



Monetary policy deliberations

Riksdag Committee on
Finance
23 February 2016

Deputy Governor Martin Flodén

Monetary policy deliberations since autumn 2014

**Falling
inflation
expectations**

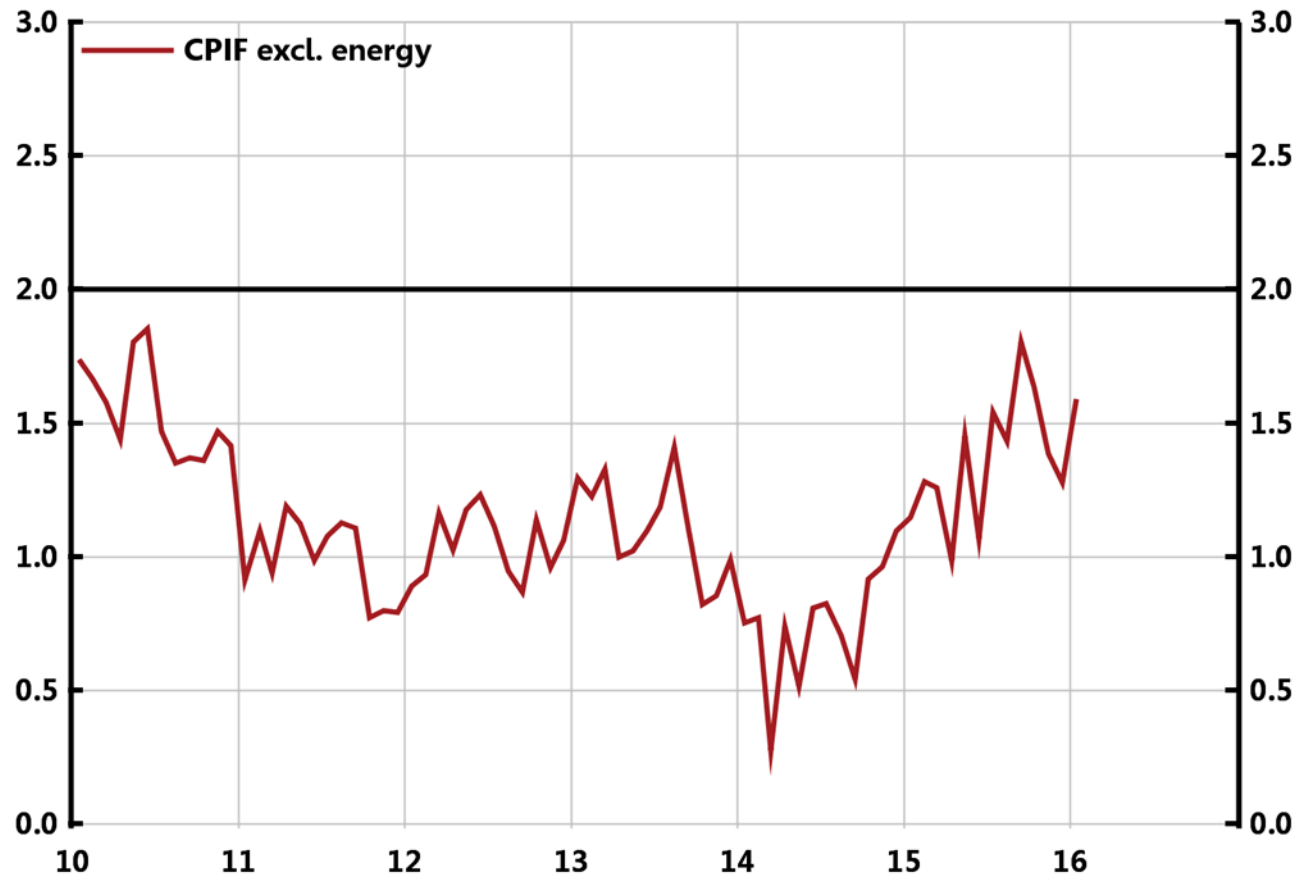
**Inflation has
been low for a
long time**

**Weak resource
utilisation**



Inflation has been low for a long time

Annual percentage change



Monetary policy deliberations since autumn 2014

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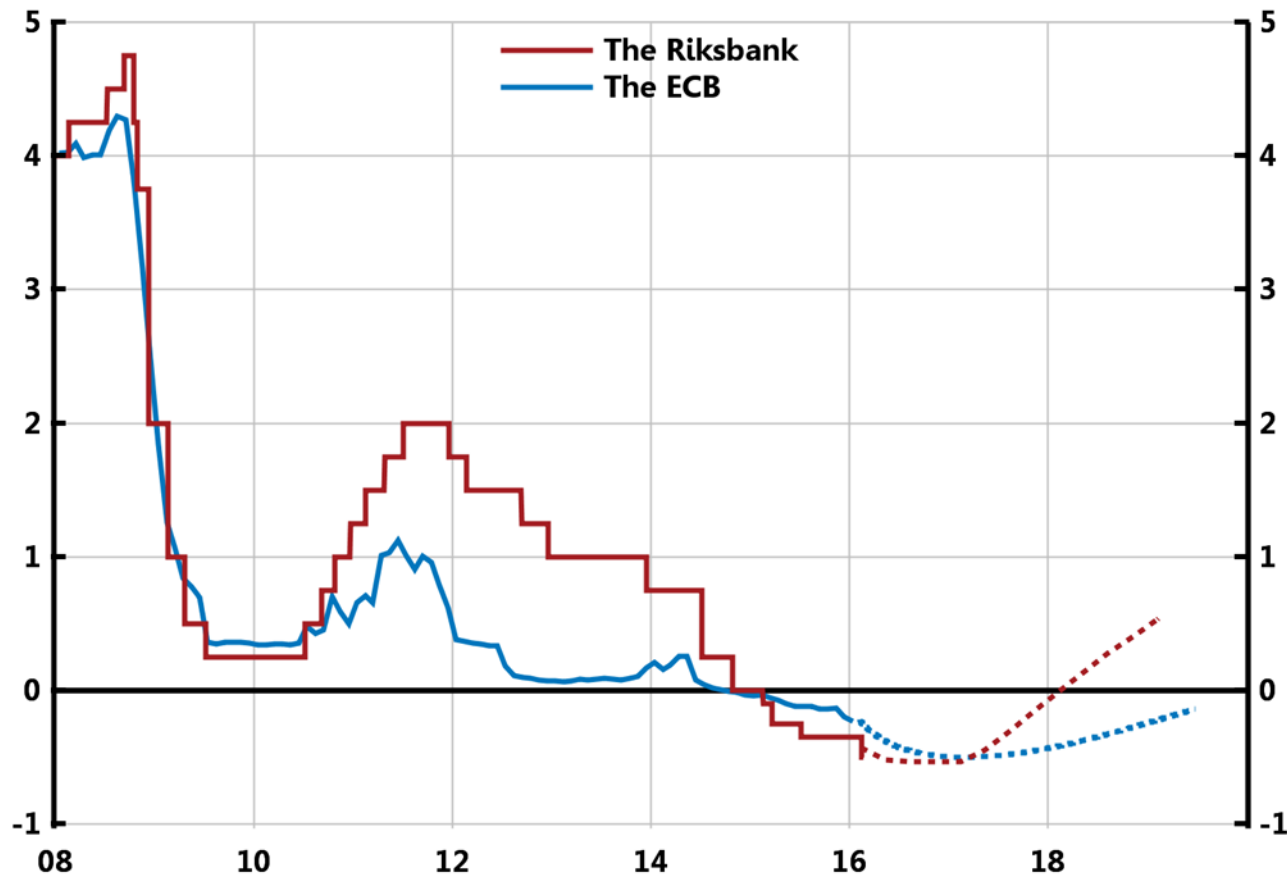
Expansionary
monetary
policy abroad

Falling trend in
real interest
rates in the
global economy



Record-low policy rates internationally

Per cent



Note. ECB refers to EONIA and is a monthly average. The red broken line represents the Riksbank's February forecast and the blue broken line represents the expected overnight rate calculated on the basis of forward prices, estimated on 8 February 2016.

Sources: The ECB, Macrobond and the Riksbank

Declining trend in real interest rates

10-year yield on British real government bonds



Note. Per cent.

Source: Bank of England

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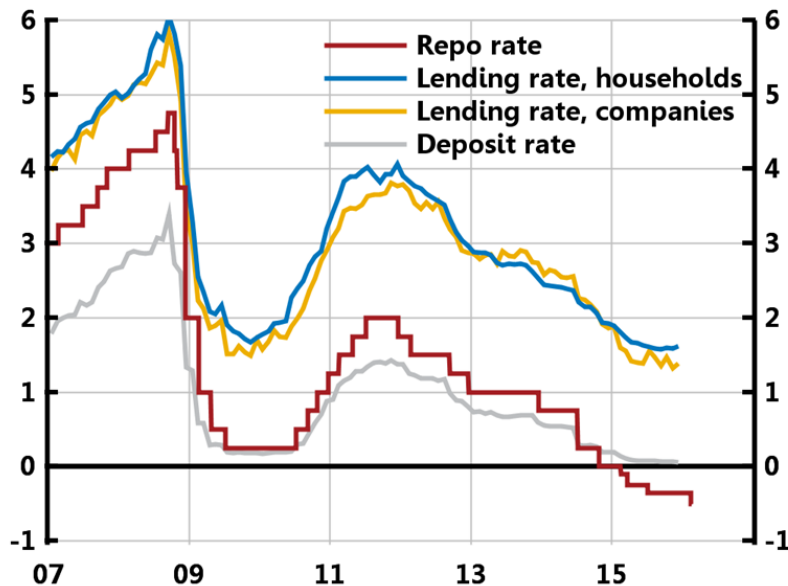
Falling trend in
real interest
rates in the
global economy

Monetary policy
is having a
normal effect

The negative
interest rate is
nothing
remarkable

The repo rate normally has an impact on both lending rates and the exchange rate

Interest rates



Exchange rate



Note. Per cent and SEK/EUR respectively. The lending rate to households refers to loans for housing purposes. Deposit rate refers to households and companies.

Sources: Statistics Sweden, Macrobond and the Riksbank

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Risks linked to
low interest rates
are not remedied
with tighter
monetary policy

Monetary policy deliberations now

Wavering
confidence in
the inflation
target

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long time

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Thank you!