Riksbank preview

23 October 2026

Rate hike and unchanged rate guidance

We view a 25bps rate hike to 2.00% on 4 November as close to a done deal. In the minutes from the September meeting, Governor Thedéen clearly stated that he preferred an early rate hike. The rate path from the September Monetary Policy Report (MPR) indicated a further hike in Q1 and a probability of slightly more than 70% of another hike later in 2027. We expect the press release to reaffirm the September rate forecast while warning that continued high energy prices remain an upside risk.

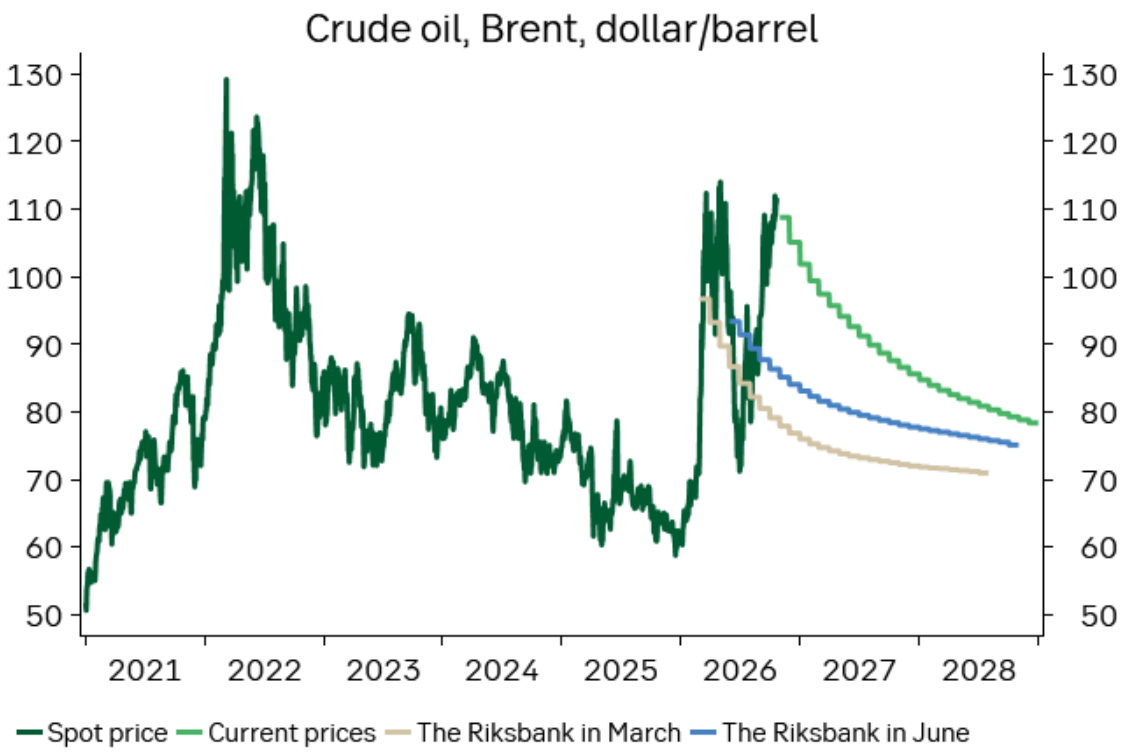
Key points

- We expect the Riksbank to raise the policy rate by 25bps to 2.00%. No new macro forecasts will be published in this Monetary Policy Update.
- The Board will likely acknowledge that inflation has been slightly lower than expected, while stressing that high energy prices continue to pose upside risks.
- We maintain our forecast of rate hikes in November, February and May, followed by a rate cut in 2028.

Lower than expected core inflation not enough to delay a hike

In the September Monetary Policy Report (MPR), the Board said that "increases in the policy rate will begin this year" if the forecasts for growth and inflation remain unchanged. The report stated that a rate hike in Q4 was likely, while the rate path indicated 16bps increase of the policy rate in November and another 10bps in December. This suggests that November is the most likely timing, although December is a possibility, and that one rate hike before year-end is close to certain. According to the minutes, a majority of Board members, including governor Thedéen, expressed a preference for a November hike. **Overall, we view a rate hike in November as close to a done deal.**

There will be no new rate path in the November Monetary Policy Update (MPU)**,** but the wording in the press release and comments at the press conference will provide important guidance on the timing of the next rate hike. We expect the Board will say that **the rate path from September remains valid and that a further rate hike early next year is the most likely scenario.** However, we also expect the Board to highlight upside risks from the indirect effects of continuously high energy prices.



Source: Macrobond Financial AB, Macrobond, SEB

Less hawkish rhetoric from other central banks, particularly the ECB, should ease some of the near-term pressure to raise rates further, especially if the krona continues to strengthen. Markets currently price in almost no chance for a rate hike from the ECB in October and less than a full rate hike in December, although the probability for a December hike continues to be high (19bps).

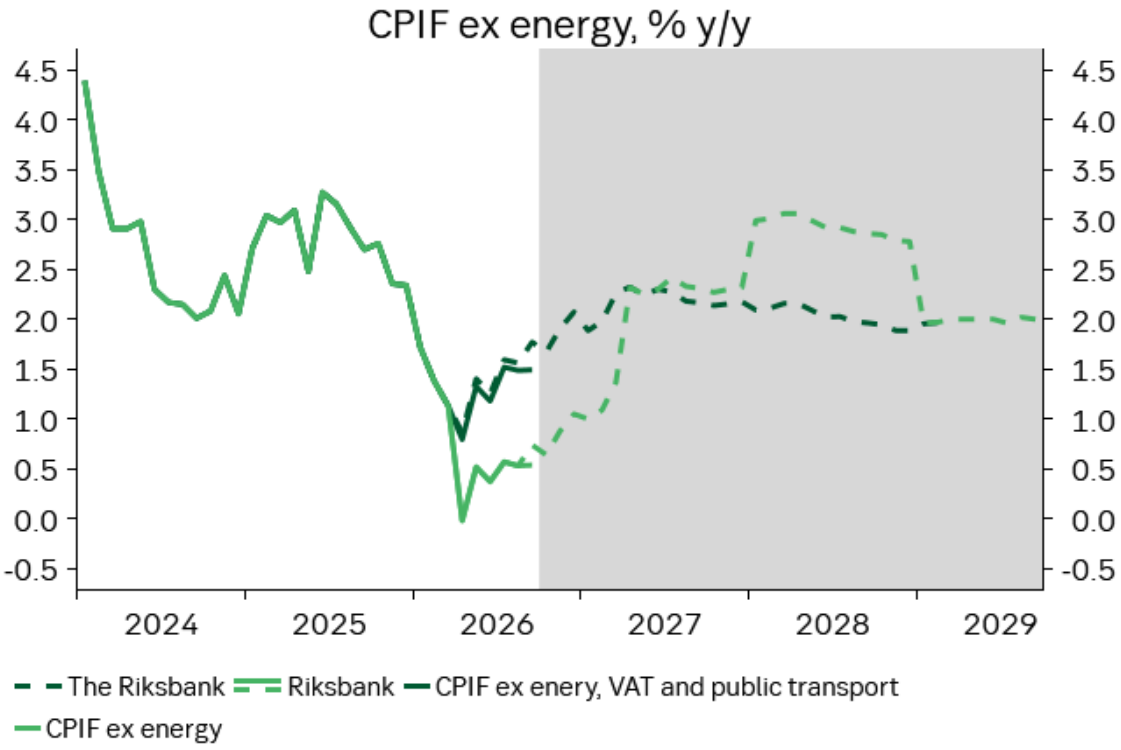
Growth data have been strong, with solid consumption growth, and Q3 GDP will probably be stronger than the Riksbank's estimate (0.2% q/q). However, the flash estimate is notoriously volatile and often significantly revised (flash GDP will be presented October 29).

Labour market developments have been mixed. Q3 employment growth according to the Labour Force Survey was strong and in line with the Riksbank's forecast. However, unemployment has been slightly higher than the Riksbank's forecast. Furthermore, employment indicators have improved only slightly, while other employment measures, which we consider more reliable, point to only a modest recovery.



Source: Statistics Sweden (SCB), Macrobond, SEB

CPIF excluding energy was 0.2pp below the Riksbank's September forecast, and the sharp monthly price increases in May-July were reversed in August and September. Core inflation remains well below target, even after correcting for the VAT cut on food and the public transport subsidy. Headline CPIF will rise significantly in Q4, driven by higher market prices on fuels and electricity combined with a reversal of the temporary tax cuts on fuels.

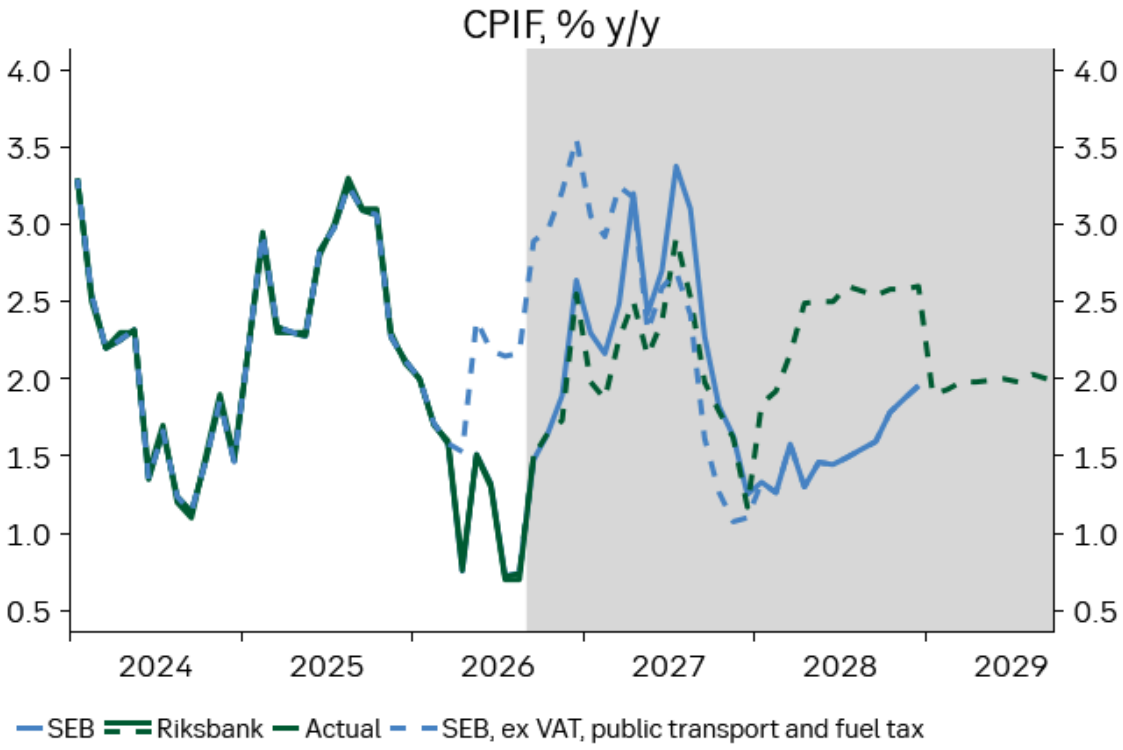


Source: Central Bank of Sweden (Riksbanken), Statistics Sweden (SCB), Macrobond, SEB

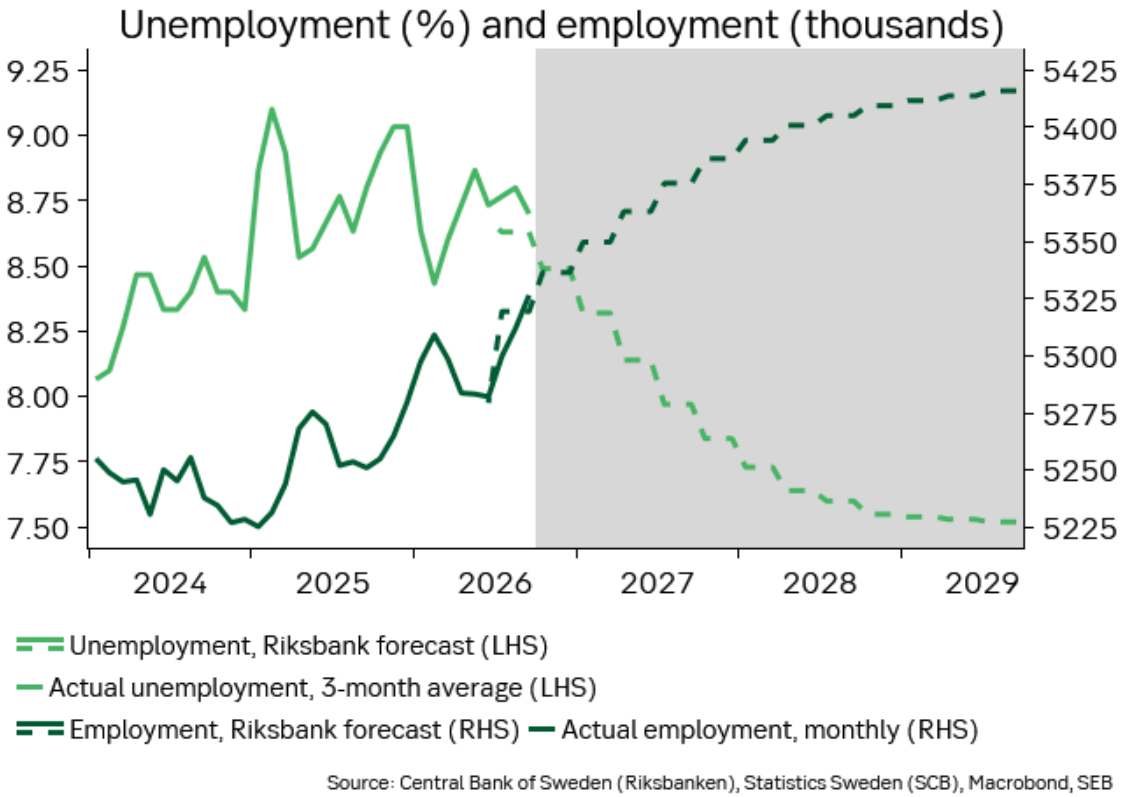
Minutes and speeches

Minutes from the September 24 meeting showed that Board members differed in their views on the balance between risks for inflation and the potential that rate hikes will derail the many times delayed recovery for growth and employment. Governor Thedéen clearly advocated a rate hike in November and was supported by Per Jansson and Anna Seim. Aino Bunge and Göran Hjelm seemed to consider waiting to December, although all Board members supported the rate path in the MPR. The minutes were more hawkish than we expected (more on the minutes here), and the few speeches that have been held since the report have repeated the messages in the minutes.

Additional charts:

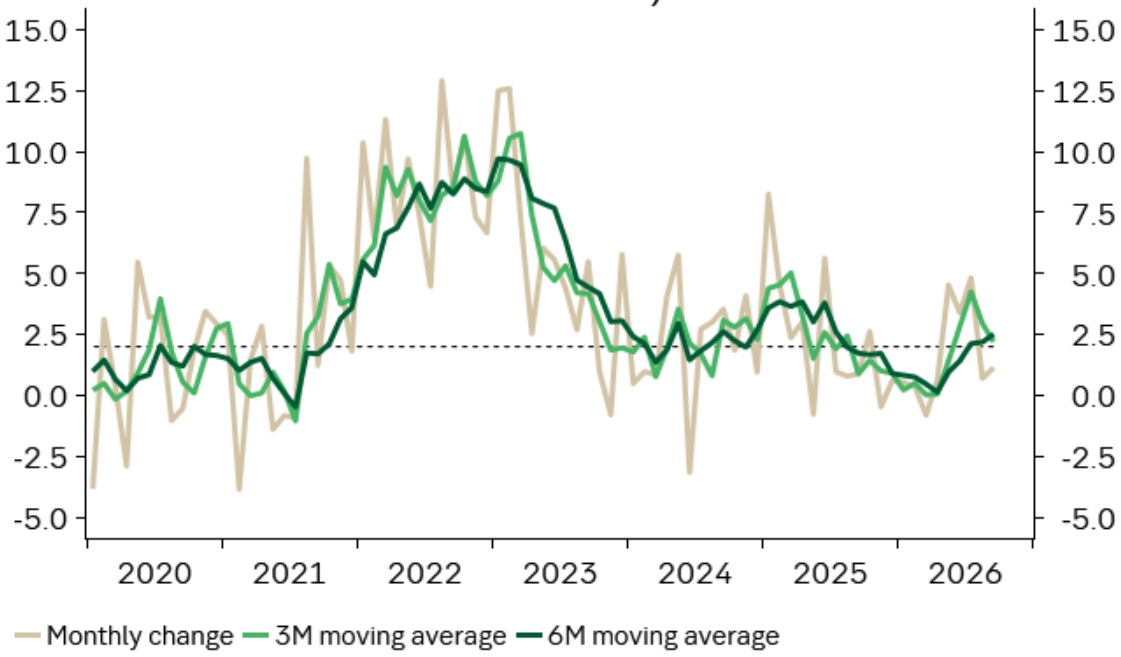


Source: Central Bank of Sweden (Riksbanken), Statistics Sweden (SCB), Macrobond, SEB



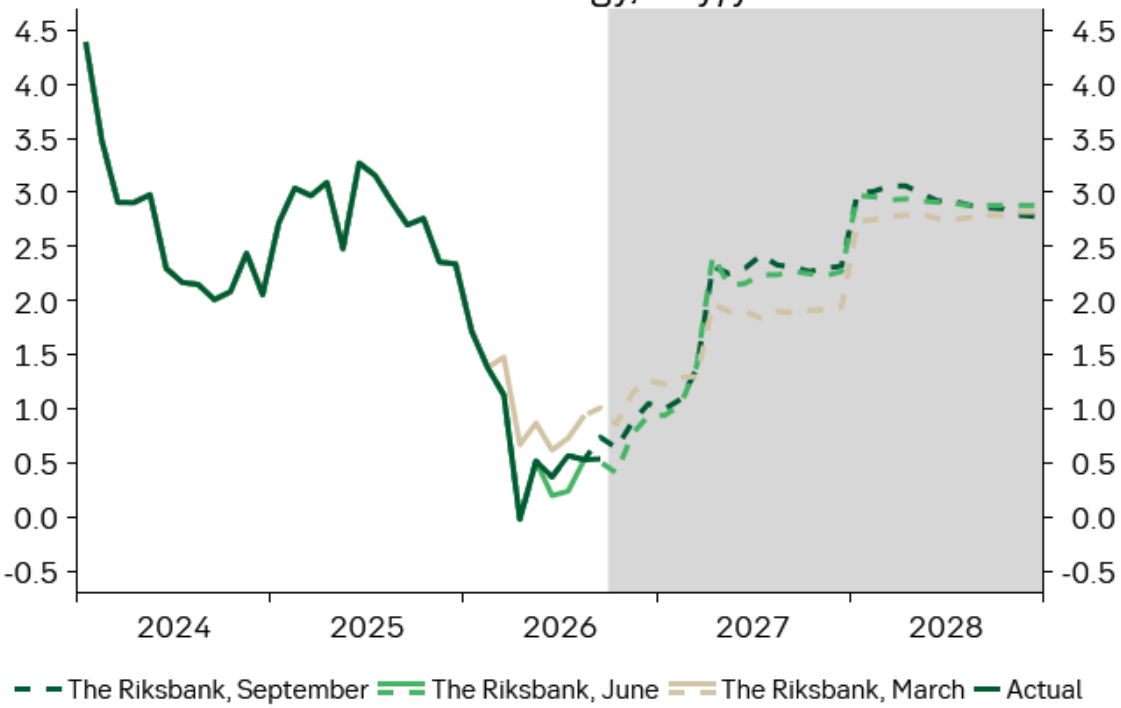
Source: Central Bank of Sweden (Riksbanken), Statistics Sweden (SCB), Macrobond, SEB

CPIF ex. energy, ex VAT and public transport (SA and annualised)



Source: Macrobond, SEB

CPIF ex energy, % y/y



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

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