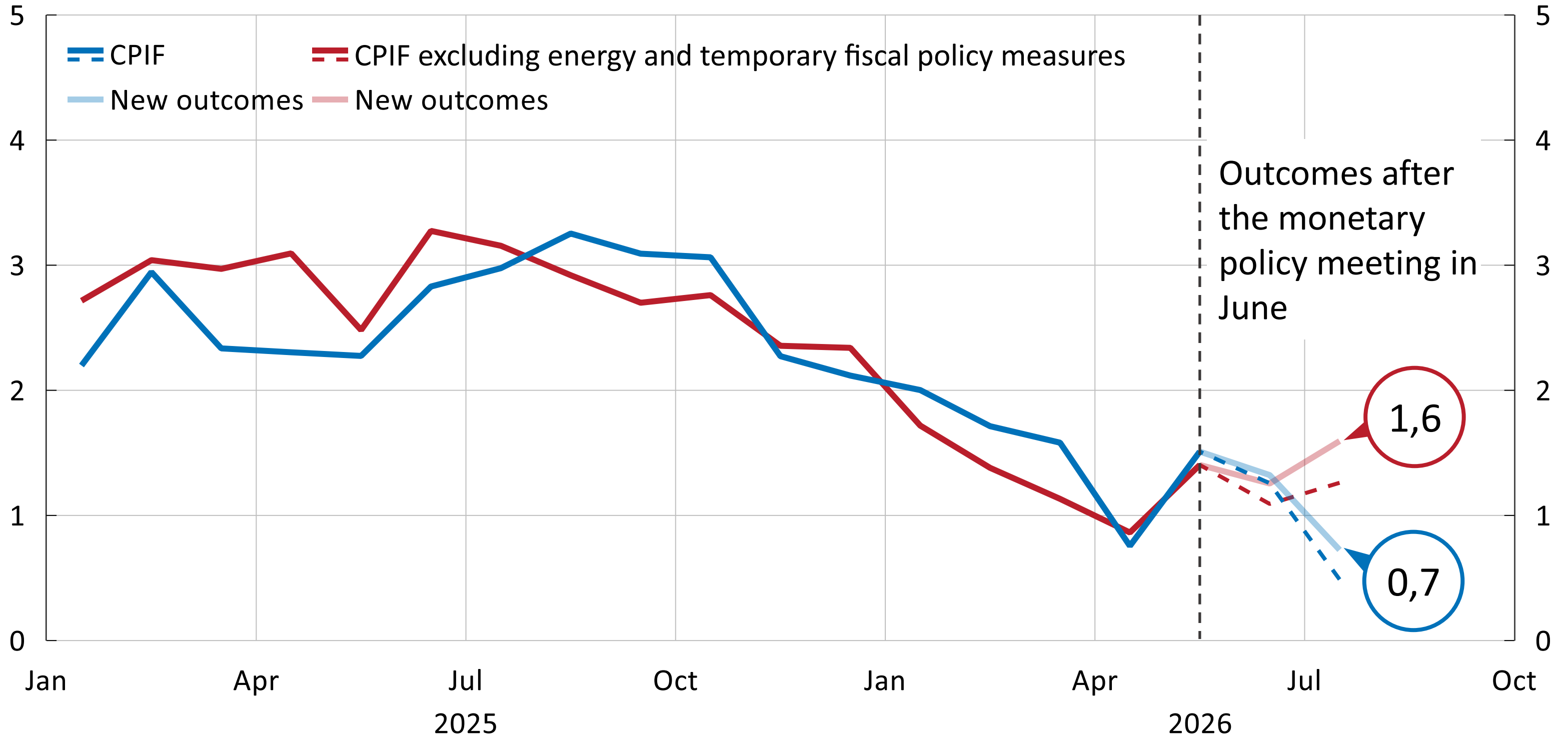

Annual percentage change. The dashed lines represent forecasts in MPR June. The temporary fiscal policy measures refer to tax cuts on food and fuel and the price cut on public transport. Semi-transparent lines refer to outcomes after the MPR June.
Sources: Statistics Sweden and the Riksbank.

- Some upward pressure in inflation figures.
- Some price indicators have slowed down.
- But the higher inflation raises questions.

Developments call for vigilance

> The probability of a rate increase later this year remains. If the unexpectedly high inflation during the summer were to be the start of a larger and more lasting upturn in inflation, the Riksbank would adjust its monetary policy in a tighter direction.

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