14 October 2026

# Fed comments lend hope to battered rate doves

## Global key stories

Interest rates resumed their decline in the US yesterday following dovish comments from Fed's Williams, who expects rates to remain unchanged at the next meeting and still anticipates a hike in December, but currently sees no need for further increases next year. The dollar weakened broadly and Brent crude fell. Chinese data showed persistently low consumer inflation despite surprisingly elevated producer prices, pointing to weak domestic demand. Asian markets were mixed overnight, while US stocks closed slightly lower amid disappointing results from several major US banks and declines in semiconductor and chipmaker stocks. Futures point to a positive opening in Europe and the US.

**We start the day** with Swedish inflation and household consumption data, but the main event is US CPI this afternoon. The IMF publishes its Fiscal Monitor, and several central bank officials are scheduled to speak throughout the day.

**In this edition of Ögat**, we discuss the Fed's upcoming rate decision and assess Andy Burnham's first months as UK Prime Minister. We also examine France's strained public finances and share our views ahead of Spain's snap election. Finally, we look at how a weaker krona affects inflation and present the results of our latest SEK Views FX survey. Read more here (in Swedish).

**This week's highlight: US inflation.** High energy prices are expected to have lifted headline inflation to 3.7% y/y in September, while core inflation (excluding food and energy) likely edged up to 2.5%. Signs of rising goods prices have prompted us to raise our near-term inflation forecast. There are also indications that rents may start to pick up again, while wage growth continues to moderate. Markets have scaled back expectations for Fed tightening and no longer expect a hike this month. Both we and the market now see December as the most likely timing for the next hike, although a significant inflation surprise could change that outlook. Markets are still pricing about 80bps higher rates in the coming 12 months.

## Nordic key stories

**The krona strengthened broadly during the day, supported by lower yields and a weaker dollar.** We believe speculative investors have been heavily positioned for SEK weakness but are now looking to scale back those positions. This means buying SEK, adding to its strength (for more on this: Sweden 360).

**Final Swedish September inflation, including details.** The preliminary figures showed Swedish core inflation coming in below both our and the Riksbank's forecasts in September. Several factors suggest that the surprisingly large price increases over the summer were largely temporary. Underlying inflation is still expected to rise gradually over the coming year, but we see little signs of a marked acceleration in the near term. Read more here.

**Swedish household consumption.** Retail sales and household spending have risen markedly over the summer, while consumer confidence has finally returned to more optimistic levels. We expect a slight dip in consumption in September, but the underlying momentum remains strong. Still, downwards risks to our

relatively optimistic 2027 forecast are building. High energy prices, fading fiscal support and earlier Riksbank rate hikes have shifted the balance of risks to the downside.

**Magdalena Andersson (Social Democrats) faces vote as Swedish PM tomorrow.** Yesterday, Andersson stated she was unable to form a government. Nonetheless, parliament will vote at 12:00 local time on whether to appoint her prime minister of a single-party Social Democratic government, although she is almost certain to be voted down. The vote is intended to put pressure on the parties and speed up the process of forming a new government.

## Today's key events

For graphs and analysis of the week's most important data, click here

| Time | Country | Event | Period | SEB forecast | Consensus | Last |
|---|---|---|---|---|---|---|
| 03:30 | CHN | PPI yoy | Sep | | 4.50 | 3.8 |
| 03:30 | CHN | CPI yoy \| core yoy | Sep | | 1.0 \| --- | 0.8 \| 1.0 |
| **08:00** | **SWE** | **CPI** | **Sep F** | **0.9/1.1** | **0.9/1.1** | **-0.3/0.3** |
| **08:00** | **SWE** | **CPIF \| excl. energy** | **Sep F** | **0.9/1.5 \| 0.1/0.5** | **0.9/1.5 \| 0.1/0.5** | **-0.2/0.7 \| -0.5/0.5** |
| **08:00** | **SWE** | **Household consumption** | **Sep** | **-0.4/3.2** | **---/---** | **0.7/4.0** |
| 09:00 | SP | CPI \| EU harmonised | Sep F | | 0.3/4.9 \| 0.6/5.0 | 0.3/4.9 \| 0.6/5 |
| 13:00 | US | MBA mortgage applications | Oct 9 | | --- | -4.2 |
| 14:30 | US | Weekly earnings yoy \| hourly earnings yoy | Sep | | --- \| --- | 0.3 \| -0.3 |
| **14:30** | **US** | **CPI \| core CPI** | **Sep** | **0.6/3.7 \| 0.2/2.5** | **0.6/3.6 \| 0.2/2.5** | **0.4/3.4 \| 0.3/2.4** |
| 20:00 | US | Fed releases Beige Book | | | | |

**Auctions**: SWE to sell SGB 1066 & 1068 (11:00), UK to sell bonds (11:00), Norway to sell bonds (11:00), GER to sell bonds (11:30) US to sell bills (17:30). **Speeches**: ECB's Zigman/Moulin/Pereira/Lagarde/Escriva & Makhlouf (05:30/05:45/10:30/10:30/11:20), BoE's Breeden/Pill (05:30/08:00), Norges Bank's Longva (12:05), Fed's Bowman/Barkin (11:40/19:30), BoC's Macklem (TBA). **Other**: IMF publishes Fiscal Monitor (04:00), G20 finance ministers meeting (14 -15 Oct).

## Market data

| Equities | Index | Future |
|---|---|---|
| S&P 500 | 0.0% | 0.2% |
| Nasdaq comp | -0.2% | 0.3% |
| Eurostoxx 50 | -0.6% | 0.4% |
| OMX Stockholm 30 | 0.2% | |
| OBX Oslo | 0.7% | |
| OMX Copenhagen 25 | 0.2% | |
| OMX Helsinki 25 | 0.0% | |
| Nikkei225 | 0.9% | |
| Shanghai Comp | 0.0% | |

| FX | |
|---|---|
| EUR/USD | 1.12 |
| EUR/SEK | 11.15 |
| USD/SEK | 9.95 |
| EUR/NOK | 10.65 |
| USD/NOK | 9.50 |
| NOK/SEK | 1.05 |
| USD/DKK | 6.67 |
| USD/JPY | 158 |
| USD/CNY | 6.69 |

| Commodities | |
|---|---|
| Brent fut $/bl | 106.3 |
| Gold fut $/oz | 4163 |
| **Government bonds yields** | |
| US 10 year | 5.20% |
| US 2 year | 4.78% |
| Germany 10 year | 3.46% |
| Germany 2 year | 3.15% |
| Sweden 10 year | 3.16% |
| Sweden 2 year | 2.71% |

*US and Europe indices indicate change at yesterday's close*

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