Swedish inflation

07 September 2026

August inflation slows more than expected

Key points

- CPIF ex energy in August was lower than we anticipated, fully closing the gap to the Riksbank's forecast.
- Lower goods prices explain most of the deviation to our forecast, but service inflation was lower than we expected as well.
- After three months of surprisingly high monthly increases, this downside beat should effectively close the door for a September hike, and most likely a November hike as well

Core goods prices pushed inflation below forecast

At 0.52% year-on-year, CPIF excluding energy was 0.14pp below our forecast and almost spot on the Riksbank's. Headline inflation was lower than anticipated as well, although energy prices were marginally higher than we projected.

Core goods prices fell compared to last year, explaining most of the deviation compared to our forecast, but service inflation was lower than anticipated as well. Food prices decreased less than forecasted, but the deviation is relatively small.

Recreation, culture and sports, which includes international travel prices, showed a clear decline in August after several months of high prints. Tourist services prices naturally tend to rise over the summer, but price hikes have been larger than projected this year, particularly on international travels. This has been an important explanation to the surprisingly high inflation prints recently, and we have been expected at least parts of this to reversed in the following months. The drop in recreational services is an indication that international travel prices are retreating as predicted, but it is worth highlighting that the main reason for the unexpectedly sharp slowdown in August is lower core goods prices rather than a surprisingly large decline in high tourist service prices.

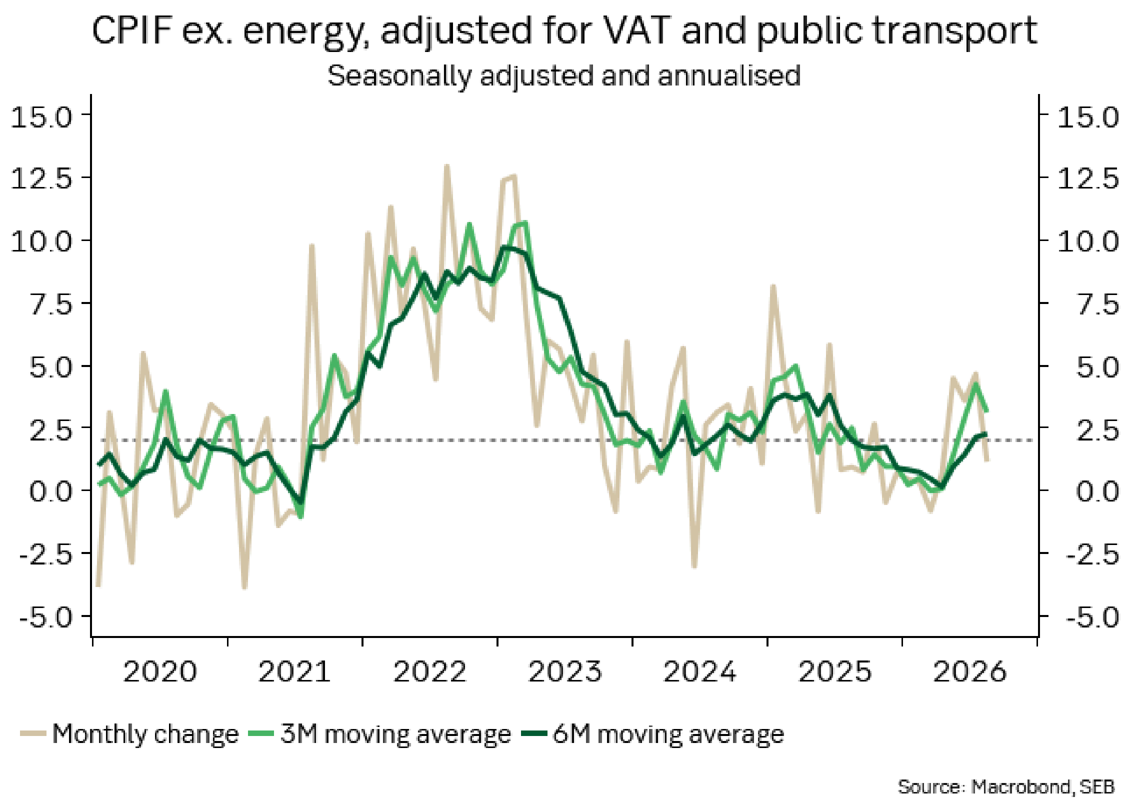
CPIF, August, % y/y

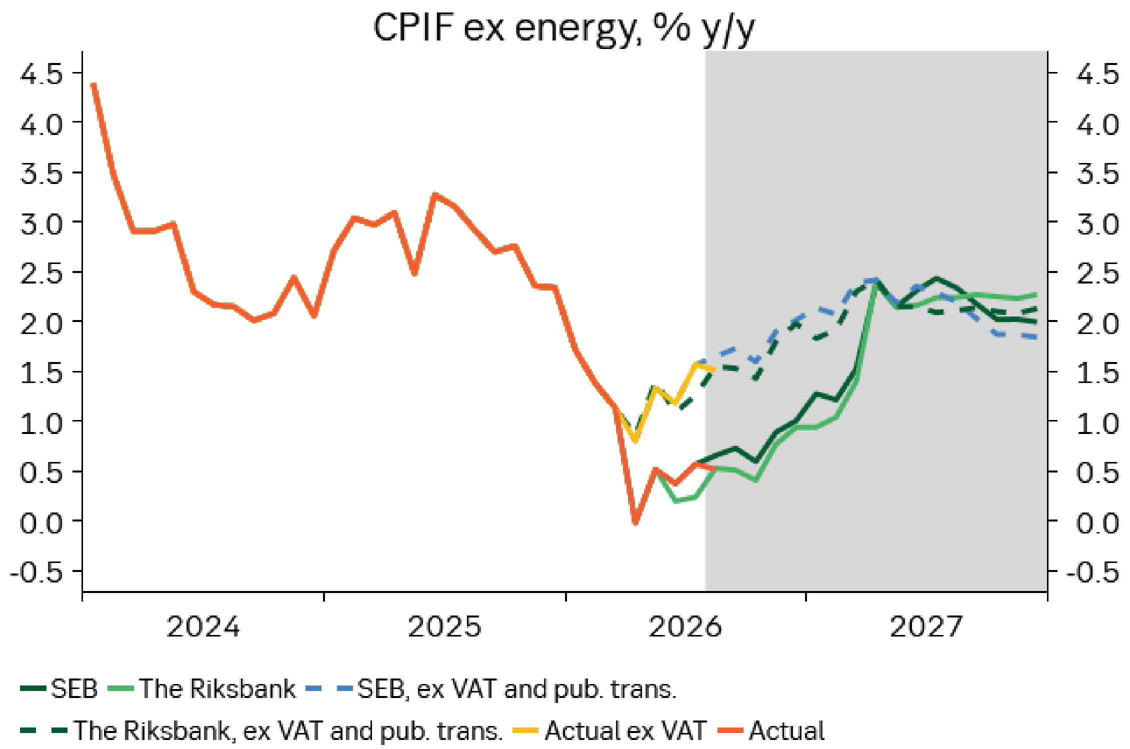
	Actual	SEB forecast	Diff contribution	Previous	Riksbank	Diff Riksbank
Services	2.8	2.9	-0.05	2.8		
Goods ex food.alcohol and tobacco	-0.8	0.0	-0.20	-0.3		
CPIF ex energy, food, alcohol & tobacco	**1.8**	**2.0**	**-0.25**	**2.0**		
Food, alcohol and tobacco	-5.0	-5.4	0.06	-5.5		
CPIF ex energy	**0.52**	**0.66**	**-0.14**	**0.6**	**0.53**	**-0.01**
Energy	4.5	4.2	0.02	3.8		
CPIF	**0.72**	**0.84**	**-0.12**	**0.7**	**0.59**	**0.13**

Potential break in upwards momentum

Seasonally adjusted monthly price changes rose well above target over the summer but turned markedly lower according to the August flash numbers. Monthly CPI data are volatile, and it is important that momentum continues to normalise over the coming months. However, the 6-month average for the monthly price changes is largely in line with the inflation target, and today's numbers mark a break in the upwards movement over the summer.

Temporary effects from lower energy prices and political measures dominate current inflation and the Riksbank has said it will focus on inflation gauges excluding these. Preliminary estimates suggest that this adjusted measure declined to around 1.5 percent in August. Underlying inflation thereby remains below target but is rising gradually.





Source: Central Bank of Sweden (Riksbanken), Statistics Sweden (SCB), Macrobond, SEB

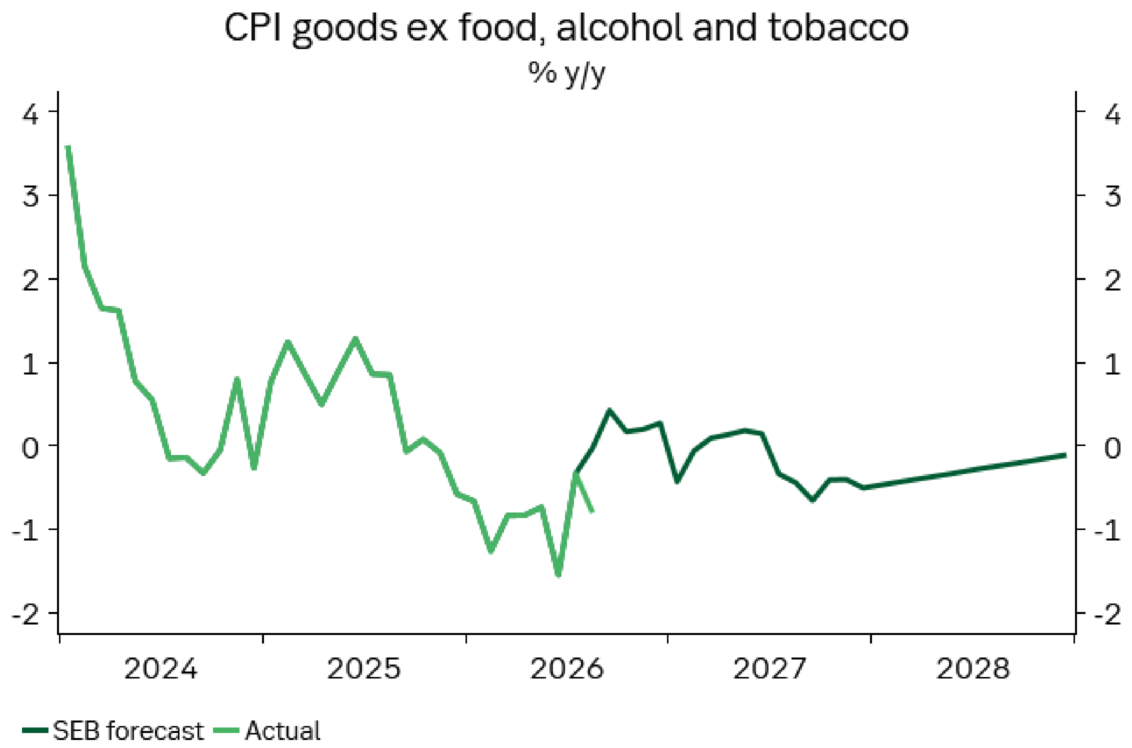
Closing the door for a September hike

Core inflation slowed significantly in August, closing the gap to the Riksbank's year-on-year estimate. Underlying inflation - adjusted for temporary political measures - is rising gradually but remains clearly below target. This should allow the Riksbank to continue to await more information and effectively rules out a September rate hike. Moreover, the Riksbank will only receive another inflation print before the November meeting, making a hike unlikely by then as well.

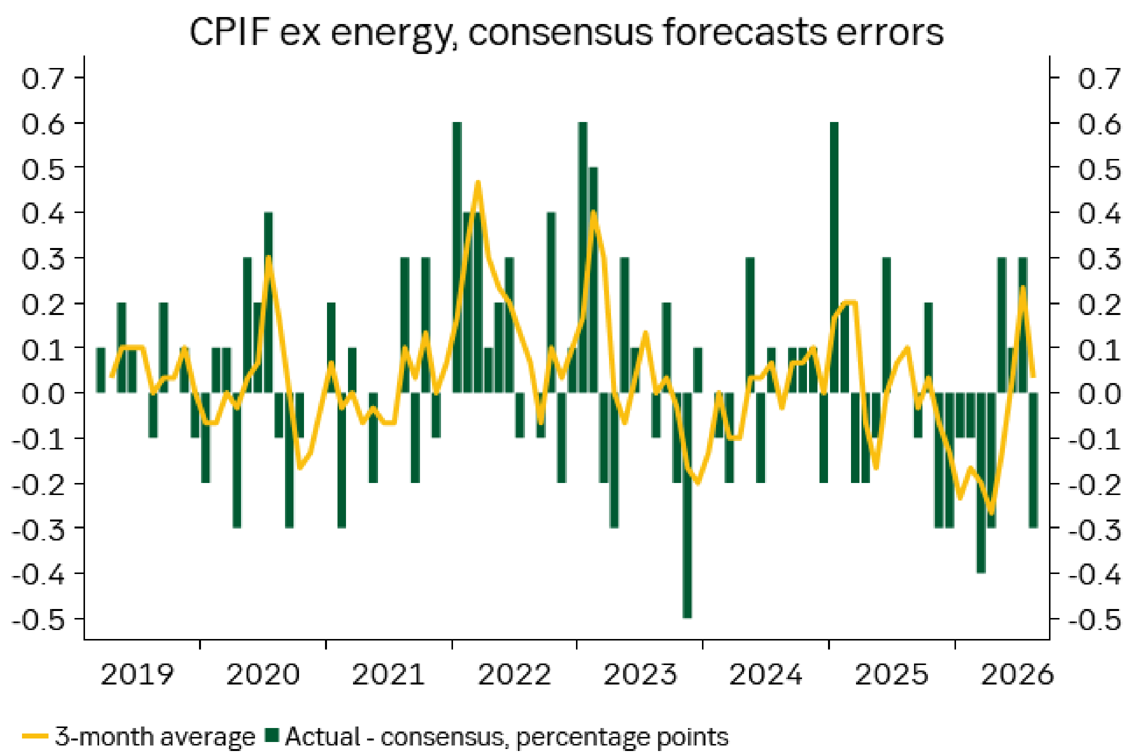
We expect the Riksbank will want to see the still weak labour market showing clearer signs of improvement before hiking rates, but acknowledge that this requires a slowdown of monthly price increases after this summer's upturn. Today's numbers are supportive of our view, and we stick to our forecast that the Riksbank keeps rates on hold this year and hikes in March next year.

Market pricing of a rate hike this year decreased markedly following the publication. Ahead of the CPI print, market pricing indicated around 30% probability of a hike in September, reaching 2.07% by December. Current market pricing indicates less than 10% probability of a hike in September, reaching 1.98% by December. The SEK depreciated slightly after the publication.

Riksbank policy rate (2026-09-07)								
Announcement date	Market pricing		Riksbank Jun 2026		SEB forecast		Market vs.	
	Policy rate	chg	Policy rate	chg	Policy rate	chg	RB	SEB
2026-08-20	**1.75**	**0**	**1.78**	**3**	**1.75**	**0**	**-3**	**0**
2026-09-24	1.77	2	1.81	3	1.75	0	-4	2
2026-11-04	1.86	9	1.84	3	1.75	0	2	11
2026-12-16	**1.98**	**12**	**1.87**	**3**	**1.75**	**0**	**11**	**23**
2027-02-03	2.11	13	1.90	3	1.75	0	21	36
2027-03-23	2.25	14	1.93	3	2.00	25	32	25
2027-05-05	2.37	12	1.95	2	2.00	0	42	37
2027-06-16	2.46	9	1.96	1	2.00	0	50	46
2027-08-16	2.53	7	1.98	2	2.00	0	55	53
2027-09-22	2.57	4	1.99	1	2.25	25	58	32
2027-11-03	2.59	2	2.01	2	2.25	0	58	34
2027-12-15	**2.61**	2	**2.02**	**1**	**2.25**	**0**	59	36
2028-01-26	2.63	2	2.04	2	2.25	0	59	38
2028-03-15	2.64	1	2.05	1	2.25	0	59	39
2028-05-03	2.65	1	2.07	2	2.25	0	58	40
2028-06-14	2.65	0	2.09	2	2.25	0	56	40
2028-08-16	2.65	0	2.11	2	2.25	0	54	40
2028-09-20	2.65	0	2.13	2	2.25	0	52	40
2028-11-01	2.65	0	2.14	1	2.25	0	51	40
2028-12-13	**2.66**	1	**2.15**	**1**	**2.25**	**0**	51	41
Note: Official dates incl. June 2027 - thereafter SEB assumption.								



Source: Statistics Sweden (SCB), Macrobond, SEB



Source: Statistics Sweden, Macrobond, SEB

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