Swedish inflation

07 October 2026

Continued reversal of high core inflation during summer

Key points

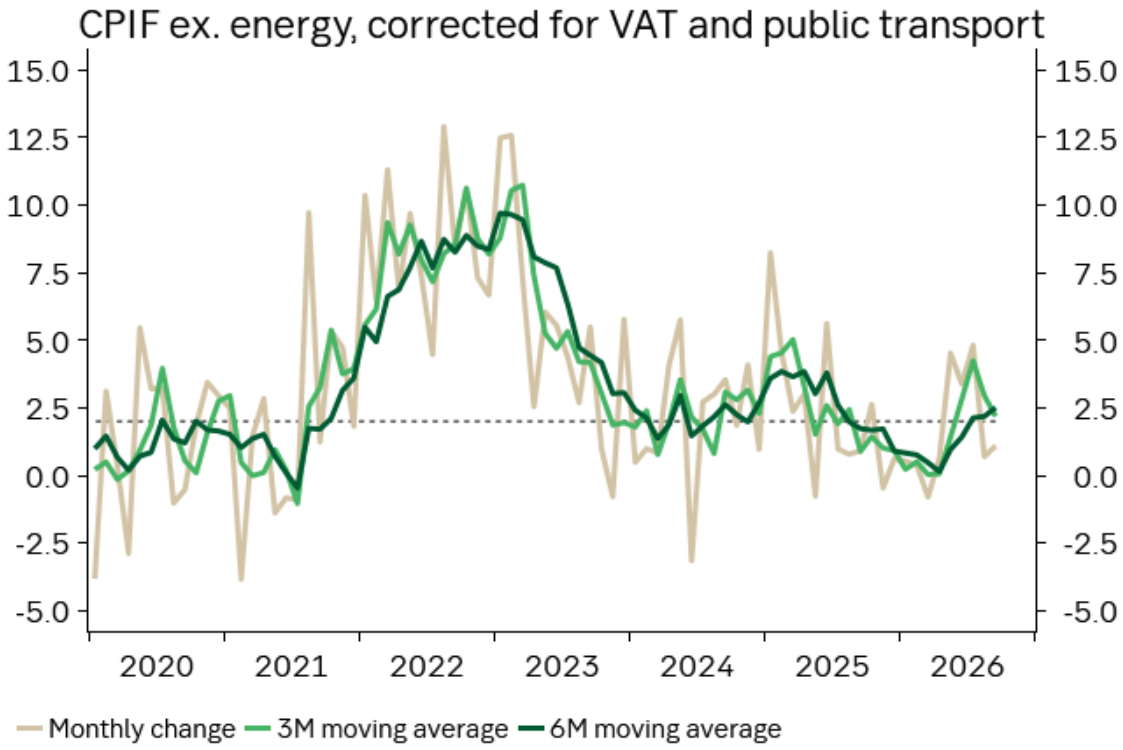
- CPIF ex energy in September was lower than we anticipated, for a second month in a row. Lower prices on services and food explains the difference compared to our forecast.
- After three months of surprisingly high monthly increases, inflation has now been significantly lower than expected for two months in a row.
- The Riksbank's Executive Board has been clear in its signalling that a November rate hike is likely, and despite lower inflation, we expect the Riksbank to stick to the plan and hike on November 4.

Core services and food lowered inflation in September

Despite sharply higher energy prices, underlying inflation pressures remain subdued. At 0.53% year-on-year, CPIF excluding energy was 0.16pp below our forecast and 0.21pp lower than the Riksbank's estimate. Headline inflation was in line with the Riksbank's forecast but slightly below our estimate, reflecting slightly higher energy prices than we anticipated. Adjusted for the lower VAT and subsidies for public transport, CPIF exe energy was unchanged at 1.5% y/y (SEB forecast 1.65% y/y, Riksbank 1.77% y/y) and the annualised and seasonally adjusted monthly price change was 1.1% m/m, well below target for a second consecutive month.

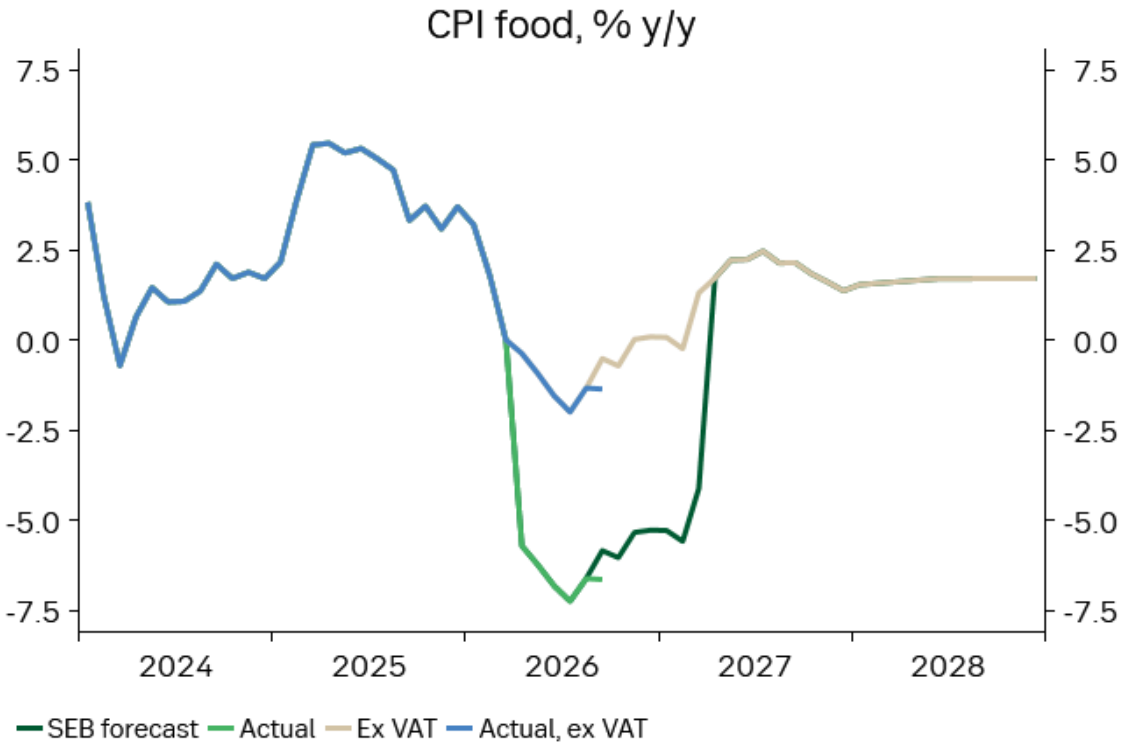
CPIF, September, % y/y

	Actual	SEB forecast	Diff contribution	Previous	Riksbank	Diff Riksbank
Services	2.2	2.4	-0.09	2.7		
Goods ex food.alcohol and tobacco	0.3	0.2	0.04	-0.6		
CPIF ex energy, food, alcohol & tobacco	**1.8**	**1.8**	**-0.08**	**1.8**		
Food, alcohol and tobacco	-5.0	-4.4	-0.10	-5.0		
CPIF ex energy	**0.53**	**0.69**	**-0.16**	**0.5**	**0.74**	**-0.21**
Energy	16.7	15.3	0.09	4.5		
CPIF	**1.48**	**1.55**	**-0.07**	**0.7**	**1.50**	**-0.02**



Source: Macrobond, SEB

Core services and food prices explain the downside surprise compared to our estimate. The inflation rate for restaurant and hotels slowed to 2.2% y/y from 3.0% y/y, and we believe that a reversal of high hotel prices during the summer contributed to the slowdown. Other service prices also look lower than expected, but slightly accelerating prices on recreation and similar imply that tourist service prices may have remained elevated in September.



Source: Statistics Sweden (SCB), Macrobond, SEB

Core goods (goods excluding energy, food, alcohol and tobacco) prices rose to 0.3% y/y, from -0.6% y/y. A weaker SEK is exerting upward pressure on goods prices and there are also some signs that prices on electronics continued to rise in September.

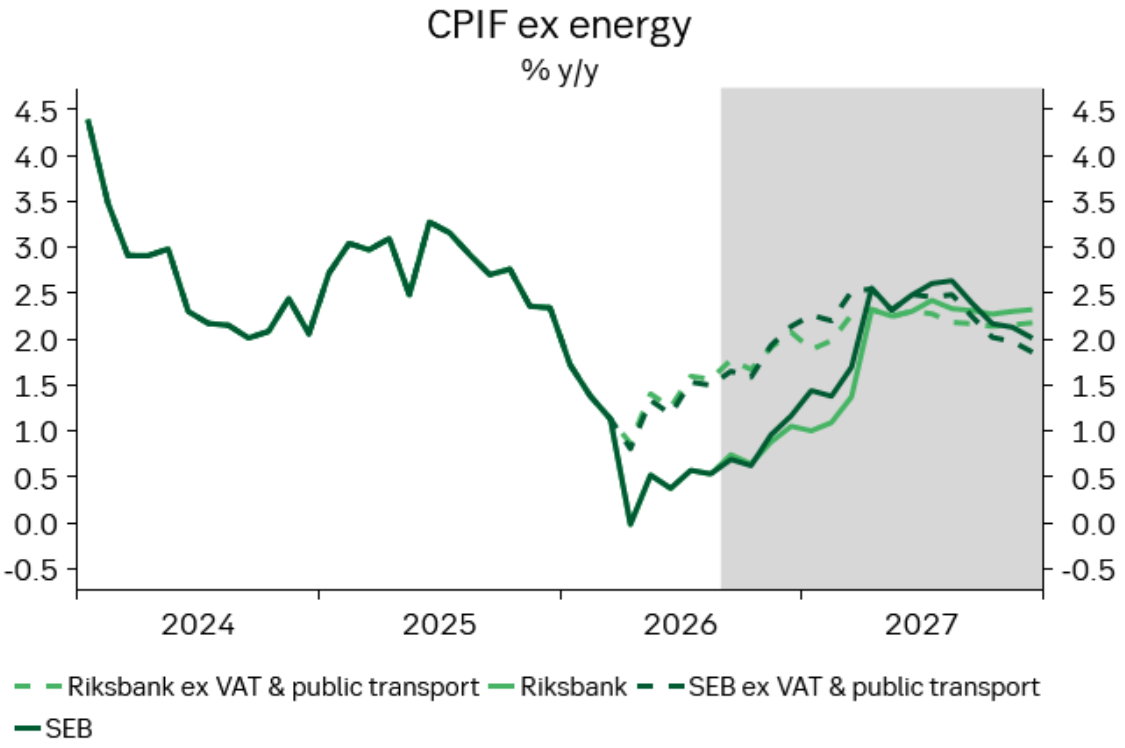
The lower-than-expected core inflation supports our view that parts of the high inflation during the summer is temporary. We predict core inflation to rise gradually over the next 6-12 months, but short-term indicators do not support any major near-term shift in momentum.

Headline CPIF will rise significantly driven by higher energy prices, mainly explained by reversal of the temporary tax cuts on fuels in Q4. Electricity prices in October have declined significantly and futures point to slightly lower prices also during the winter.

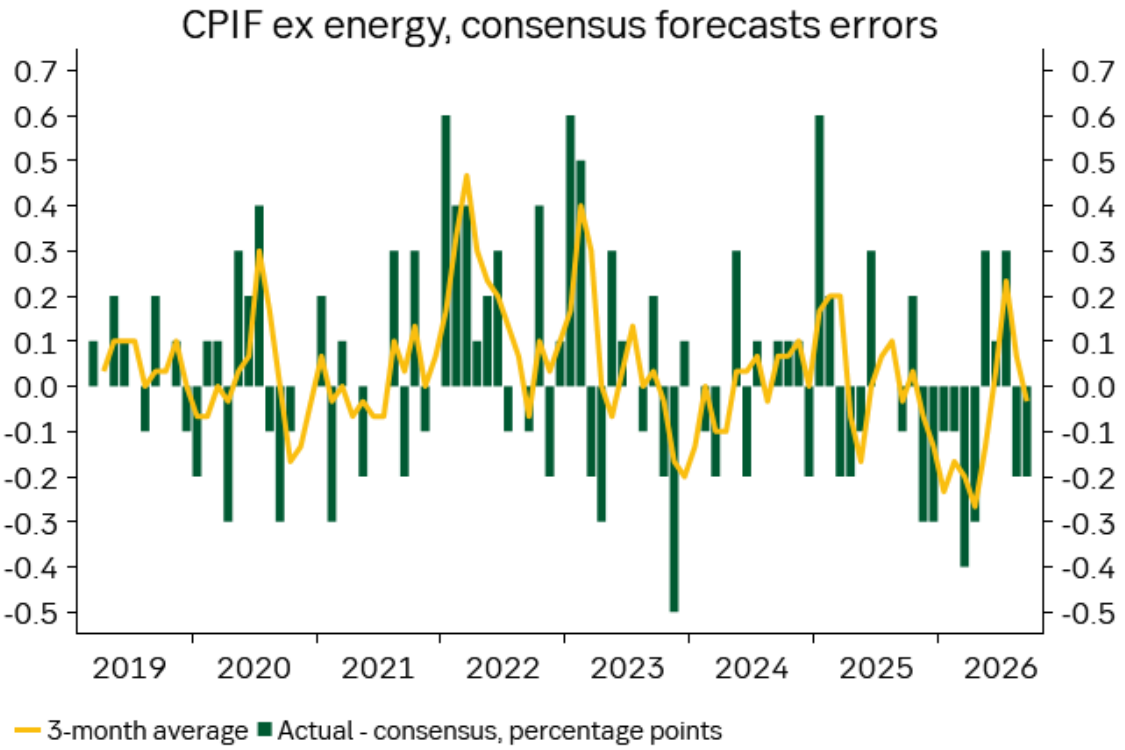
Policy implications:

September is the only inflation reading ahead of the November 4 rate decision. Strong signals in the September MPR for a rate hike in November implies that the Board will stick to its plan and deliver a hike in November, but the downside surprise in inflation should make at least some of the Board members considering waiting a bit longer. Markets continue to price a relatively high probability for hikes in both November and December, which looks excessive in our view. Growth indicators have continued to strengthen, suggesting that rate hikes are coming closer, but the Riksbank's forecast for the labour market is in our opinion far too optimistic. **We stick to our forecast for rate hikes in November, February and May but the combination of a downwards shift in expectations on rate hikes from the ECB and lower-than-expected inflation imply that near-term risks for the policy rate are skewed to the downside.**

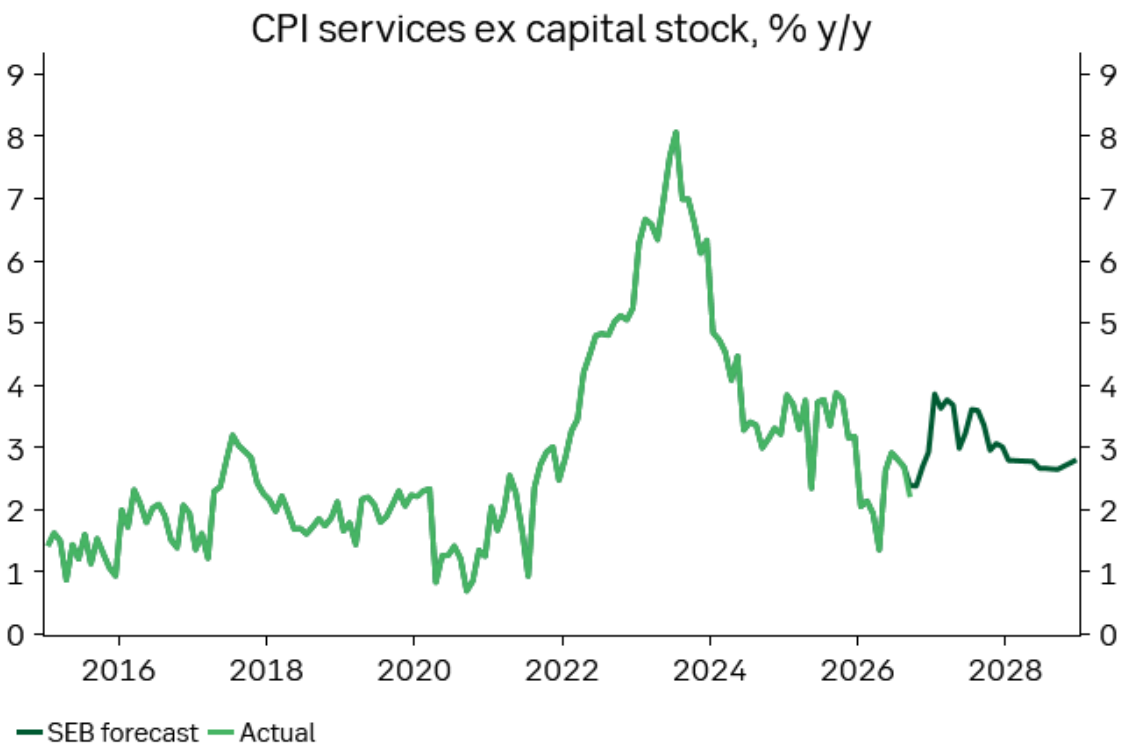
Riksbank policy rate (2026-10-07)								
Announcement date	Market pricing		Riksbank Sep 2026		SEB forecast		Market vs.	
	Policy rate	chg	Policy rate	chg	Policy rate	chg	RB	SEB
2026-09-24	**1.75**	**0**	**1.75**	**0**	**1.75**	**0**	**0**	**0**
2026-11-04	1.92	17	1.91	16	2.00	25	1	-8
2026-12-16	**2.09**	17	**2.01**	**10**	**2.00**	**0**	8	9
2027-02-03	2.26	17	2.11	10	2.25	25	15	1
2027-03-23	2.41	15	2.19	8	2.25	0	22	16
2027-05-05	2.55	14	2.27	8	2.50	25	28	5
2027-06-22	2.68	13	2.35	8	2.50	0	33	18
2027-08-18	2.77	9	2.40	5	2.50	0	37	27
2027-09-22	2.83	6	2.43	3	2.50	0	40	33
2027-11-03	2.86	3	2.43	0	2.50	0	43	36
2027-12-15	**2.88**	2	**2.43**	**0**	**2.50**	**0**	45	38
2028-01-26	2.89	1	2.43	0	2.50	0	46	39
2028-03-15	2.90	1	2.43	0	2.50	0	47	40
2028-05-03	2.91	1	2.42	-1	2.50	0	49	41
2028-06-14	2.92	1	2.41	-1	2.25	-25	51	67
2028-08-16	2.92	0	2.40	-1	2.25	0	52	67
2028-09-20	2.93	1	2.39	-1	2.25	0	54	68
2028-11-01	2.94	1	2.38	-1	2.25	0	56	69
2028-12-13	**2.95**	1	**2.37**	**-1**	**2.25**	**0**	58	70
Note: Official dates incl. June 2027 - thereafter SEB assumption.								



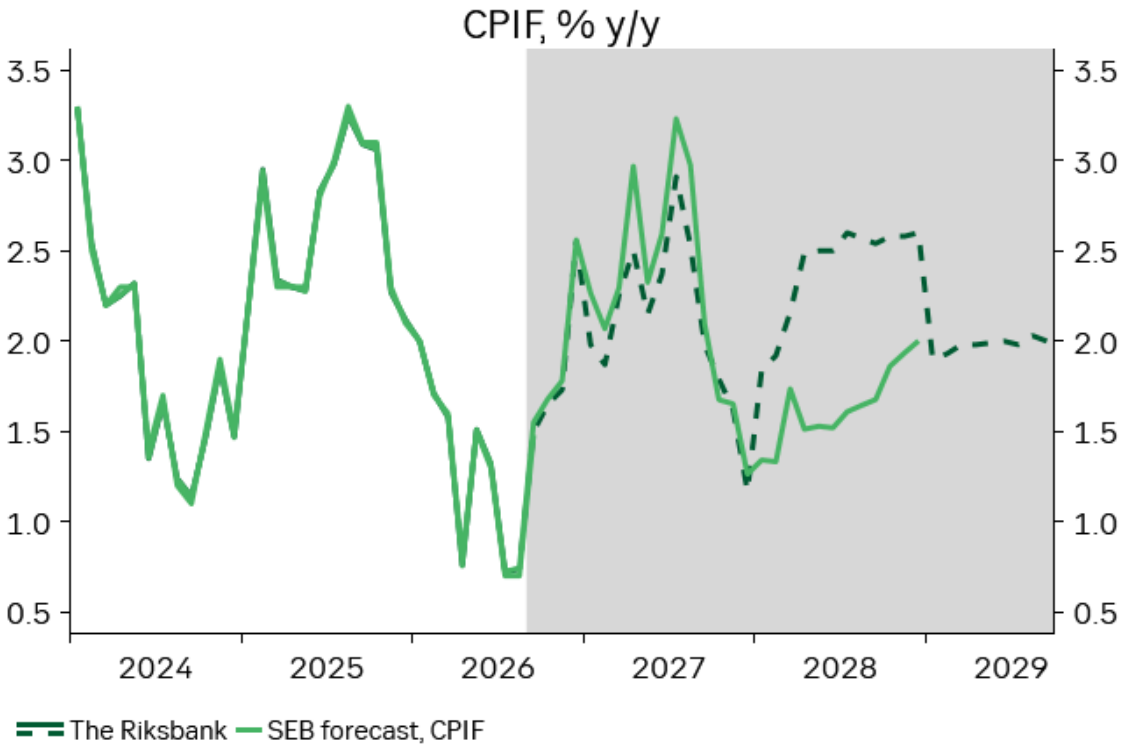
Source: Central Bank of Sweden (Riksbanken), Macrobond, SEB



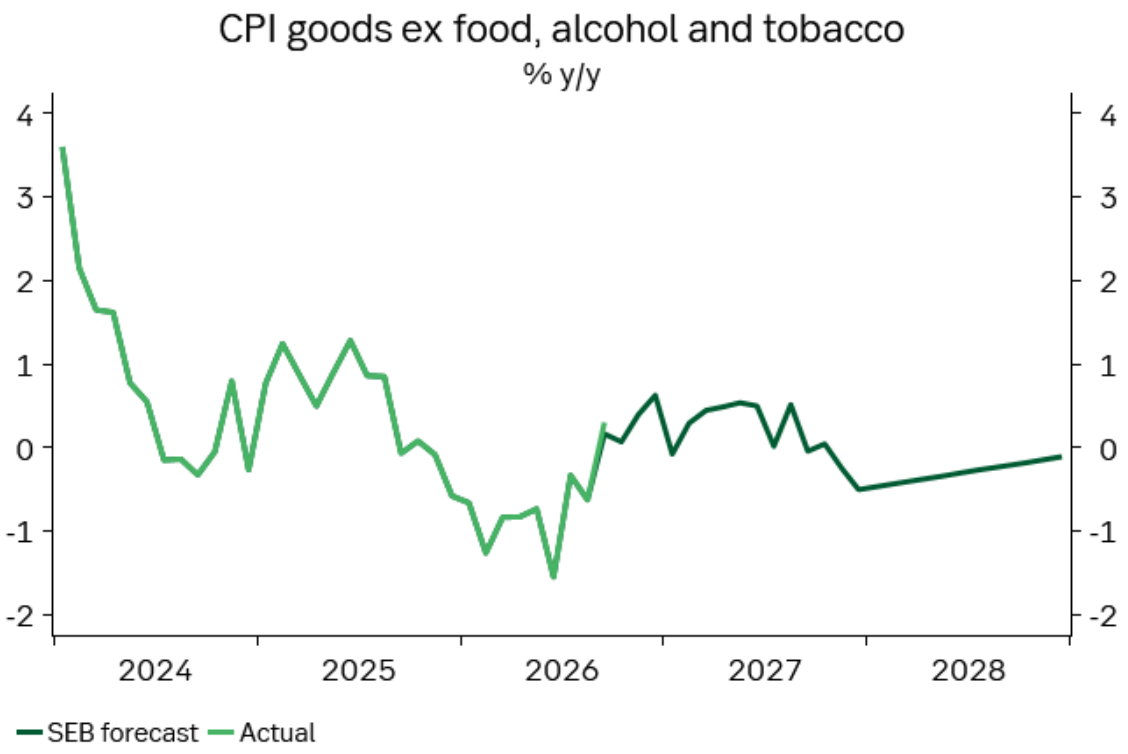
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