# Riksbank preview

10 September 2026

## Rate hike in sight, but not until the labour market improves

**After three months of upside surprises, core inflation slowed more than expected in August. While inflation risks remain, underlying price pressures are so far subdued. We believe the Executive Board will want to see the economic recovery gain firmer ground and start translating into a more meaningful improvement on the labour market before hiking the policy rate in the spring next year. We expect the Board to maintain the policy rate at 1.75% but signal 60% probability for a rate hike over the next three policy meetings.**

**Key points**

- We expect the Riksbank to keep the policy rate unchanged at 1.75 percent in September but predict the rate path to signal 60% (15bps) probability a rate hike over the coming three policy meetings.

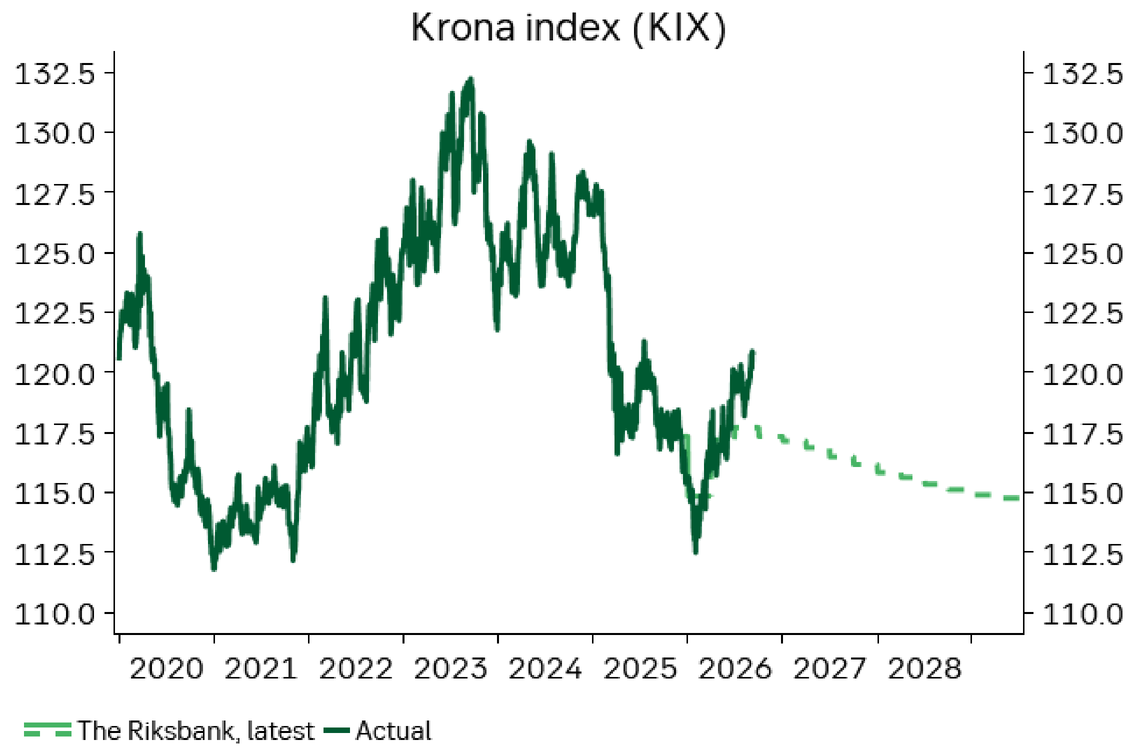
- The Board will say that risks from the war in the Persian Gulf remain and that the Riksbank is ready to act if inflation shows signs of becoming persistently higher.

- We expect the policy rate to remain unchanged throughout 2026 and stick to our forecast for rate hikes in March and September next year. We view the probability for a near-term hike as very low, but a hike in December this year is possible if core inflation surprises on the upside in October and November.

### Low August inflation rules out September hike

The Riksbank is highly unlikely to make any change to the policy rate on the 24 September rate announcement. On one hand, inflation rose surprisingly much over the summer, with annualised monthly increases clearly above target. Growth has surprised on the upside compared to the Riksbank's projections and indicators point to further optimism ahead. Moreover, increasingly hawkish signals from central bank peers at the ECB and the Fed is putting pressure on the Riksbank Board, and the krona has weakened somewhat as global interest rates and energy prices have risen.

On the other hand, since the August rate decision, underlying inflation has turned lower again. While a single month is too little to draw any firm conclusions, the preliminary August CPI print pointed to an unwinding of the elevated summer inflation and brought the year-on-year rate back in line with the Riksbank's June forecast. Importantly, underlying inflation, which is key for the Riksbank, is increasing gradually but remains well below target, also when adjusting for the impact of temporary fiscal measures. Swedish inflation is also low in an international comparison, and while economic activity is now clearly picking up, the labour market remains weak. Both employment and unemployment have developed worse than the Riksbank anticipated in June.




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

**Rate hike drawing closer, but labour market recovery needed**

We expect the Riksbank will want to see the economic recovery gain firmer ground and start translating into a more meaningful improvement on the labour market before hiking the policy rate in the spring next year. Low underlying inflation, and signs that the upturn over the summer was temporary, should allow the Riksbank to continue to await more information. The lower-than-expected August CPI print effectively ruled out a September rate hike. With only one additional inflation print due before the November meeting, a hike by then also appears unlikely. The outlook for December is more mixed but a material change in the labour market is unlikely this year. As long as inflation expectations and pricing plans remain contained, we believe that the weakness of the labour market will be important for the Riksbank's near-term policy decisions.

We forecast a steeper policy rate path compared to June, signalling 60 percent probability (15bps) of a hike over the coming three policy meetings. Further out, the new path is anticipated to reflect a higher probability of a total of two hikes in 2027-2028 compared to June, levelling out around the mid-point of the Riksbank's estimated interval for the neutral policy rate.

| Effective date | Jun MPR | Step chg, Jun MPR | SEB f/c path | Step chg, f/c Sep MPR | SEB vs Jun MPR |
|---|---|---|---|---|---|
| **2026-09-23** | **1.81** | **3** | **1.75** | **0** | **-6** |
| 2026-11-11 | 1.84 | 3 | 1.80 | 5 | -4 |
| **2026-12-23** | **1.87** | **3** | **1.85** | **5** | **-2** |
| 2027-02-10 | 1.90 | 3 | 1.90 | 5 | 0 |
| 2027-03-31 | 1.93 | 3 | 1.95 | 5 | 2 |
| 2027-05-12 | 1.95 | 2 | 2.00 | 5 | 5 |
| 2027-06-23 | 1.96 | 1 | 2.05 | 5 | 9 |
| 2027-08-23 | 1.98 | 2 | 2.09 | 4 | 11 |
| 2027-09-29 | 1.99 | 1 | 2.13 | 4 | 14 |
| 2027-11-10 | 2.01 | 2 | 2.15 | 2 | 14 |
| **2027-12-22** | **2.02** | **1** | **2.17** | **2** | **15** |
| 2028-02-02 | 2.04 | 2 | 2.19 | 2 | 15 |
| 2028-03-22 | 2.05 | 1 | 2.21 | 2 | 16 |
| 2028-05-10 | 2.07 | 2 | 2.22 | 1 | 15 |
| 2028-06-21 | 2.09 | 2 | 2.23 | 1 | 14 |
| 2028-08-23 | 2.11 | 2 | 2.24 | 1 | 13 |
| 2028-09-27 | 2.13 | 2 | 2.25 | 1 | 12 |
| 2028-11-08 | 2.14 | 1 | 2.25 | 0 | 11 |
| **2028-12-20** | **2.15** | **1** | **2.25** | **0** | **10** |

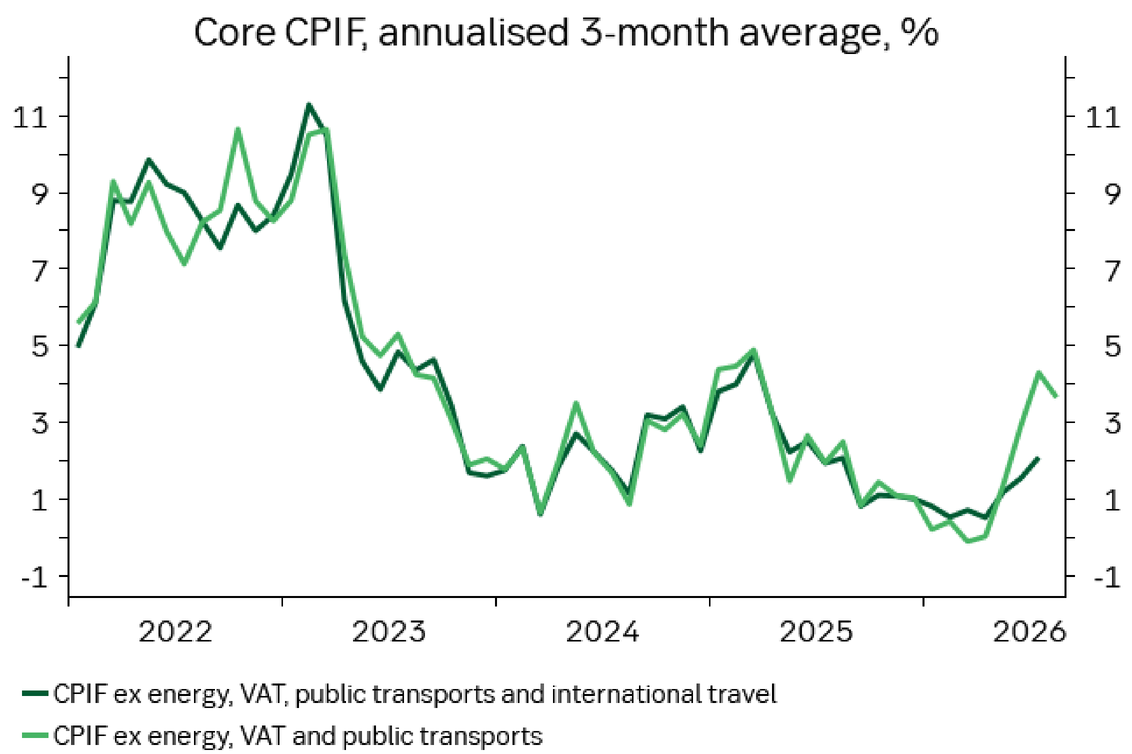
**Riksbank in August: still balanced risks to June rate forecast**

As widely expected, the Riksbank kept the policy rate on hold at 1.75% in August. However, the Riksbank also kept guidance unchanged, signalling that risks to the policy rate path from the June MPR (Monetary Policy Report) were broadly unchanged, whereas we had expected a more hawkish tilt. The June MPR policy rate path indicates roughly 50 percent probability of a rate hike this year.

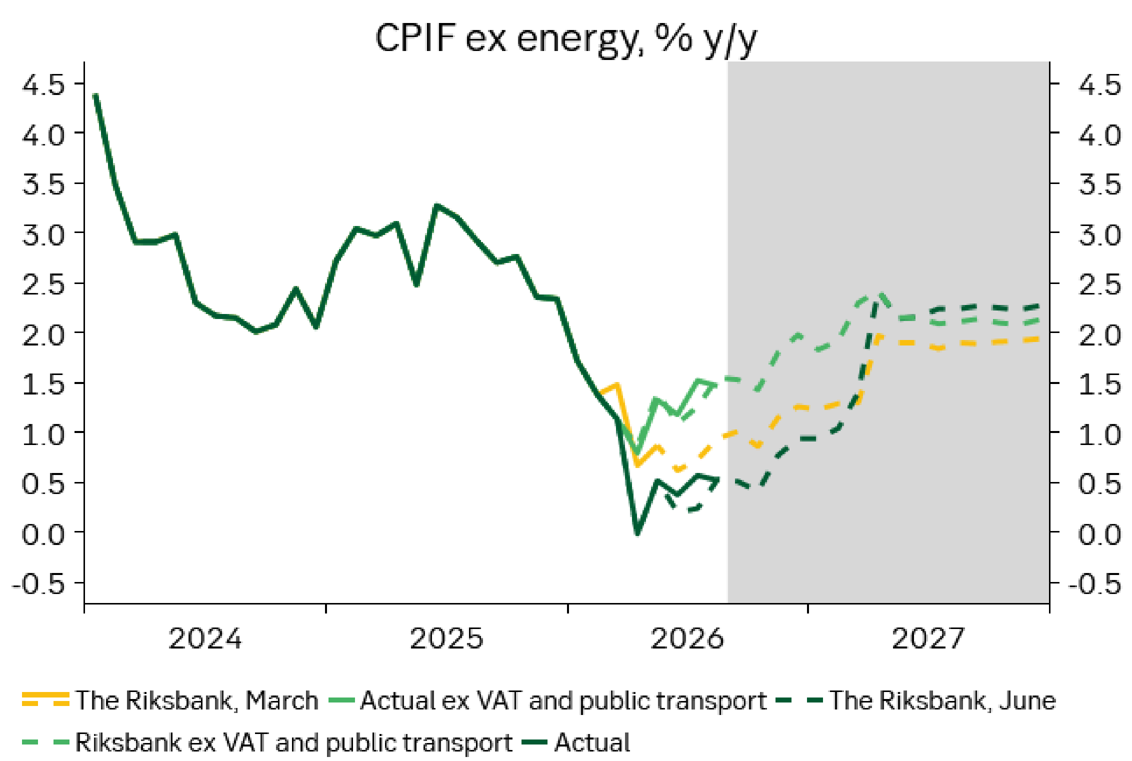
We interpreted the minutes from the August meeting as slightly more hawkish compared to the press release, stating that the next policy move is likely to be a hike but that the timing is uncertain. Speeches since the minutes have repeated the message from the MPU (Monetary Policy Update) saying that the Riksbank has scope to wait and see but stands ready to act if there are risks that inflation will become entrenched above the target. More on the August MPU here and the minutes here.

**Core inflation slowed in August**

After being 0.2-0.3pp higher than expected in June and July, CPIF ex energy slowed 0.1pp to 0.5% y/y in August, which was exactly in line with the Riksbank's forecast. CPIF ex energy adjusted for the VAT cut and public transport subsidy was unchanged at 1.5% y/y in August, also in line with the Riksbank's forecast. Underlying inflation pressures are turning higher from low levels, and high monthly price changes during the summer is an uncertain factor, but the momentum slowed significantly in August. Furthermore, much of the high monthly price changes between May and July is explained by unusually large seasonal price hikes on package holidays and tourist services while the upturn for other prices is less dramatic.



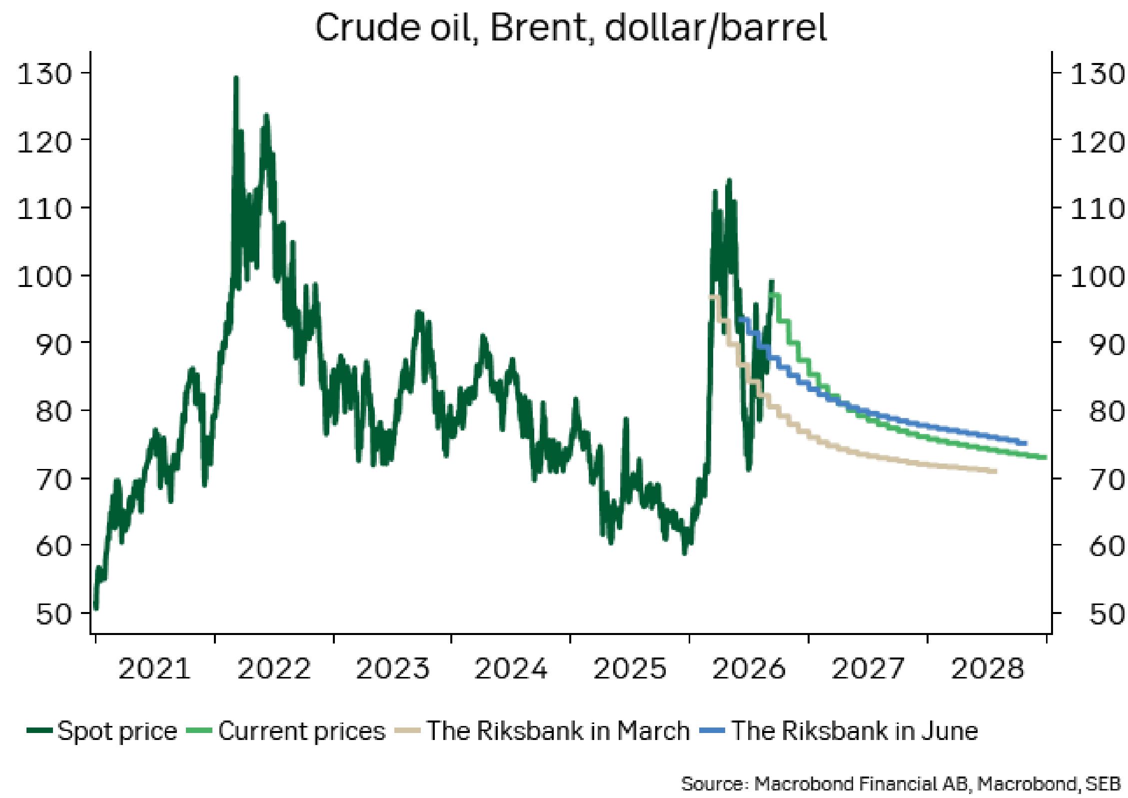

Source: Macrobond, SEB




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

**Higher energy prices**

Headline CPIF was 0.7% y/y in August, only 0.1pp above the Riksbank's forecast, but the oil price, and more importantly, prices on petrol and diesel, are significantly higher than assumed in the June report. Also, electricity prices are higher than the Riksbank assumed in June. Futures point to markedly lower energy prices over the next 12 months, but the decline has been delayed compared to the Riksbank's assumptions in June. We predict the Riksbank to raise the forecast for headline CPIF in 2026 and 2027 but lower the 2028 forecast slightly.



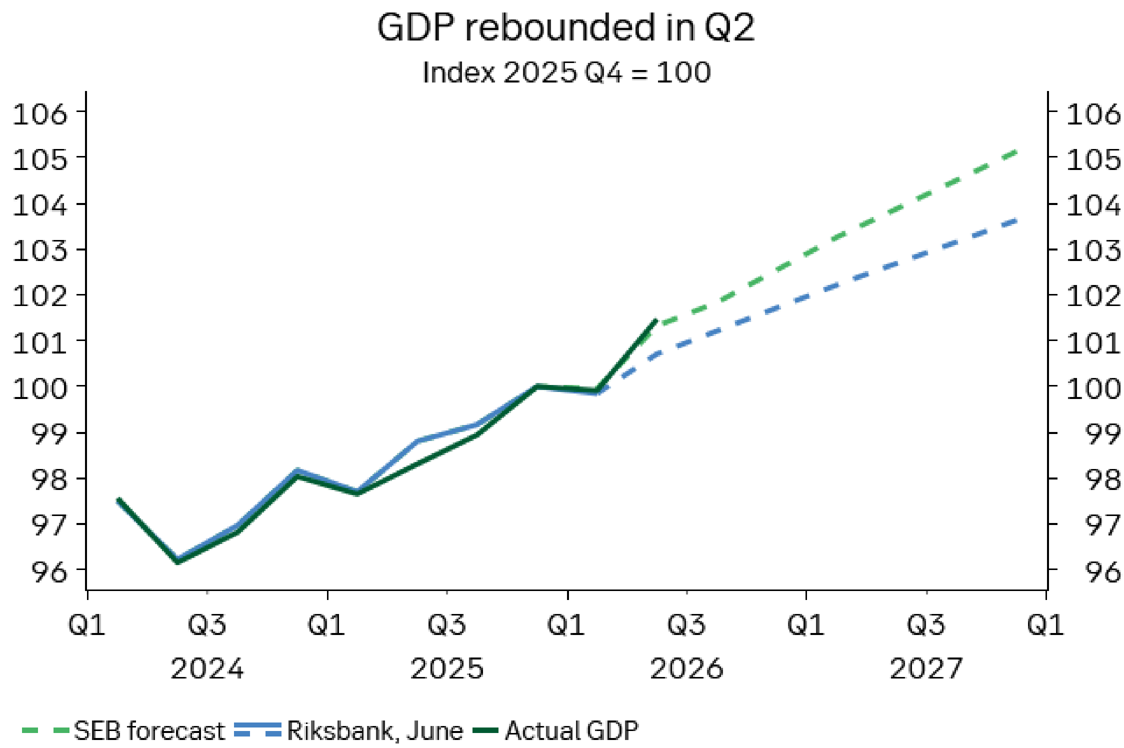

**Economic recovery gains further momentum**

GDP rebounded sharply in Q2 by 1.6% q/q, 3.3% y/y, and the GDP level was 0.8% higher than the Riksbank's June estimate. The strong reading partly reflects the weakness in Q1, and on average GDP in H1 increased by 0.7-0.8% per quarter. Still, firm production, stronger exports and signs of improving household consumption support the view that growth is accelerating. Monthly growth indicators so far into Q3 have been mixed but could possibly indicate a small setback. However, these are typically volatile and often revised, making them unreliable indicators of actual growth.

Moreover, the NIER Economic Tendency Indicator rose further to 105 in August, its highest level since 2022 and above the historical average. Consumer confidence improved markedly, but households remain cautious about their own finances.

Business sentiment strengthened further, led by manufacturing and the retail sector. Manufacturing is signalling above-normal activity, while retail sentiment is close to historical highs, consistent with another solid increase in retail sales during the summer. Sentiment also improved in the service sector to a level above the historical average.

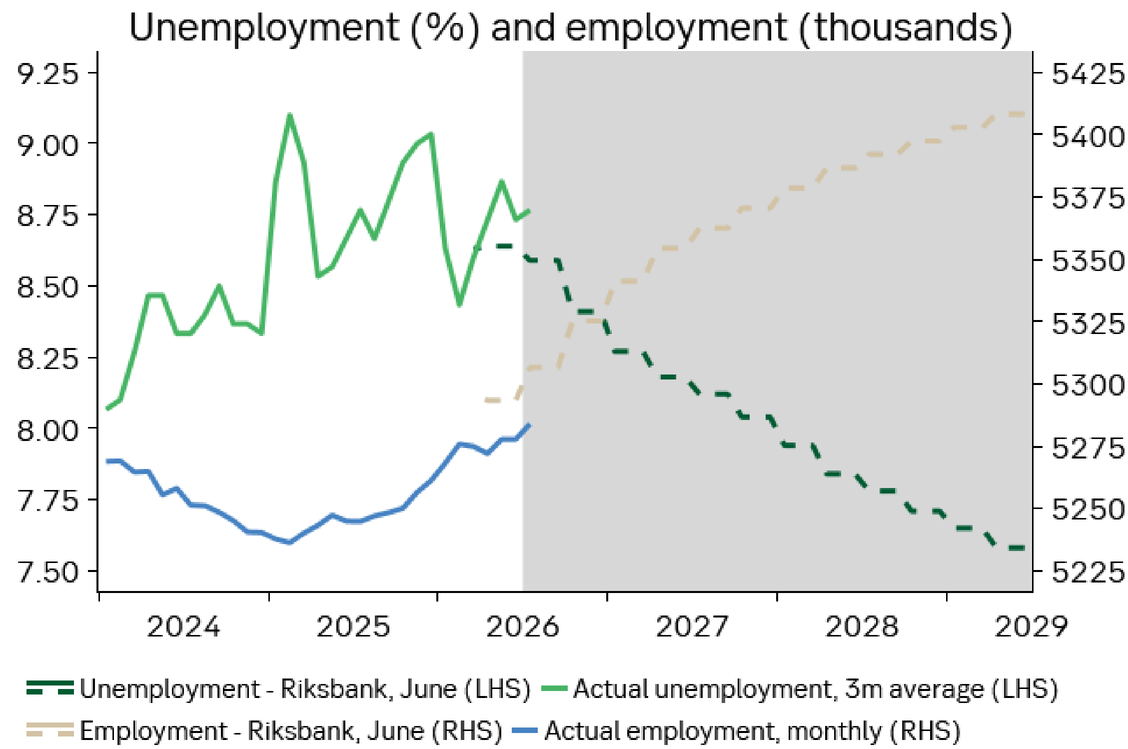
We predict the Riksbank to raise its GDP estimates both this year and the next, although the conflict in the Strait of Hormuz remains a downside risk if oil prices increase further.




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

**Labour market remains weak, but some signs of improvement**

The labour market has also been weaker than the Riksbank anticipated, although high volatility continues to make the underlying trend uncertain. Labour market indicators have improved slightly during the summer, but further progress is needed for our forecast to hold, and even more to confirm the Riksbank's forecast. In the September MPR, the Board will probably conclude that the labour market recovery is postponed once again.




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

### Expected Riksbank forecasts on 24 September

| | Riksbank in Sep. (SEB fc) | Riksbank in Jun. |
|---|---|---|
| CPIF 26 | 1.5 | 1.1 |
| CPIF 27 | 2.0 | 1.7 |
| CPIF 28 | 2.5 | 2.8 |
| CPIF excl. energy 26 | 0.8 | 0.7 |
| CPIF excl. energy 27 | 2.1 | 2.0 |
| CPIF excl. energy 28 | 2.7 | 2.9 |
| Wages 26 | 3.3 | 3.3 |
| Wages 27 | 3.2 | 3.2 |
| Wages 28 | 3.1 | 3.1 |
| GDP 26 | 2.5 | 2.2 |
| GDP 27 | 2.5 | 2.3 |
| GDP 28 | 1.5 | 1.4 |
| Unemployment 26 | 8.7 | 8.6 |
| Unemployment 27 | 8.4 | 8.2 |
| KIX index 26 | 118.0 | 116.8 |
| KIX index 27 | 117.0 | 116.7 |
| Wld. GDP 25 | 3.1 | 3.0 |
| Wld GDP 26 | 3.2 | 3.2 |

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