

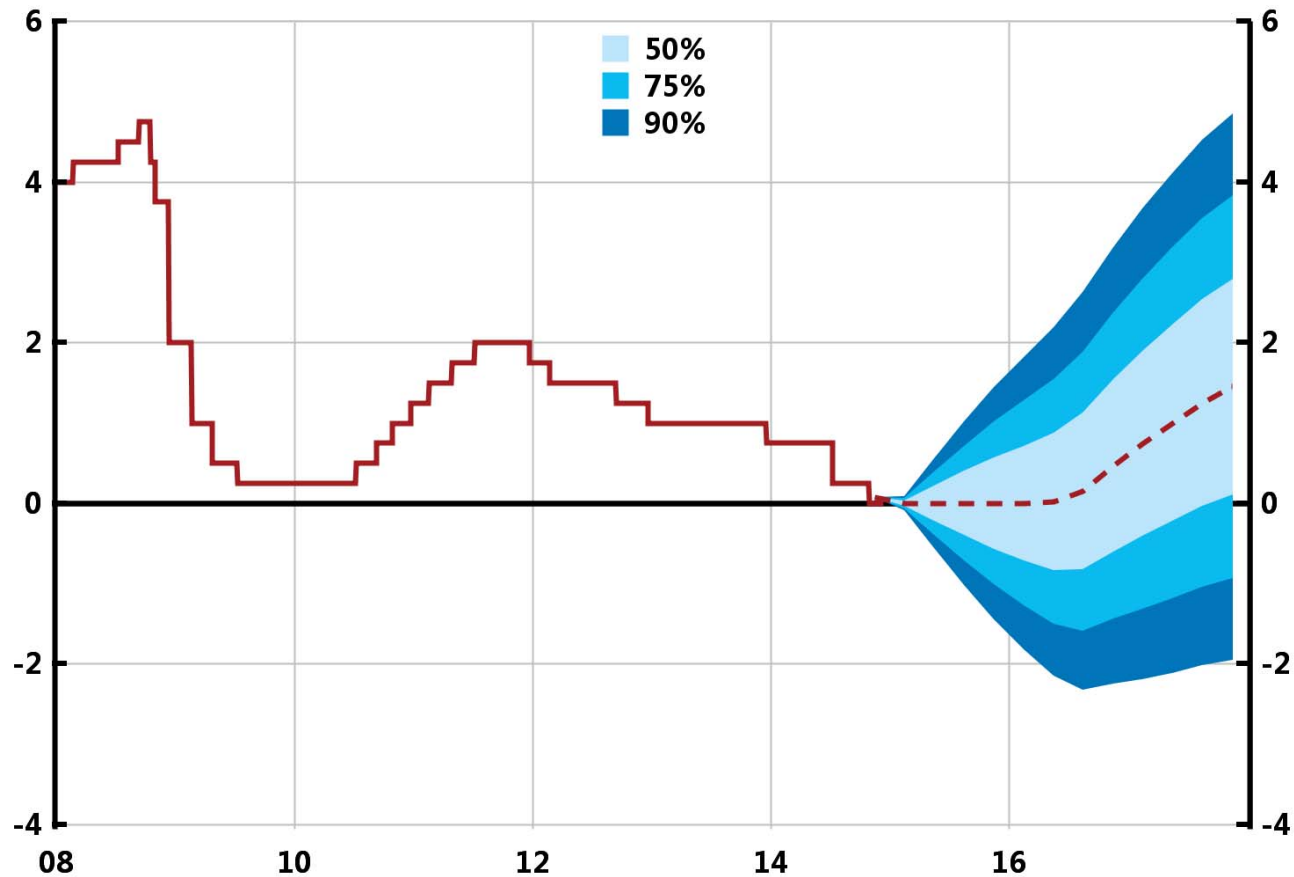


Monetary Policy Update

December 2014

Figure 1. Repo rate with uncertainty bands

Per cent

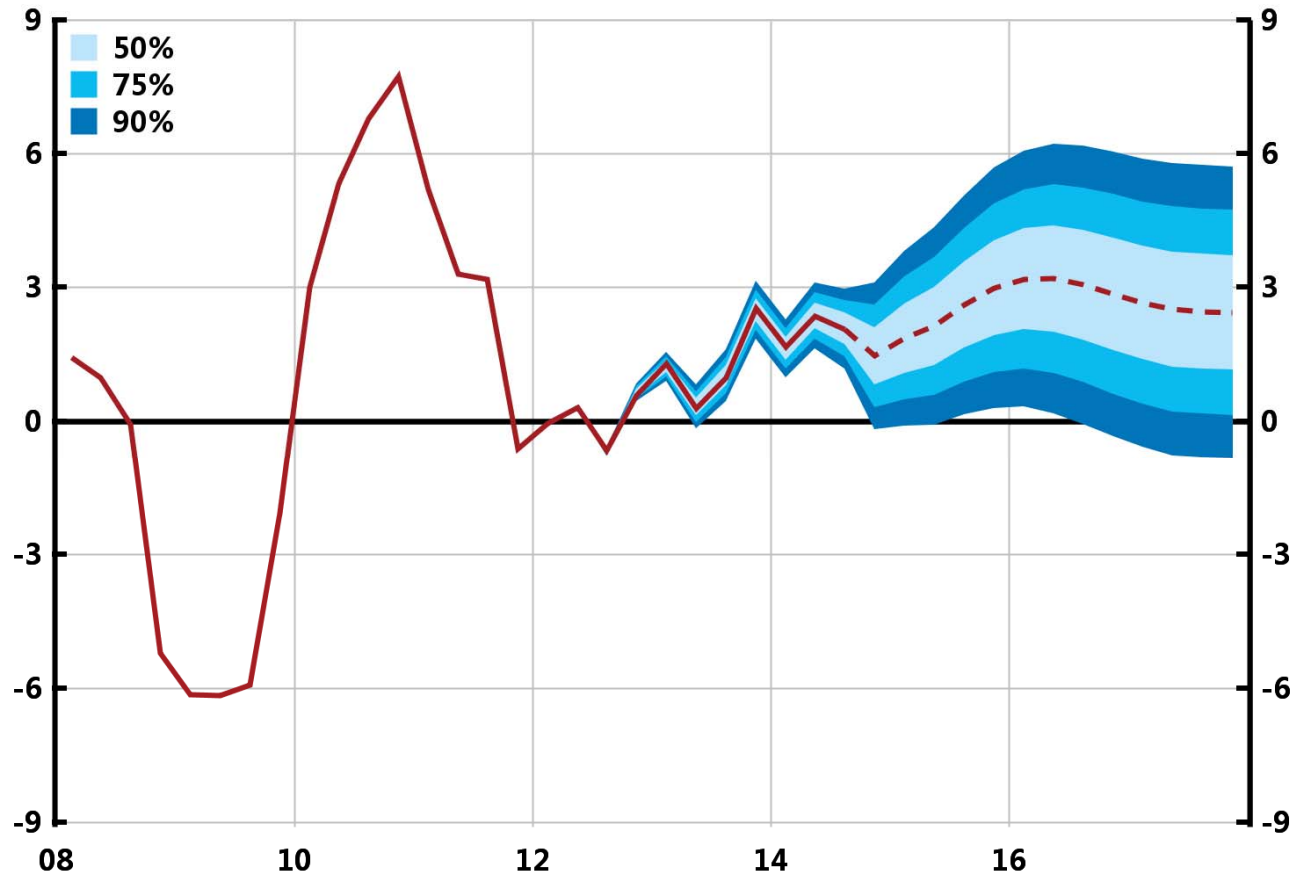


Note. The uncertainty bands for the repo rate are based on the Riksbank's historical forecasting errors and the ability of risk-premium adjusted forward rates to forecast the future repo rate for the period 1999 up to the point when the Riksbank started to publish forecasts for the repo rate during 2007. The uncertainty bands do not take into account the fact that there may be a lower bound for the repo rate. Outcome data are daily rates and forecasts are quarterly averages.

Source: The Riksbank

Figure 2. GDP with uncertainty bands

Annual percentage change, seasonally-adjusted data

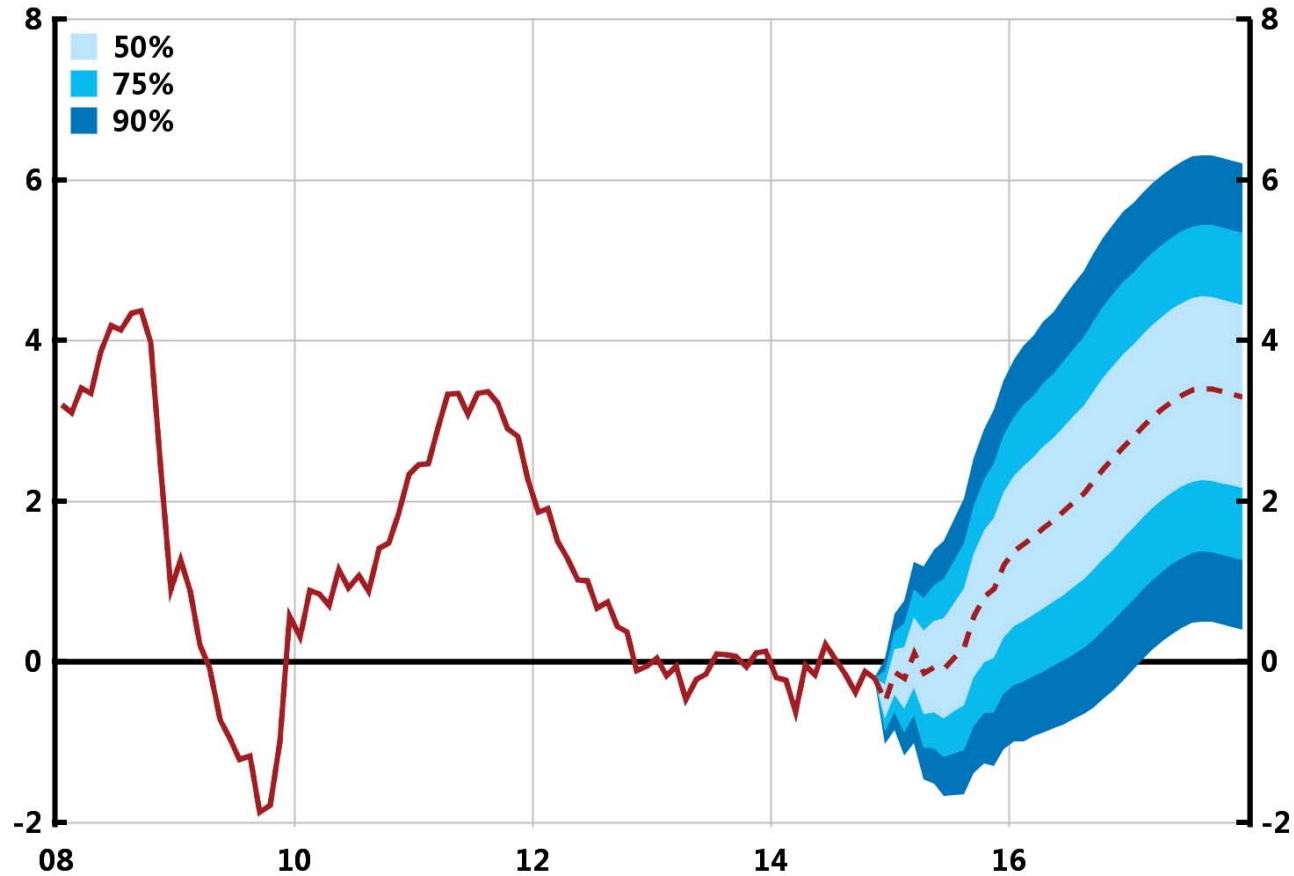


Note. The uncertainty bands are based on the Riksbank's historical forecasting errors. There is also uncertainty for the outcomes for GDP, as the figures in the National Accounts are revised several years after the preliminary publication.

Sources: Statistics Sweden and the Riksbank

Figure 3. CPI with uncertainty bands

Annual percentage change

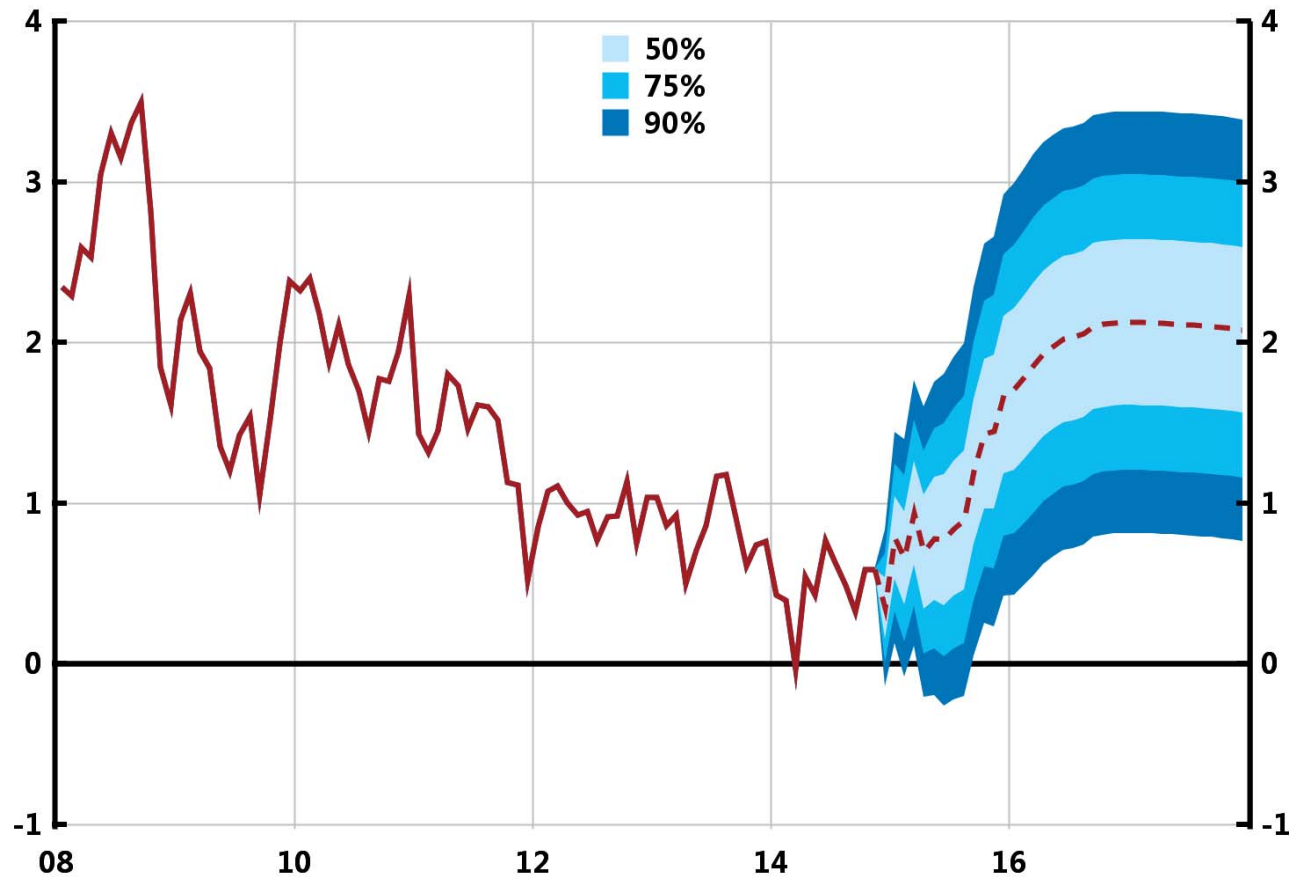


Note. The uncertainty bands are based on the Riksbank's historical forecasting errors.

Sources: Statistics Sweden and the Riksbank

Figure 4. CPIF with uncertainty bands

Annual percentage change

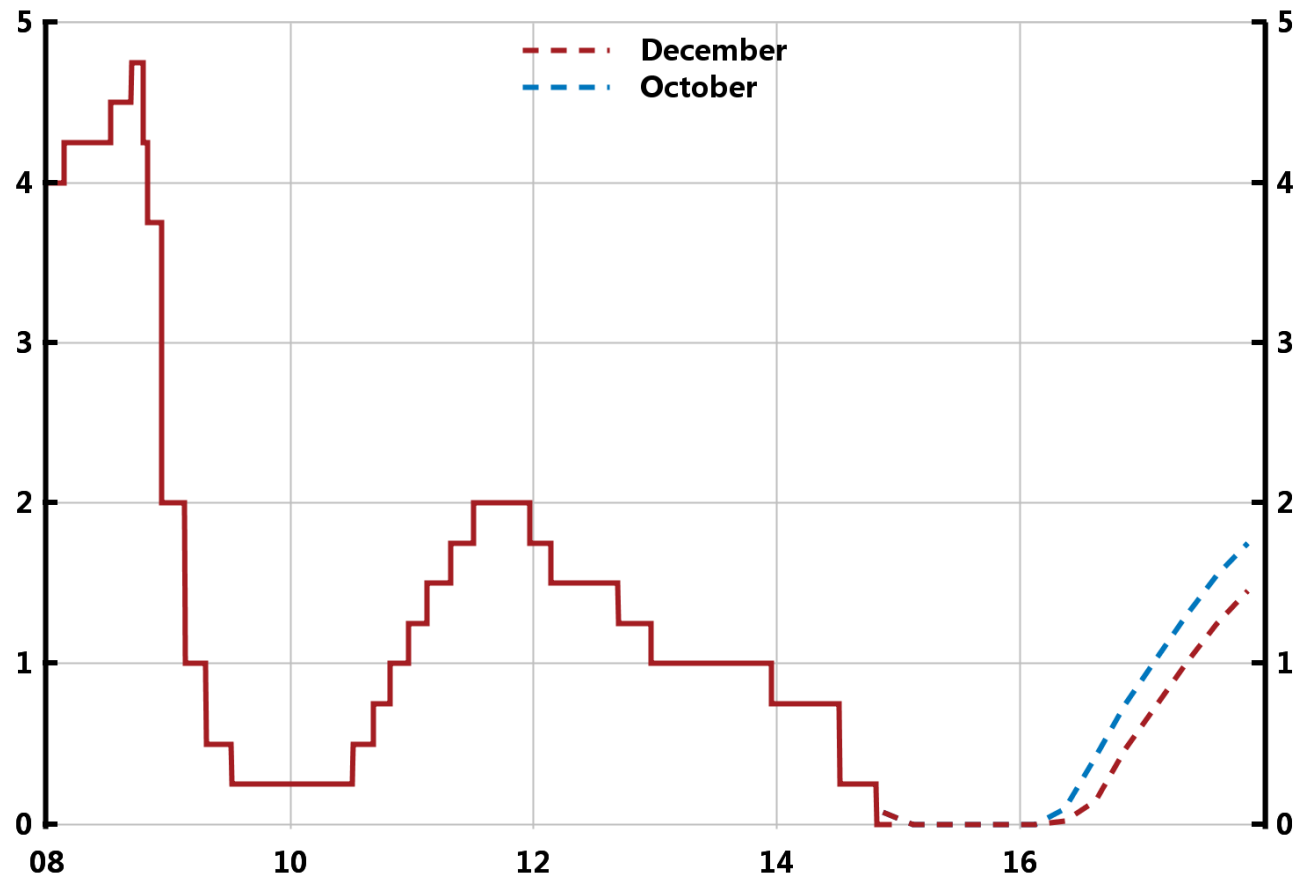


Note. The uncertainty bands are based on the Riksbank's historical forecasting errors. The CPIF is the CPI with a fixed mortgage rate.

Sources: Statistics Sweden and the Riksbank

Figure 5. Repo rate

Per cent

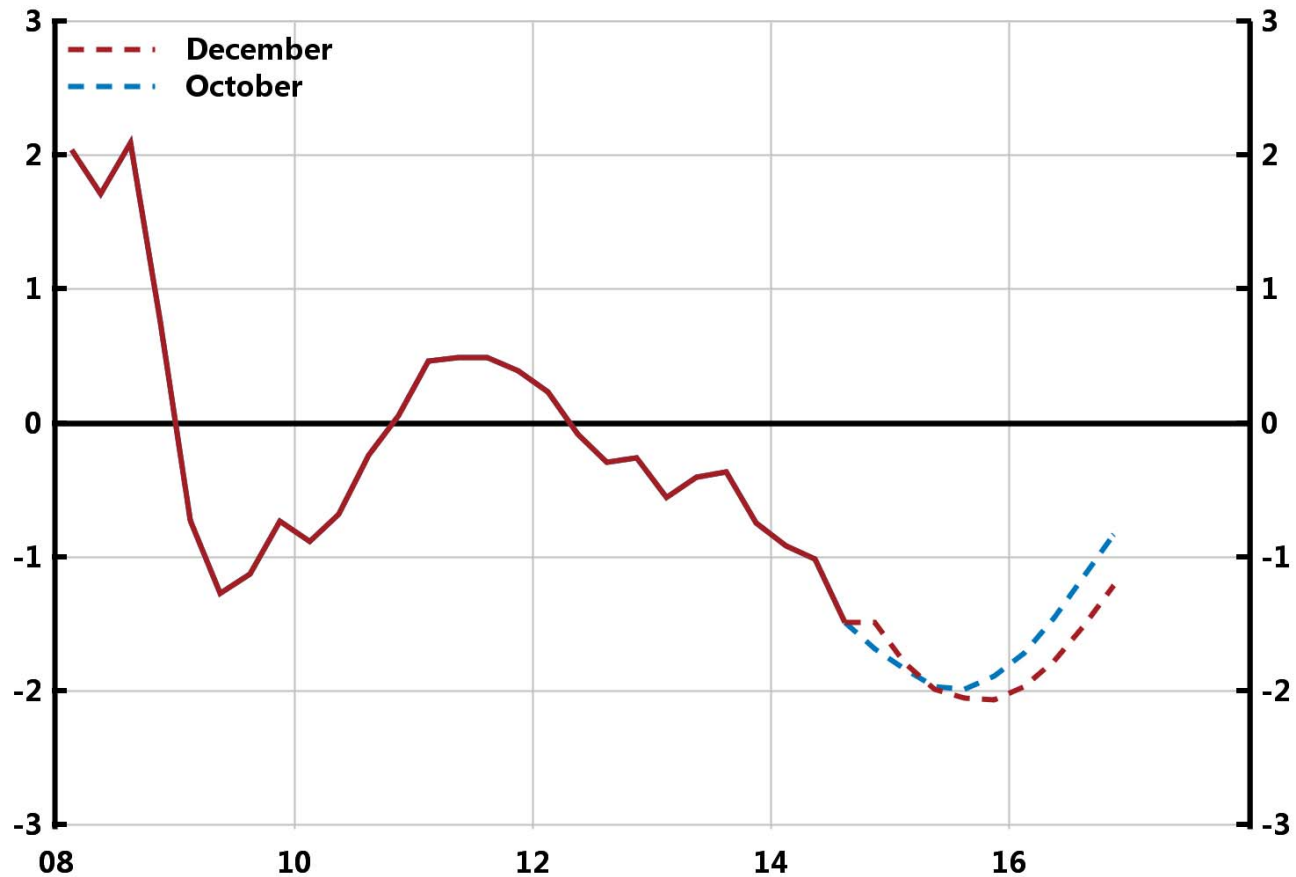


Note. Outcome data are daily rates and forecasts are quarterly averages.

Source: The Riksbank

Figure 6. Real repo rate

Per cent, quarterly averages



Note. The real repo rate is calculated as an average of the Riksbank's repo rate forecasts for the coming year minus the inflation forecast (CPIF) for the corresponding period.

Sources: Statistics Sweden and the Riksbank

Figure 7. CPI

Annual percentage change

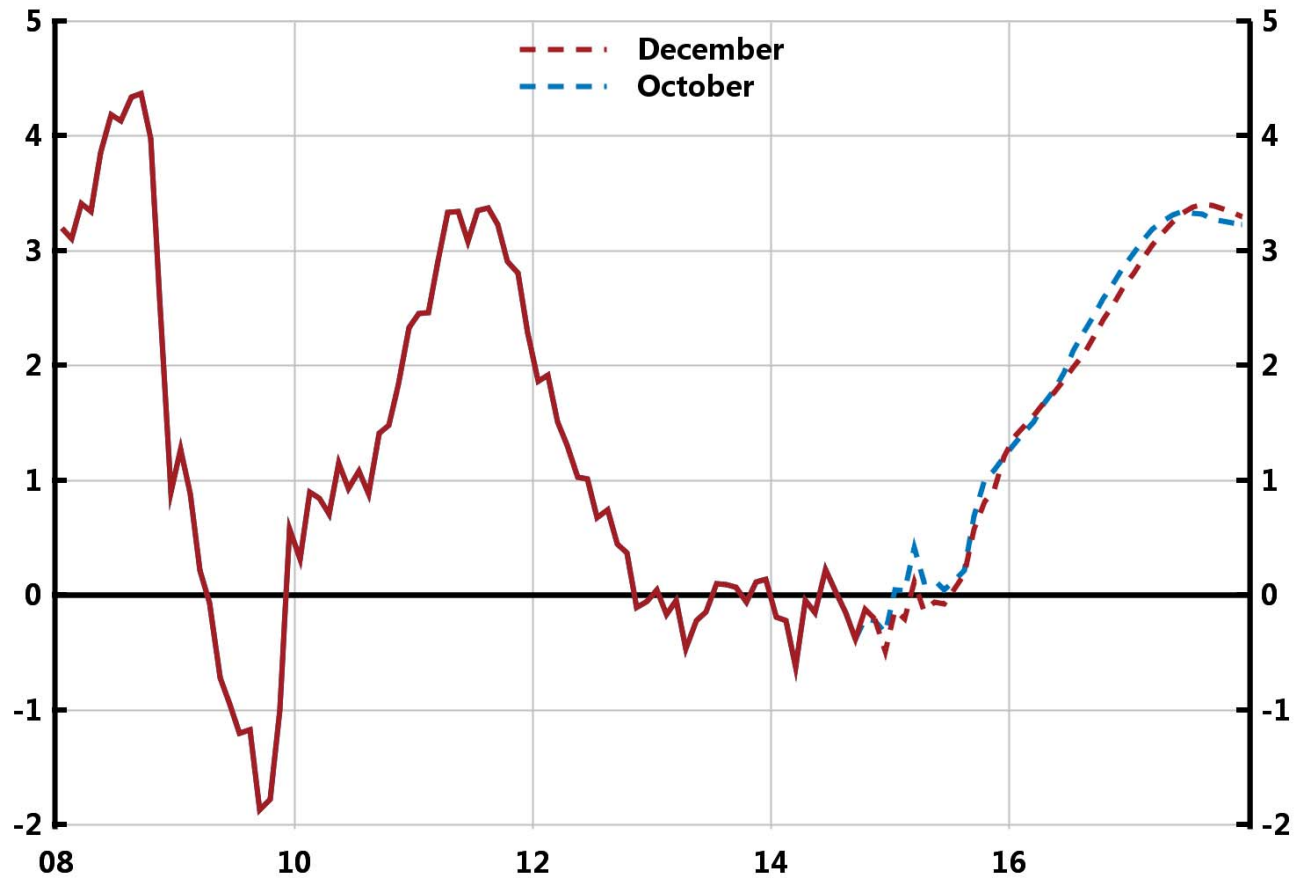
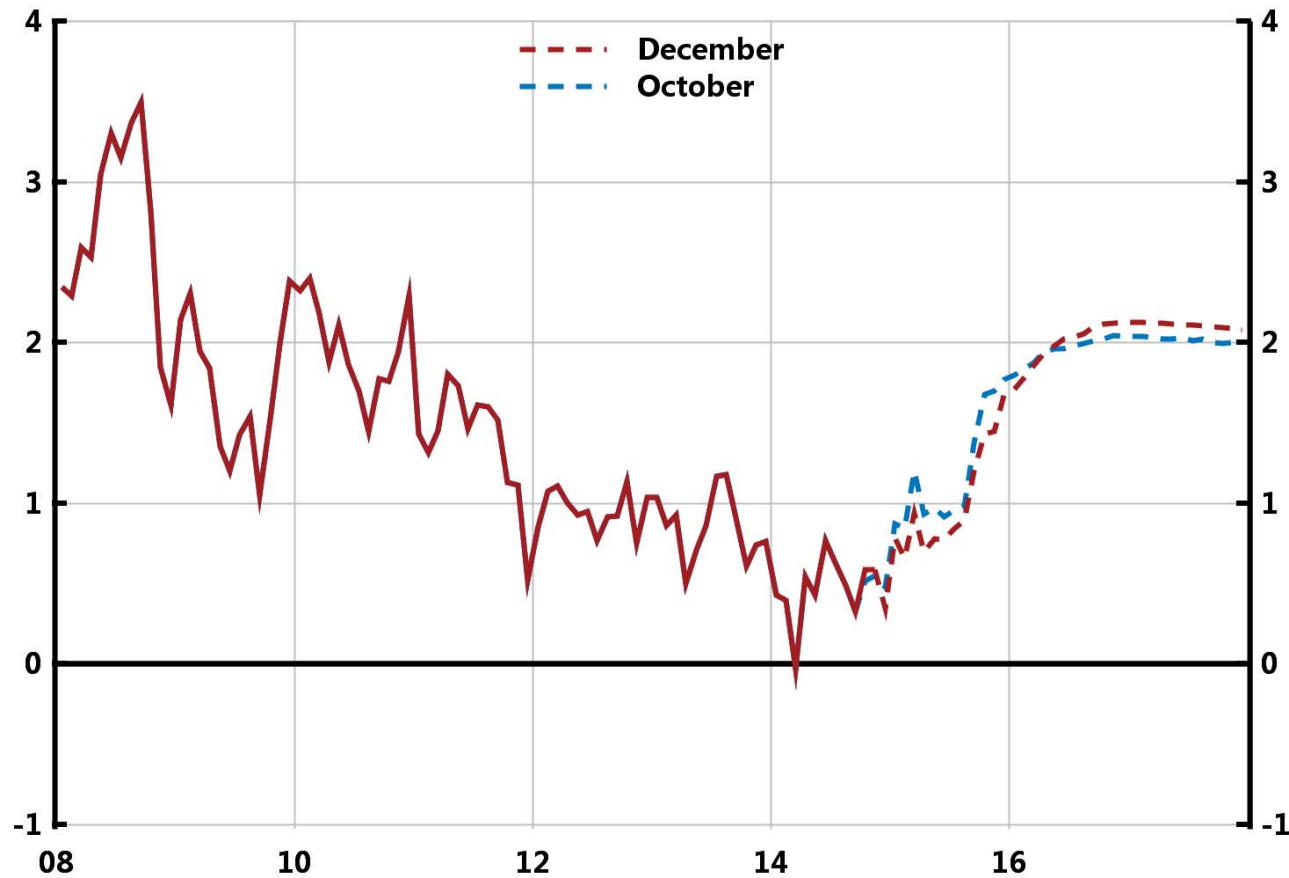


Figure 8. CPIF

Annual percentage change

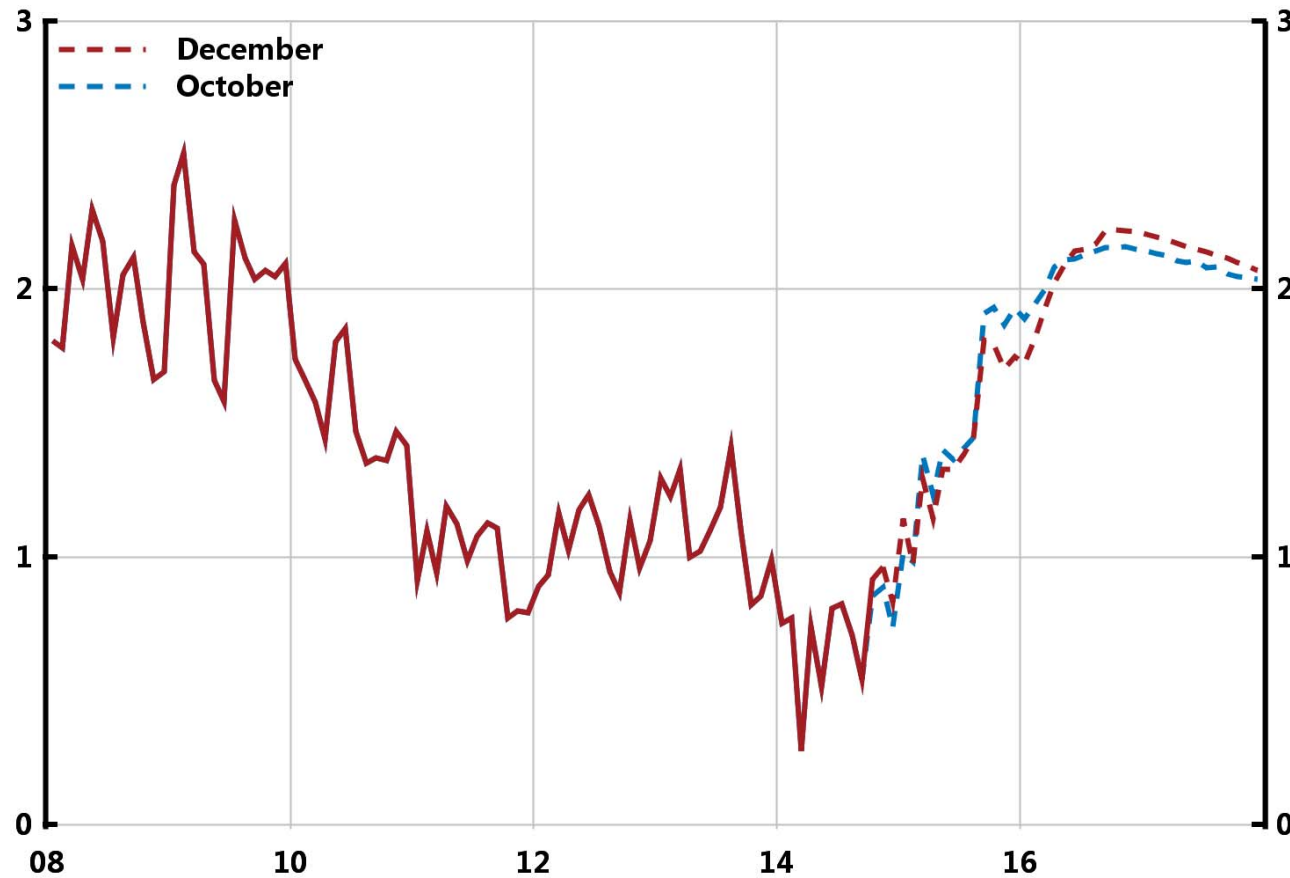


Note. The CPIF is the CPI with a fixed mortgage rate.

Sources: Statistics Sweden and the Riksbank

Figure 9. CPIF excluding energy

Annual percentage change



Note. The CPIF is the CPI with a fixed mortgage rate.

Sources: Statistics Sweden and the Riksbank

Figure 10. GDP

Quarterly change in per cent, calculated as an annual percentage change, seasonally-adjusted data

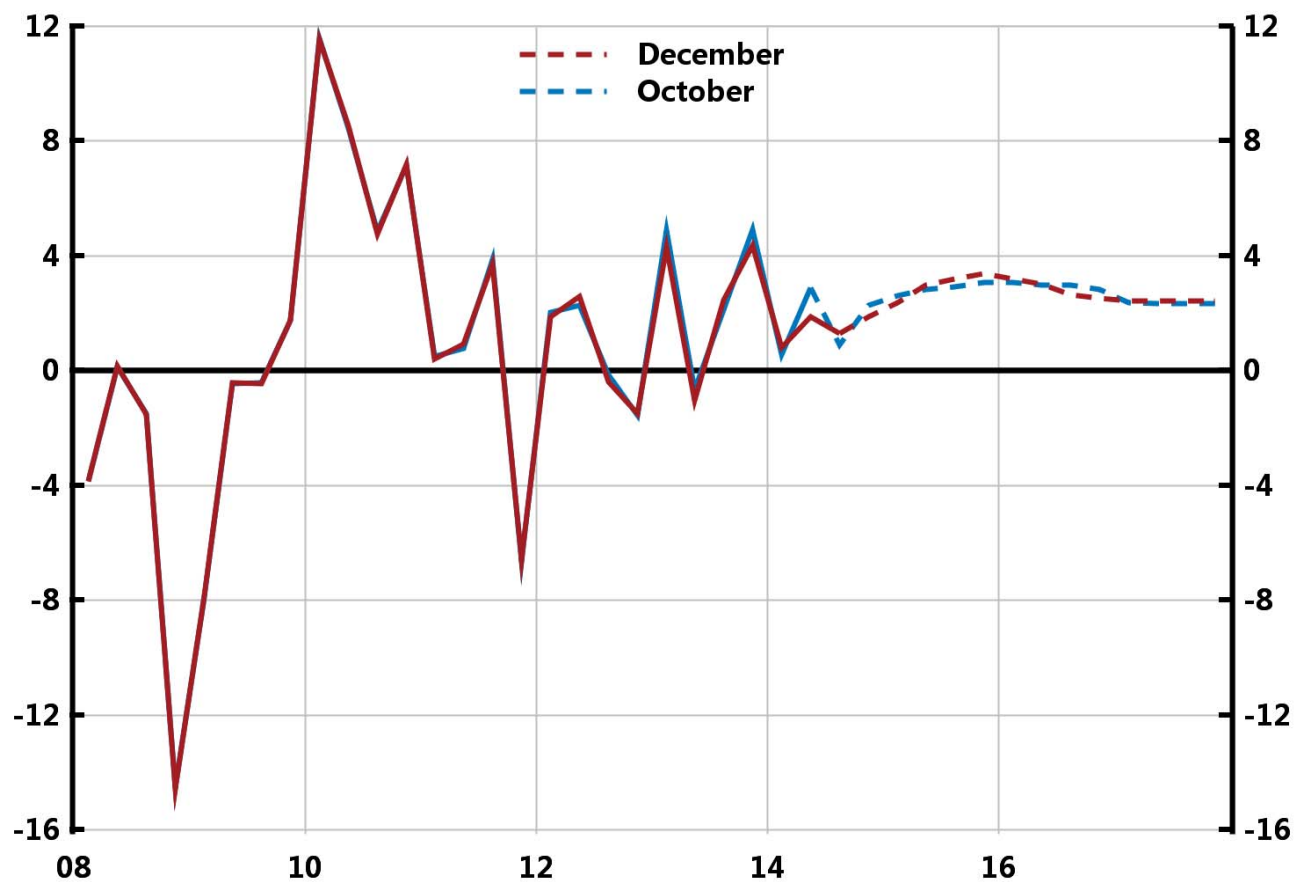


Figure 11. Unemployment

Per cent of the labour force, aged 15–74, seasonally-adjusted data

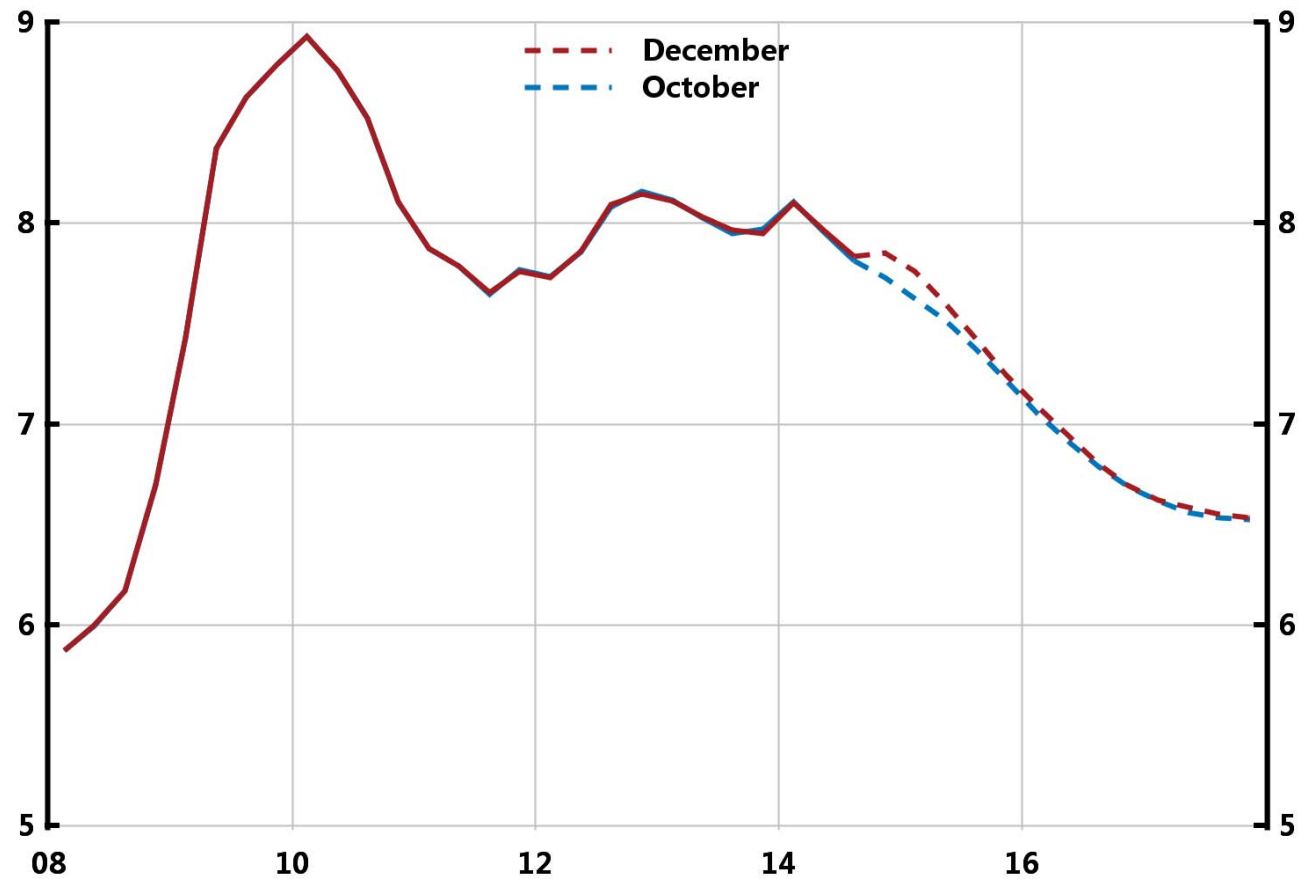


Figure 12. Labour force and number of employed

Thousands, aged 15–74, seasonally-adjusted data

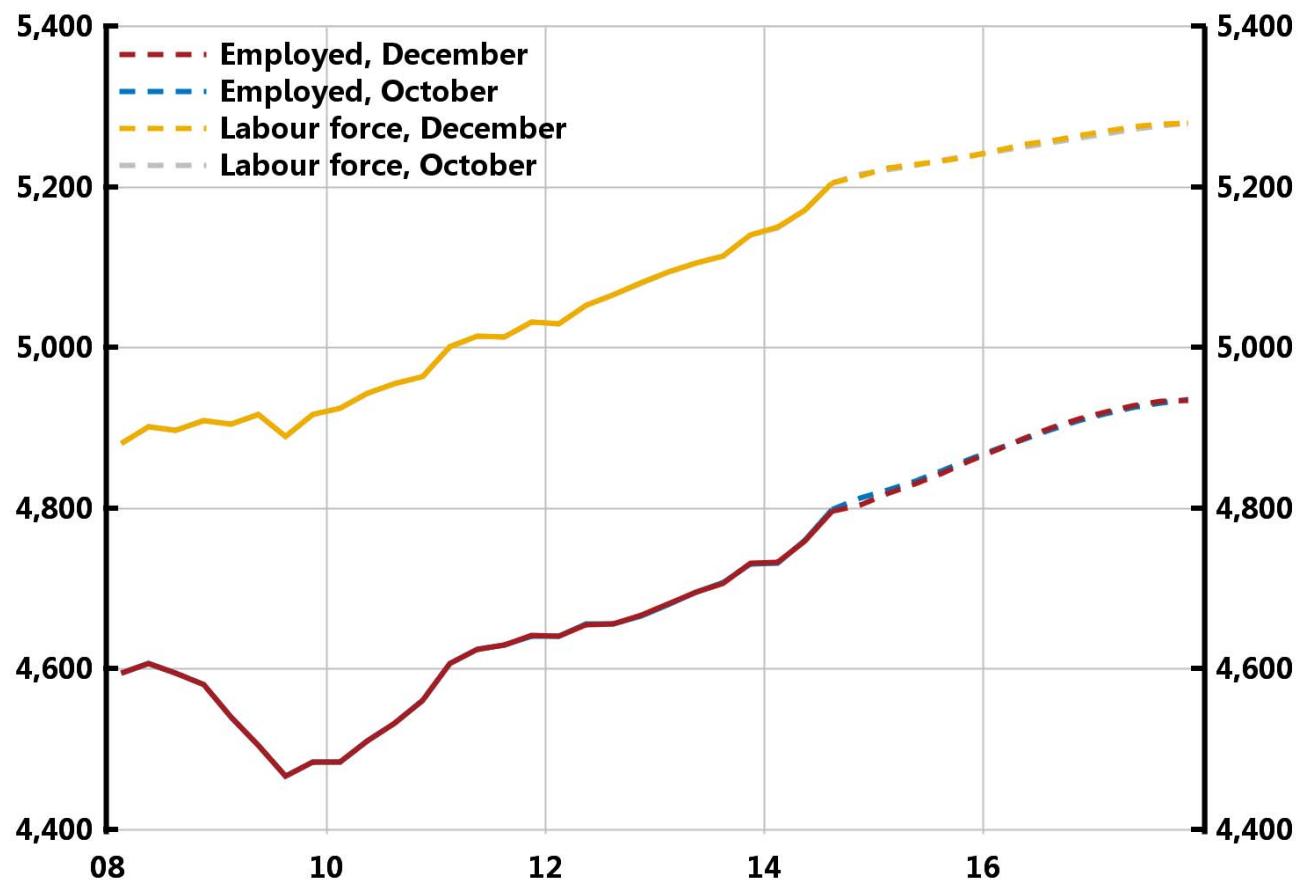
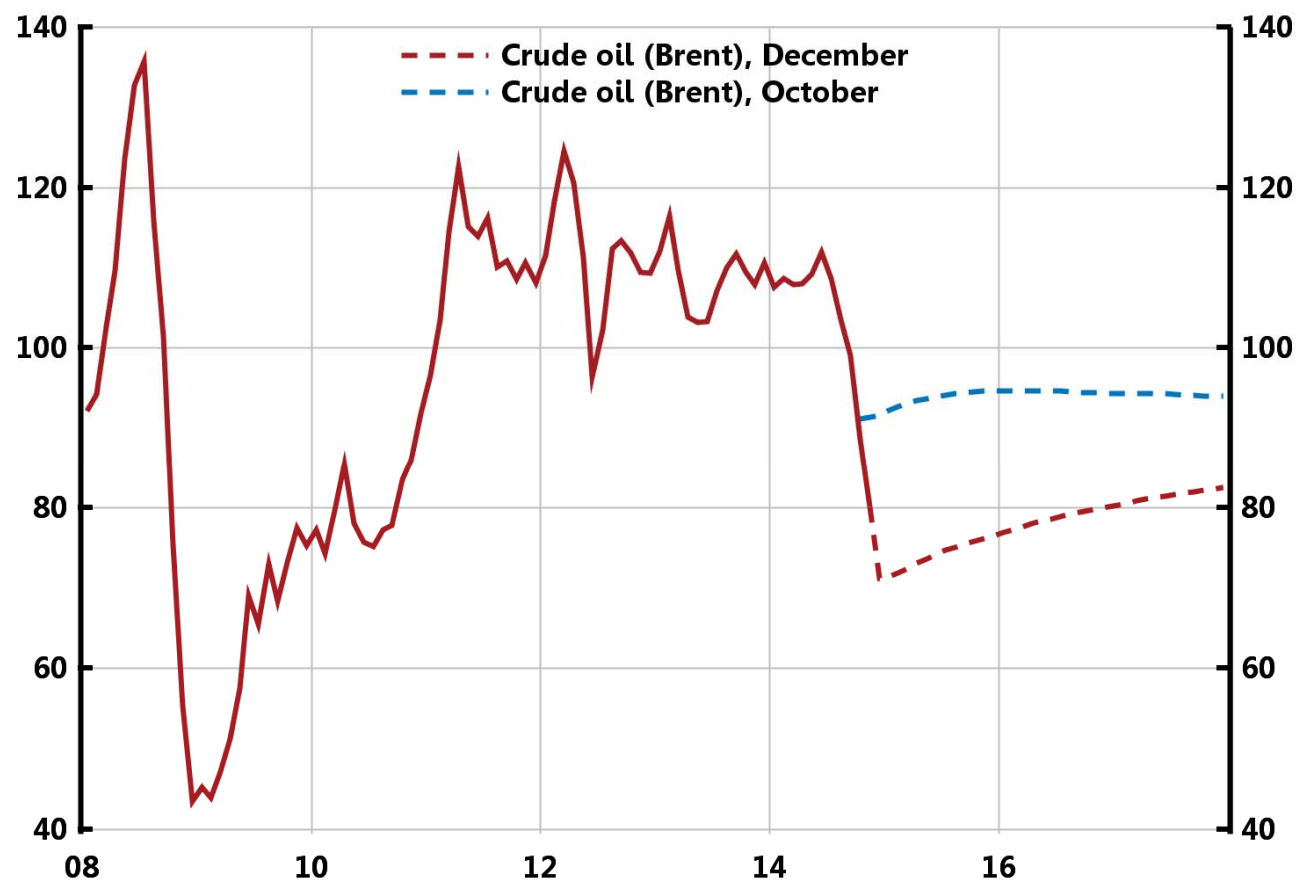


Figure 13. Oil price and futures prices



Brent oil, USD per barrel

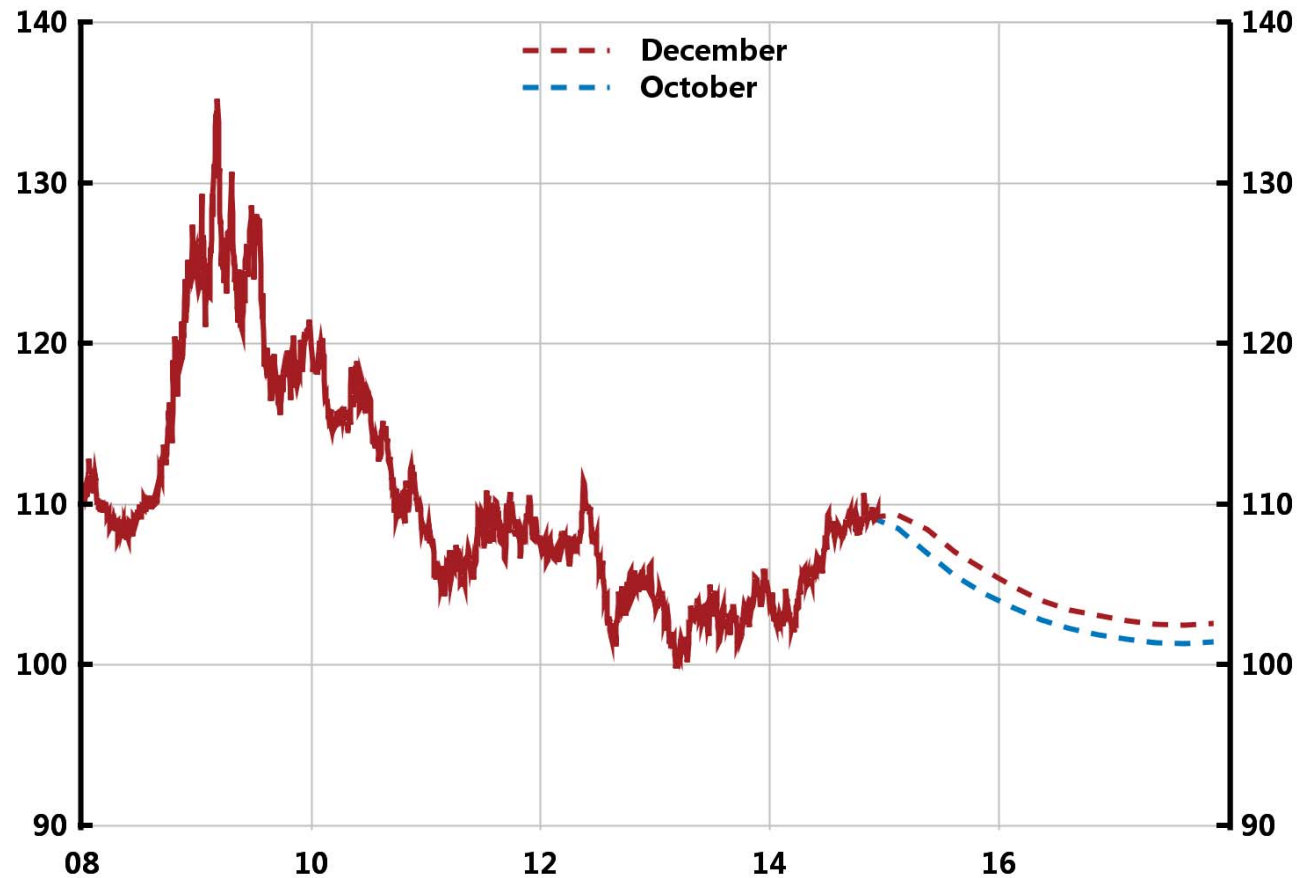


Note. Futures are calculated as a 15-day average. Outcomes represent monthly averages of spot prices.

Sources: Macrobond and the Riksbank

Figure 14. KIX-weighted nominal exchange rate

Index, 18 November 1992 = 100

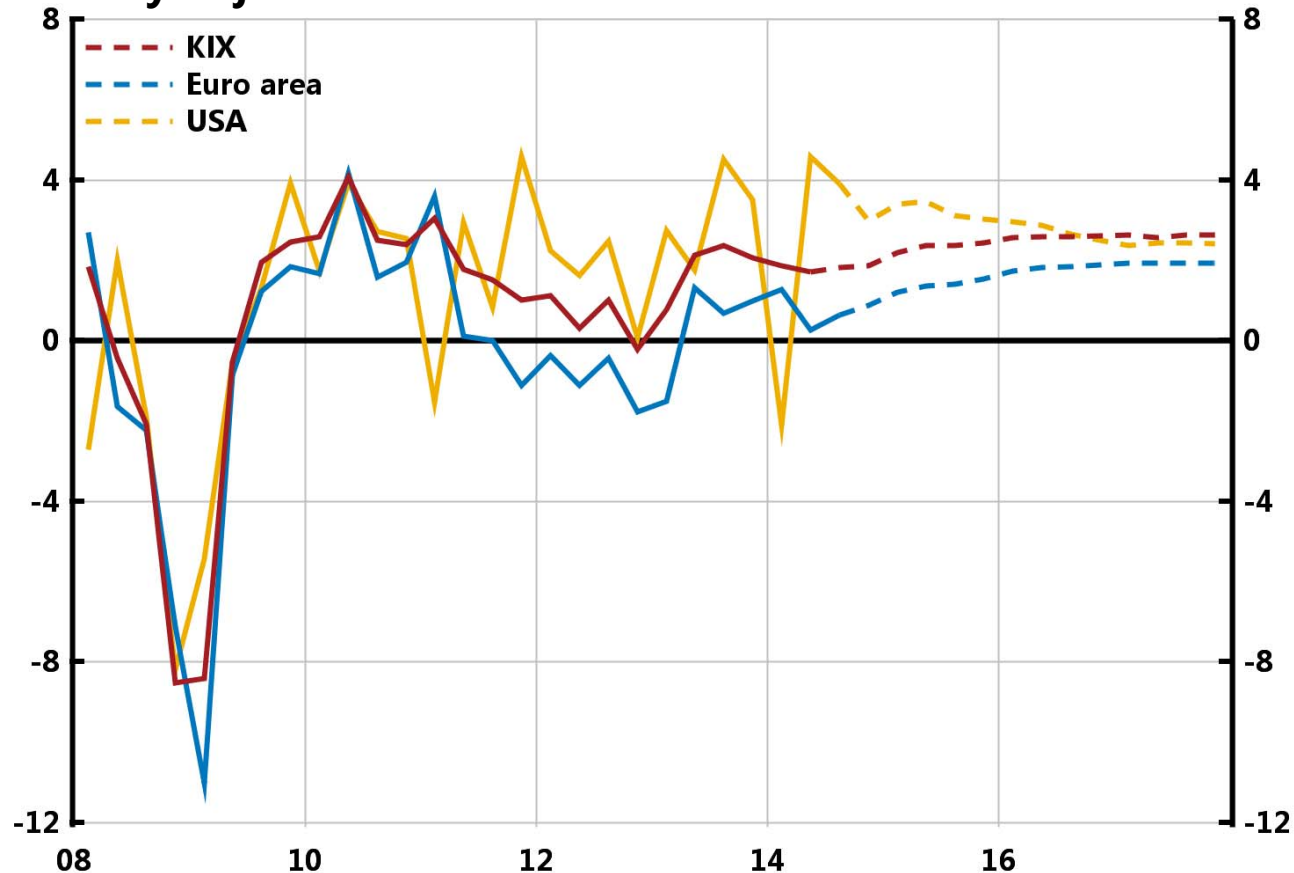


Note. Outcomes are daily rates and forecasts refer to quarterly averages. KIX is an aggregate of countries that are important for Sweden's international transactions.

Source: The Riksbank

Figure 15. GDP in different regions and countries

Quarterly change in per cent, calculated as an annual percentage change, seasonally-adjusted data

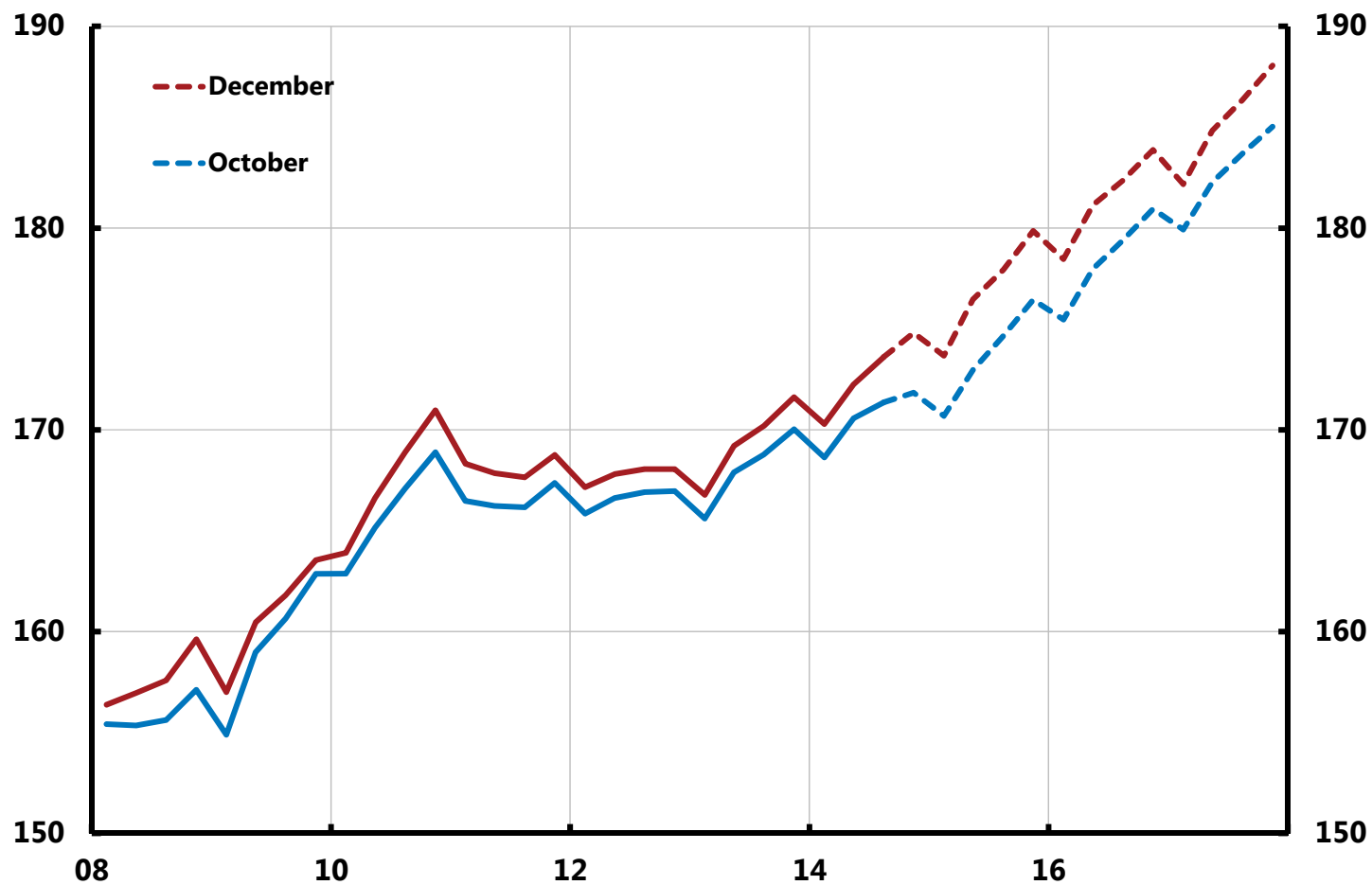


Note. KIX is an aggregate of countries that are important for Sweden's international transactions.

Sources: Bureau of Economic Analysis, Eurostat, national sources and the Riksbank

Figure 16. Household debt

Per cent of disposable income





Tables

The forecast in the previous Monetary Policy Report is shown in brackets unless otherwise stated.

Table 1. Repo rate forecast

Per cent, quarterly averages

| | Q3 2014 | Q4 2014 | Q4 2015 | Q4 2016 | Q4 2017 |
|-----------|---------|-----------|-----------|-----------|-----------|
| Repo rate | 0.3 | 0.1 (0.1) | 0.0 (0.0) | 0.5 (0.8) | 1.5 (1.8) |

Source: The Riksbank

Table 2. Inflation

Annual percentage change, annual average

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|-------------------|------|-------------|-----------|-----------|-----------|
| CPI | 0.0 | -0.2 (-0.2) | 0.3 (0.4) | 2.0 (2.1) | 3.2 (3.2) |
| CPIF | 0.9 | 0.5 (0.5) | 1.0 (1.2) | 2.0 (2.0) | 2.1 (2.0) |
| CPIF excl. energy | 1.1 | 0.7 (0.7) | 1.4 (1.5) | 2.1 (2.1) | 2.1 (2.1) |
| HICP | 0.4 | 0.2 (0.2) | 0.9 (1.2) | 2.0 (1.9) | 2.1 (2.0) |

Note. The CPIF is the CPI with a fixed mortgage rate. HICP is an EU harmonised index of consumer prices.

Sources: Statistics Sweden and the Riksbank

Table 3. Summary of financial forecasts

Per cent, unless otherwise stated, annual average

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|-------|---------------|---------------|---------------|---------------|
| Repo rate | 1.0 | 0.5 (0.5) | 0.0 (0.0) | 0.2 (0.3) | 1.1 (1.4) |
| 10-year rate | 2.1 | 1.7 (1.8) | 1.2 (1.4) | 2.2 (2.4) | 3.1 (3.3) |
| Exchange rate, KIX, 18 Nov. 1992 = 100 | 103.0 | 106.7 (106.7) | 107.7 (106.4) | 103.9 (102.6) | 102.6 (101.4) |
| General government net lending* | -1.4 | -2.2 (-2.3) | -1.3 (-1.4) | -0.7 (-0.7) | -0.4 (-0.4) |

* Per cent of GDP

Sources: Statistics Sweden and the Riksbank

Table 4. International conditions

Annual percentage change, unless otherwise stated

| GDP | PPP-weights | KIX-weights | 2013 | 2014 | 2015 | 2016 | 2017 |
|----------------------|--------------------|--------------------|-------------|-------------|-------------|-------------|-------------|
| Euro area | 0.14 | 0.47 | -0.4 | 0.9 (0.6) | 1.1 (0.9) | 1.7 (1.7) | 1.9 (1.9) |
| USA | 0.19 | 0.08 | 2.2 | 2.3 (2.3) | 3.4 (3.3) | 2.9 (2.7) | 2.5 (2.4) |
| Japan | 0.06 | 0.03 | 1.6 | 0.2 (0.7) | 0.9 (0.9) | 1.1 (0.8) | 0.5 (0.9) |
| China | 0.15 | 0.07 | 7.7 | 7.4 (7.4) | 7.0 (7.2) | 6.8 (6.9) | 6.6 (6.6) |
| KIX-weighted | 0.79 | 1.00 | 1.1 | 1.9 (1.9) | 2.1 (2.1) | 2.5 (2.5) | 2.6 (2.6) |
| World (PPP-weighted) | 1.00 | — | 3.3 | 3.2 (3.2) | 3.7 (3.7) | 3.9 (3.8) | 3.8 (3.8) |

Note. Calendar-adjusted growth rates. The PPP-weights refer to the global purchasing-power adjusted GDP-weights for 2012, according to the IMF. The National Institute of Economic Research updates the weights for the KIX krona index at the start of every year with a time lag of three years. The figures in the table are based on the new KIX weights for 2011 that are used for 2014, and on an assumption that the weights will develop according to the trend of the past five years in the coming forecast year.

| CPI | 2013 | 2014 | 2015 | 2016 | 2017 |
|------------------|-------------|-------------|-------------|-------------|-------------|
| Euro area (HICP) | 1.4 | 0.4 (0.5) | 0.5 (1.1) | 1.3 (1.4) | 1.5 (1.5) |
| USA | 1.5 | 1.7 (1.8) | 0.9 (2.3) | 2.1 (2.5) | 2.8 (2.5) |
| Japan | 0.4 | 2.8 (2.8) | 1.6 (2.2) | 1.5 (2.2) | 2.1 (2.0) |
| KIX-weighted | 1.9 | 1.4 (1.5) | 1.5 (2.0) | 2.1 (2.2) | 2.3 (2.2) |

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|-------------|---------------|-------------|-------------|-------------|
| Policy rates in the rest of the world, per cent | 0.2 | 0.2 (0.2) | 0.1 (0.1) | 0.3 (0.3) | 0.5 (0.6) |
| Crude oil price, USD/barrel Brent | 108.8 | 100.4 (103.2) | 74.2 (93.8) | 78.7 (94.6) | 81.5 (94.2) |
| Swedish export market | 1.5 | 3.1 (3.0) | 5.0 (4.9) | 5.5 (5.5) | 5.8 (5.8) |

Note. The export market aims to measure demand for imports in the countries to which Sweden exports. This is calculated by aggregating the imports of 32 countries and covers around 85 per cent of the Swedish export market. The weights comprise the respective country's share of Swedish export of goods. Policy rates in the rest of the world refer to a weighted average of USA, the euro area, Norway and the United Kingdom.

Sources: Eurostat, IMF, Intercontinental Exchange, National sources, OECD and the Riksbank

Table 5. GDP by expenditure

Annual percentage change, unless otherwise stated

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|---------------------------------------|------|-------------|-------------|-----------|------------|
| Private consumption | 1.9 | 2.4 (2.9) | 2.6 (3.0) | 2.8 (2.9) | 2.3 (2.5) |
| Public consumption | 0.7 | 1.5 (1.1) | 1.9 (2.0) | 1.9 (2.0) | 1.3 (1.3) |
| Gross fixed capital formation | -0.4 | 4.7 (4.1) | 4.9 (4.4) | 5.6 (5.4) | 3.7 (3.8) |
| Inventory investment* | 0.1 | 0.2 (0.2) | 0.1 (0.0) | 0.0 (0.0) | 0.0 (0.0) |
| Exports | -0.2 | 2.2 (1.9) | 4.9 (4.3) | 6.5 (6.0) | 5.0 (4.9) |
| Imports | -0.7 | 5.1 (4.1) | 5.9 (5.3) | 6.6 (6.3) | 5.5 (5.5) |
| GDP | 1.3 | 1.8 (1.9) | 2.6 (2.7) | 3.3 (3.3) | 2.3 (2.3) |
| GDP, calendar-adjusted | 1.3 | 1.9 (2.1) | 2.4 (2.5) | 3.1 (3.0) | 2.5 (2.6) |
| Final figure for domestic demand* | 1.0 | 2.5 (2.5) | 2.8 (2.9) | 3.1 (3.1) | 2.3 (2.4) |
| Net exports* | 0.2 | -1.0 (-0.8) | -0.2 (-0.3) | 0.2 (0.1) | 0.0 (-0.1) |
| Current account (NA), per cent of GDP | 6.8 | 5.4 (5.6) | 4.7 (5.1) | 4.6 (4.9) | 4.4 (4.6) |

*Contribution to GDP growth, percentage points

Note. The figures show actual growth rates that have not been calendar-adjusted, unless otherwise stated. NA is the National Accounts.

Sources: Statistics Sweden and the Riksbank

Table 6. Production and employment

Annual percentage change, unless otherwise stated

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|------|-----------|-----------|-----------|-----------|
| Population, aged 16–64 | 0.6 | 0.7 (0.7) | 0.8 (0.8) | 1.0 (1.0) | 0.9 (0.9) |
| Potential hours worked | 0.6 | 0.6 (0.6) | 0.6 (0.6) | 0.7 (0.7) | 0.6 (0.6) |
| GDP, calendar-adjusted | 1.3 | 1.9 (2.1) | 2.4 (2.5) | 3.1 (3.0) | 2.5 (2.6) |
| Number of hours worked, calendar-adjusted | 0.3 | 2.0 (1.5) | 1.0 (1.3) | 1.0 (1.1) | 0.8 (0.8) |
| Employed, aged 15–74 | 1.0 | 1.5 (1.5) | 1.4 (1.4) | 1.1 (1.0) | 0.7 (0.7) |
| Labour force, aged 15–74 | 1.1 | 1.4 (1.4) | 0.9 (0.9) | 0.5 (0.4) | 0.4 (0.4) |
| Unemployment, aged 15–74 * | 8.0 | 7.9 (7.9) | 7.5 (7.4) | 6.9 (6.9) | 6.6 (6.6) |

* Per cent of the labour force

Note. Potential hours refer to the long-term sustainable level for the number of hours worked according to the Riksbank's assessment.

Sources: Statistics Sweden and the Riksbank

Table 7. Wages and labour costs for the economy as a whole

Annual percentage change, calendar-adjusted data unless otherwise stated

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|--------------------------|------|------------|-----------|-----------|-----------|
| Hourly wage, NMO | 2.5 | 3.0 (3.0) | 3.0 (3.0) | 3.4 (3.4) | 3.5 (3.5) |
| Hourly wage, NA | 2.1 | 2.1 (2.5) | 3.3 (3.4) | 3.7 (3.8) | 3.7 (3.7) |
| Employers' contribution* | 0.2 | 0.1 (–0.2) | 0.0 (0.2) | 0.0 (0.1) | 0.0 (0.0) |
| Hourly labour cost, NA | 2.3 | 2.2 (2.3) | 3.3 (3.6) | 3.7 (3.9) | 3.7 (3.7) |
| Productivity | 0.9 | –0.1 (0.5) | 1.4 (1.2) | 2.0 (1.9) | 1.7 (1.7) |
| Unit labour cost | 1.4 | 2.3 (1.7) | 1.9 (2.4) | 1.7 (2.0) | 2.0 (1.9) |

* Contribution to the increase in labour costs, percentage points

Note. NMO is the National Mediation Office's short-term wage statistics and NA is the National Accounts. Labour cost per hour is defined as the sum of actual wages, social-security charges and wage taxes divided by the seasonally adjusted total number of hours worked. Unit labour cost is defined as labour cost divided by seasonally-adjusted value added at constant prices.

Sources: National Mediation Office, Statistics Sweden and the Riksbank