15 October 2026

Stock markets fall after US CPI disappointment, no to Swedish Social Democratic government today

Global key stories

Yesterday's unexpectedly high US CPI weighs on risk appetite, driven by falling prices for IT hardware, given the risk that higher interest rates could slow down the rollout of AI infrastructure. The declines in the US (where both the S&P 500 and Nasdaq fell just over 1 percent) have continued in Asia, with sharp stock market falls in Japan (-5%), China (-2%) and not least Korea (-8%). Futures point to continued declines in both the US and Europe today. U.S. bond yields initially rose but then fell back as investors rotated out of the stock market, while the dollar has weakened. Market expectations of the Fed have fluctuated overnight; from pricing in a nearly 50% probability of an October hike immediately after the data, expectations have tipped back towards most likely unchanged (7 basis points) and a total of just under three hikes until the end of next year. Strong stock markets have been highlighted by the Fed as supportive of the economy even as long-term interest rates have risen. Yesterday's Fed speakers Goolsbee and Daly (non-voters) both expressed concern about the CPI data but with different conclusions. Goolsbee warned of overheating from the AI rollout while Daly saw the need for further rate hikes, but without urgency.

The Fed's Beige Book showed signs of some slowdown in economic activity and in the labour market, but increased price pressures, although without any dramatic changes in the descriptions of the economy. Oil prices have fallen in a continued uncertain situation in the war with Iran (read the latest update from Erik Meyersson here). Ukraine accuses the US of restricting access to intelligence via Starlink and Zelenskyy tells the Financial Times that Ukraine will resume attacks on Russian refineries, contrary to Trump's request.

The monthly change in the CPI (US) was a tenth above ours and the consensus forecast and price increases were also broadly based. Several Fed members have indicated that the Fed should take a break in October and we are so far sticking to our belief in unchanged interest rates, but the pressure for a December hike has increased. Read more in our comment here.

Today's US data may contribute to the picture for the Fed. The PPI provides input to the forecast for the Fed's target variable core PCE for September (released on 29/10, after the interest rate announcement). Our preliminary estimate after the CPI is 0.31% m/m, which would be the fastest pace since May. Retail sales were surprisingly strong in August, albeit after two weak summer months. Continued unexpected strength in September would add to concerns in the Fed that it will be easier for companies to pass on cost increases to consumers. The manufacturing indices for New York and Philadelphia can show whether the faster pace in manufacturing will continue; however, these indices are volatile. Developments in the Middle East and for energy prices will also be important ahead of the October announcement, and on Friday morning you can listen to Fed Chairman Warsh talking with IMF Governor Georgieva at the IMF's annual meeting in Bangkok. Warsh has previously downplayed the signs of an improving inflation trend and has now gotten some support for his views.

In Europe, we will keep our eyes on the EU summit on 15-16 October. Areas such as competitiveness, the EU's next long-term budget, security and defence, Ukraine and migration will be covered. It will be

particularly interesting if trade relations with China are mentioned after last week's deliberations on, among other things, voluntary Chinese export restrictions on hybrid cars.

Increased optimism among Swedish CFOs. According to the CFO Survey from Deloitte and SEB, Swedish CFOs are significantly more optimistic about business opportunities and financial prospects compared to last spring. You can read the full report here (in Swedish but with an English summary at the end).

Nordic key stories

Swedish unemployment, according to the Swedish Public Employment Service, continued to decline in September, from 6.5 to 6.4%. This data has shown a decline since the middle of last year, while the LFS trend (Statistics Sweden), for which we will get data tomorrow, is more difficult to interpret.

Higher energy prices are expected to cause Swedish inflation expectations to rise for the shorter 1-year horizon, while the outlook 2 years ahead is uncertain, given a possible reversal of food VAT. 5-year expectations have been stable and close to the 2%-target.

The Swedish Riksdag will vote at 12:00 on whether Magdalena Andersson (Social Democratic Party) can form a government. Since the Left Party is sticking to its no to all governments in which the party is not a member, Andersson will be voted down. Most interesting will be how the Center Party, which had wished for a centrist government that also included the Christian Democrats, will vote. If the Riksdag cannot approve a new government after four votes, Sweden will proceed to an extraordinary election. This means that the pressure on the parties will increase with each vote, and probably especially for the opposition, which has begun to decline in public opinion in relation to the Tidö parties in the current government.

In Norway, we get Norges Bank's Lending Survey for Q3, which does not tend to be a market mover.

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
6:00	SWE	PES unemployment rate	Sep		---	3.8
8:00	NOR	Trade balance	Sep		---	NOK 100.4bn
8:00	UK	Monthly GDP (mom)	Aug		-0.1	0.4
8:00	UK	Industrial production | manufacturing productic	Aug		-0.1/0.7 | 0.1/2.3	0.2/0.6 | 0.9/2.6
8:00	UK	Trade balance gbp/mn	Aug		-4300m	-3450m
8:00	SWE	Origo group inflation expectations survey			---	---
8:45	FRA	CPI | EU harmonised	Sep F		-0.3/3.0 | -0.4/3.4	-0.3/3.0 | -0.4/3.4
11:00	EA	Industrial production sa mom/wda yoy	Aug		0.3/0.2	-0.1/0.0
14:30	US	Retail sales advance mom | ex auto mom	Sep		0.3 | 0.5	1.1 | 1.3
14:30	US	Retail sales ex auto & gas | control group	Sep		0.2 | 0.3	1.1 | 1.2
14:30	US	Empire manufacturing	Oct		12.3	7.6
14:30	US	Philadelphia Fed business outlook	Oct		28	37.8
14:30	US	Initial jobless claims | continuing claims (Oct 3)	Oct 10		200t | 1709t	197k | 1716k
14:30	US	PPI final demand	Sep		0.5/5.3	0.4/5.4
14:30	US	PPI ex food and energy | ex food, energy, trade	Sep		0.3/4.4 | 0.3/4.7	0.2/4.6 | 0.3/4.7
16:00	US	Business inventories	Aug		0.4	0.8

Auctions: SWE to sell linkers (11:00), US to sell bills (17:30).
Speeches: ECB's Pereira/Kocher/Moulin (03:35/05:35/06:30), BoE's Pill/Greene/Breeden (05:40/08:45/10:45), SNB's Schlegel (06:30), BoC's Rogers (11:00), Fed's Hammack (22:30), BoJ's Koeda (TBA). **Reports:** Ericsson, Nordea, EQT.
Other: European Council meeting (15 - 16 Oct), G20 finance ministers meeting (14 -15 Oct), Norges Bank's Bank Lending Survey for Q3 (10:00).

Market data

Equities	Index	Future
S&P 500	-1.1%	-0.4%
Nasdaq comp	-1.9%	-0.9%
Eurostoxx 50	0.4%	-1.0%
OMX Stockholm 30	0.0%	
OBX Oslo	0.4%	
OMX Copenhagen 25	-0.4%	
OMX Helsinki 25	0.2%	
Nikkei225	-4.7%	
Shanghai Comp	-2.0%	

FX	
EUR/USD	1.12
EUR/SEK	11.18
USD/SEK	9.97
EUR/NOK	10.65
USD/NOK	9.49
NOK/SEK	1.05
USD/DKK	6.66
USD/JPY	158
USD/CNY	6.69

Commodities	
Brent fut $/bl	104.4
Gold fut $/oz	4146
Government bonds yields	
US 10 year	5.10%
US 2 year	4.72%
Germany 10 year	3.47%
Germany 2 year	3.13%
Sweden 10 year	3.19%
Sweden 2 year	2.74%

US and Europe indices indicate change at yesterday's close

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