Swedish inflation

01 September 2026

Ahead of August CPI

Core inflation gap to the Riksbank is expected to narrow

Key points

- CPIF ex energy is predicted to edge higher 0.7 percent y/y in August from 0.6 percent y/y in July (Riksbank forecast: 0.5 percent y/y). The gap to the Riksbank's forecast is predicted to narrow from 0.3-0.4pp in July to 0.1-0.2pp.

- CPIF is also seen increasing marginally to 0.8 percent y/y (Riksbank: 0.6 percent), from 0.7 percent y/y last month. Both electricity and fuel prices increased slightly in July.

- CPIF ex energy adjusted for lower food VAT and higher subsidies for public transport is expected to be unchanged at 1.6 percent y/y in August (Riksbank forecast 1.5 percent y/y).

Upside surprises during the summer driven by international travel and tourist services
CPIF ex energy was 0.2-0.3pp higher than the Riksbank's forecast in June and July. The 3-month average of seasonally adjusted and annualised monthly changes have been almost 4 percent, corrected for VAT and a temporary subsidy for public transport, which lowers inflation by 0.15pp between July and December this year. The weakening of the SEK this year is dampening the downward pressure on inflation from last year's appreciation, which paired with indirect effects from higher energy prices imply that the underlying inflation pressure is turning higher.

We predict underlying inflation to gradually trend higher, and CPIF ex energy will temporarily exceed 2 percent in the first half of next year. The high monthly readings over the last 3 months are, however, mostly driven by volatile prices on travel and leisure services, and core CPIF excluding international travels has been largely stable at slightly above 1 percent year-on-year over the last 5-6 months (see chart 7 in attached slides).

Companies' pricing plans have turned lower over the summer, reversing large parts of an increase in May, and producer prices on consumer goods have continued to trend sideways in both Sweden and Germany. In our view, near-term indicators do not support the very high inflation readings during the summer, which suggest that monthly price increases will slow from here.

Slightly higher prices on fuels and electricity in August
Fuel prices are set to rise by 4 percent and electricity prices by 5 percent m/m in August, while the year-on-year change for energy is predicted to be stable at 4 percent y/y. Temporarily lower taxes on fuels means that Swedish energy prices have remained largely unchanged compared to last summer, despite markedly higher market prices on both electricity and fuels. Futures pricing indicate large price drops on

both electricity and fuels over the next 12-18 months, but a normalisation of fuel taxes in October and December will offset lower market prices.

Policy implications

In our recently published quarterly macro report, Nordic Outlook, we changed our forecast of a first policy rate hike from the Riksbank from December to March next year, and we predict a second rate hike to 2.25 percent in September. The Board was more dovish than expected in the August Monetary Policy Update, saying that the policy rate forecast from June, which signals a 50/50 probability of a hike this year, is still valid. The Riksbank concluded that growth is stronger but also that the labour market is still weak, and the Board indicated that an early rate hike could hurt the recovery. The Riksbank also concluded that the unexpectedly high inflation during the summer is driven by volatile travel prices, but also that uncertainty has increased and that it is important that monthly price changes slow during the late summer and autumn. The Board repeated that it is ready to act if inflation threatens to become too high.

Rate hikes from the ECB and other central banks is putting some pressure on the Board to follow. The recent signals from Fed Chair Warsh that Fed might raise rates, possibly already in September, means that the "peer pressure" has increased further. The Board has downplayed the importance of the recent krona weakness but core inflation over the next the months will be crucial for our Riksbank call to hold.

Link to Excel with detailed forecasts.

CPIF forecast, August, flash estimate breakdown

	% m/m	% y/y Aug.	% y/y Jul.
Services, ex capital stock	-1.3	2.9	2.8
Goods ex food.alcohol and tobacco	1.3	0.0	-0.3
CPIF ex energy, food, alcohol and tobacco	**-0.4**	**2.0**	**2.0**
Food, alcohol and tobacco	-0.4	-5.4	-5.5
CPIF ex energy	**-0.4**	**0.7**	**0.6**
Energy	4.3	4.2	3.8
CPIF	**-0.1**	**0.8**	**0.7**

Inflation forecasts

	CPI			CPIF		CPIF ex. energy	
	m/m	y/y	index	m/m	y/y	m/m	y/y
August							
SEB	-0.2	0.4	(124.97)	-0.1	0.8	-0.4	0.7
Riksbank	-0.1	0.3		-0.1	0.6	-0.2	0.5
September							
SEB	0.6	0.9	(125.67)	0.6	1.3	0.2	0.7
Riksbank	0.3	0.5		0.2	0.7	0.1	0.5
October							
SEB	0.1	0.8	(125.81)	0.1	1.0	0.1	0.6
Riksbank	0.3	0.6		0.2	0.5	0.2	0.4

CPI forecast, August

	% m/m	% y/y Aug.	% y/y Jul.	Weight
Rents	0.0	3.3	3.3	10.0
Capital stock	0.3	3.7	3.7	8.0
Other own home costs	0.3	6.2	6.3	5.0
Health care	1.1	-5.8	-6.4	3.2
International travels'	-20.3	12.4	8.4	2.3
Other services	0.0	2.1	1.9	25.8
Clothes and shoes	5.2	0.2	0.4	4.3
Other core goods	0.4	-0.1	-0.5	17.6
CPIF ex energy, food, alcohol and tobacco	**-0.4**	**2.0**	**2.0**	**76.1**
Other food	-0.6	-7.0	-7.2	12.0
Fruits and vegetables	-0.5	-7.2	-7.7	2.3
Alcohol and tobacco	0.1	2.0	2.1	3.3
CPIF ex energy	**-0.4**	**0.7**	**0.6**	**93.7**
Electricity	5.1	3.9	6.9	3.6
Fuels	3.8	6.2	1.2	2.3
Heat energy	0.3	-0.1	-1.0	0.5
CPIF	**-0.1**	**0.8**	**0.7**	**100.0**
Mortgage interest rate cotsts	0.0	-1.4	-3.4	5.4
CPI	**-0.2**	**0.4**	**0.2**	**100.0**

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