28 August 2026

Actual Q2 GDP was even higher than strong flash estimate

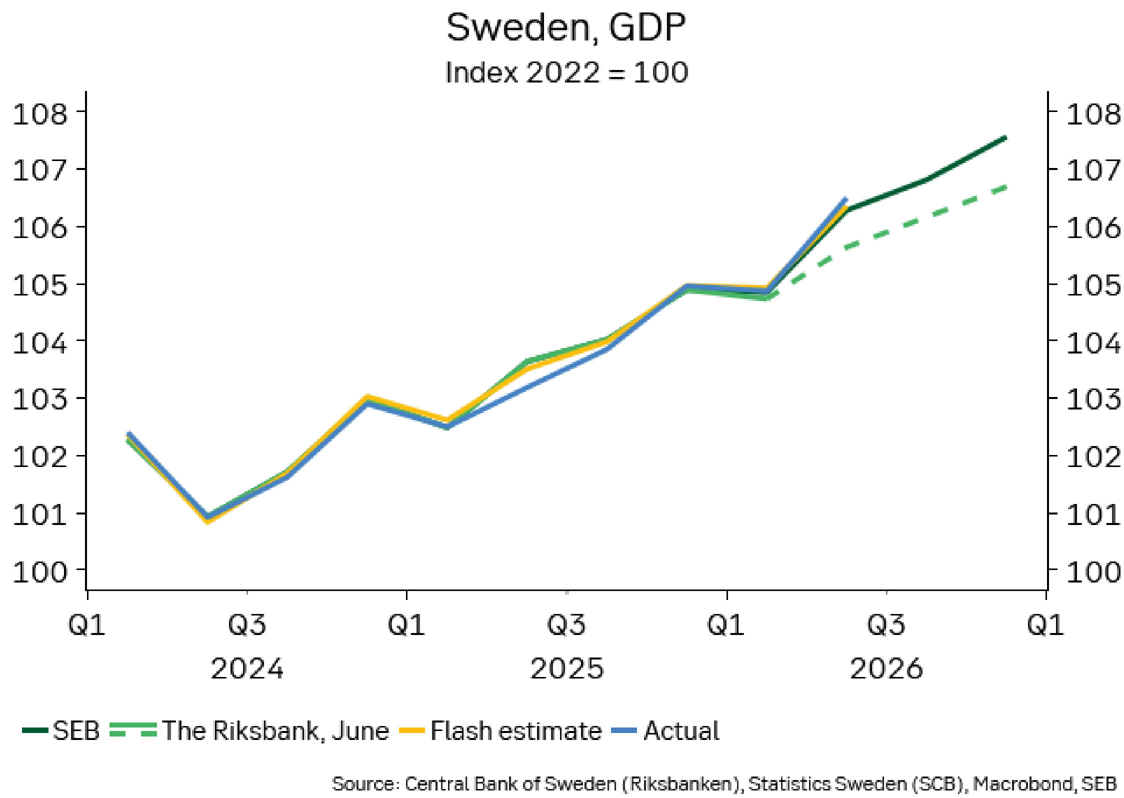
The final GDP outcome was revised higher compared with the already strong flash estimate. Parts of the increased is a reversal of a weak Q1 but average growth around 0.7-0.8% q/q during the first half of the year is still firm and slightly above most forecasters' expectations. The GDP level in Q2 was 0.9% above the Riksbank's forecast and 0.2pp above our above consensus forecast.

Quarterly GDP is volatile and often revised. Still, accelerating growth is supported by sentiment indicators and the strong Q2 supports our above consensus growth (SEB average GDP 2026 2.7%, Riksbank 2.2%). Gradually accelerating private consumption (0.9%, 3.0% y/y) supports our optimistic forecast.

Higher growth will make it easier for the Riksbank to hike the policy rate, but we expect the Board will wait for a turnaround In the labour market before raising rates and stick to our forecast for a first hike in March next year. Employment was largely unchanged in Q2 according to national accounts.

Q2 2026, %	Q/Q	Y/Y
Actual GDP, Q2	1.6	3.3
Flash GDP, Q2	*1.4*	*2.8*
Expected Riksbank	0.9	1.9
Expected SEB	1.4	2.8
Expected Consensus	1.4	2.5
Previous Q1	-0.1	2.0

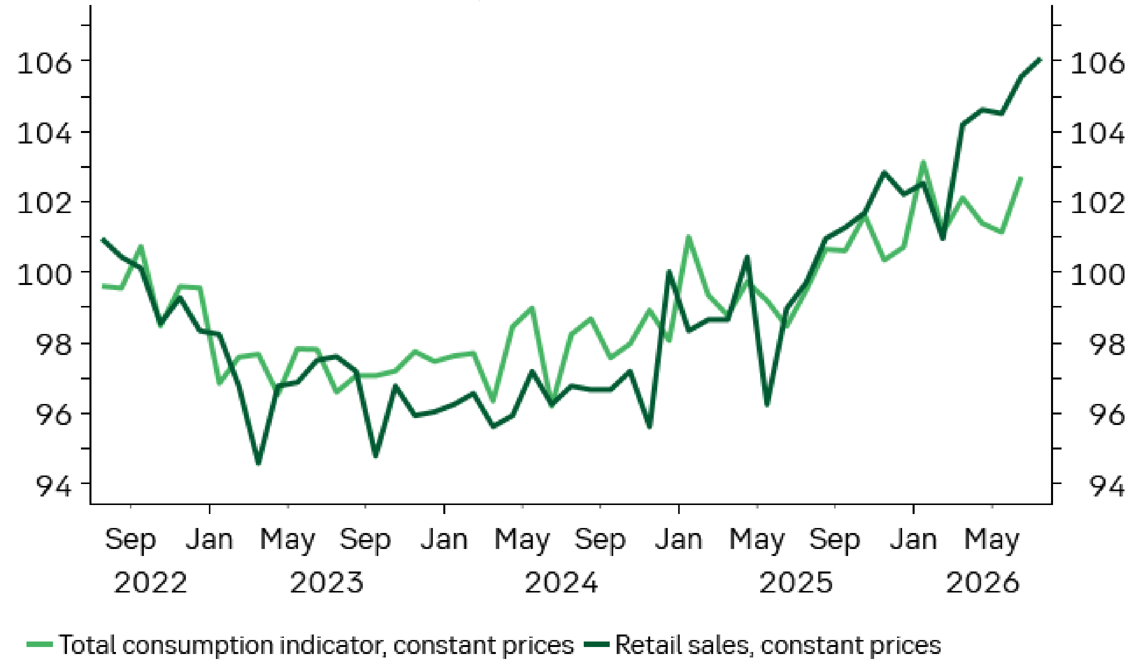
Strong public consumption and fixed investments were higher than our forecast, while inventories, declined markedly lowering GDP by 1.9pp compared to Q2 last year. Exports were lower than we anticipated but imports were even lower, with net exports contributing more to growth than expected. Defence spending seems to be an important driver for the sharp increase in investments, and the strong reading is most likely largely offset by declining inventories. Defence investments are making the underlying trend for investment uncertain and a reversal of parts of the increase in Q2 is probable. The decline in inventories is also likely to be reversed and the net effect on growth is probably limited.



Private consumption also grew at a solid pace in Q2, and somewhat more than we anticipated. Household consumption is accelerating despite subdued consumer confidence, and strong retail sales indicate a sharper increase ahead. Monthly data showed that retail sales contracted slightly in July, but this follows a very sharp increase in recent months. While we had expected another small gain, a revision to previous numbers still brought the year-on-year rate to 6.2%. The upwards trend is evident in most subsectors.

Retail sales and household consumption

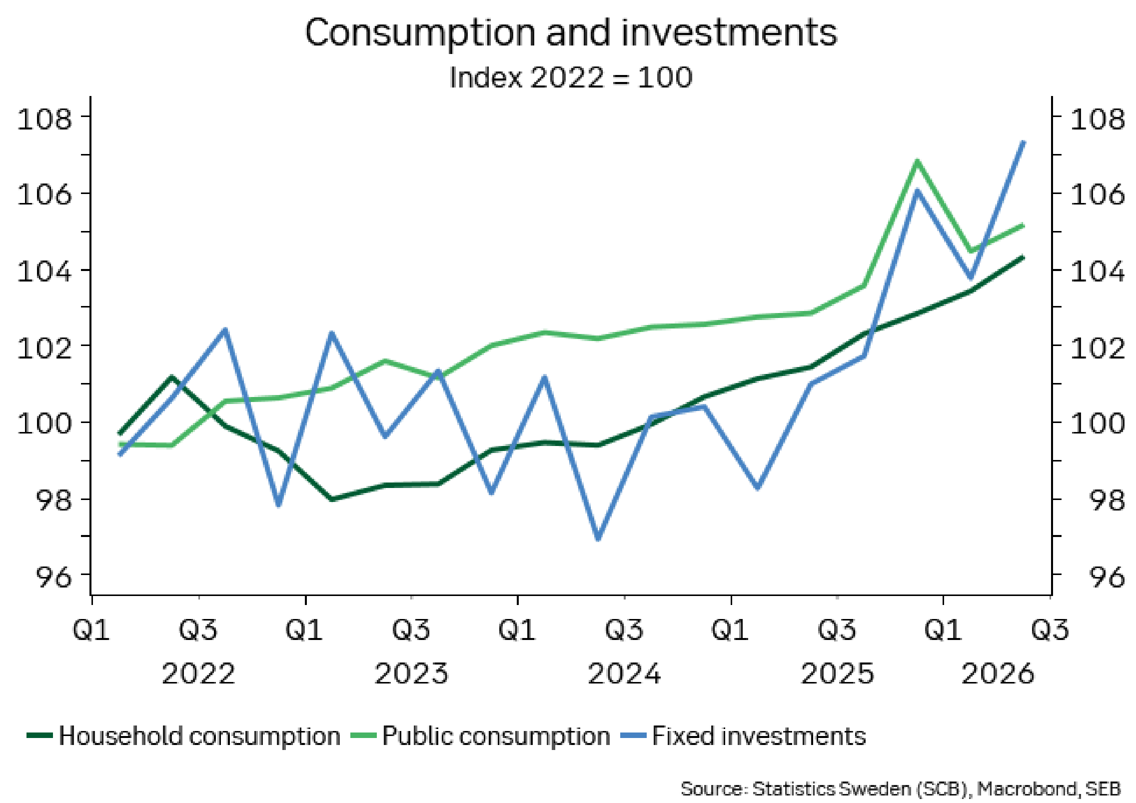
Index, rebase 2025=100



Source: Statistics Sweden (SCB), Macrobond, SEB

SWE: GDP, % y/y, SEB forecast

	2026Q2	2026Q1	20261P SEB	Diff
Private consumption	3.0	2.3	2.7	0.3
Public consumption	3.4	1.5	2.5	0.9
Fixed investments	6.8	5.4	4.0	2.8
Exports	4.9	4.3	5.2	-0.3
Goods	3.2	2.0	4.3	-1.1
Services	8.3	9.2	7.0	1.3
Imports	2.6	6.5	5.4	-2.8
Goods	4.2	5.1	5.6	-1.4
Services	0.0	8.7	5.0	-5.0
Inventories (contribution to GDP)	-1.5	0.3	0.4	-1.9
GDP	**3.8**	**2.0**	**3.3**	**0.5**
GDP working day adjusted	**3.3**	**2.0**	**2.8**	**0.5**



Amanda Sundström
Senior Macro Strategist Sweden
amanda.sundstrom@seb.se
+46704622017

Olle Holmgren
Chief Strategist Sweden
olle.holmgren@seb.se
+46850623268