Nordic Alert

28 October 2026

Fed on hold, raises rates later this year

Global key stories

US equity markets closed higher yesterday; the S&P 500 rose by 0.6% and the more tech-heavy Nasdaq by 1.2%. Overnight, Asian markets are mixed but mostly higher on renewed optimism about technology stocks. Japan's Nikkei has gained just over 1%, but South Korea is the strongest performer (up more than 6%), with technology stocks leading the gains after SK Hynix, among others, reported strong results and promised substantial dividends. Ahead of the Fed's decision and key earnings reports, including Microsoft and Alphabet today, futures point to a slightly lower in Europe and slightly higher in the US ahead of todays trading. Brazil's Bolsonaro has arrived in the US after losing the election in Brazil. Oil prices have risen slightly overnight following reports that the US has told countries around the Persian Gulf to prepare for a short but intense attack after the US midterm elections.

Central banks take centre stage in today's calendar. Today's calendar has a strong central bank focus, with decisions from the Fed and the Bank of Canada (more below). German consumer confidence (GfK) may offer some clues about the German economy and the progress of the economic recovery.

A split election in Israel. Support appears roughly evenly split between Netanyahu's governing coalition and the opposition bloc, while the number of parliamentary seats held by Arab parties (outside both blocs) is increasing; forming a government will be difficult in Israel too.

Fed: Anything other than unchanged rates would be a major surprise – a rate hike is coming in December. Following more dovish comments from some Fed officials and somewhat more nervous equity markets recently, markets are pricing in a probability of more than 90 per cent that rates will remain unchanged. The outlook is uncertain, with the ongoing conflict in the Middle East, the strength of the US economy and developments in financial conditions all important factors. We maintain our assessment that the Fed will raise rates once more in December, followed by rate cuts towards the end of 2027 and during the first half of 2028. Read Elisabet Kopelman's Fed Preview here.

New Zealand holds steady; Canada is expected to raise rates. Overnight, New Zealand's central bank unexpectedly left rates unchanged in a split decision, citing global uncertainty weighing on the economy; the currency fell following the announcement. The Bank of Canada is expected to raise rates from 2.25% to 2.50% as inflation rises and GDP grows at a healthy pace.

UK budget postpones the difficult decisions. Prime Minister Burnham has ambitious plans to kick-start the economy, but policy is constrained by already high taxes and large deficits. Given high interest rates and the focus on government finances, the budget proposal being presented today will be of interest to both political observers and markets. It is likely to be a cautious budget focused on households and small businesses, in the hope of avoiding market jitters and of gaining more room to fund further reforms if growth picks up and energy prices and interest rates fall. Read more here.

A new Nordic Outlook is on the way! Today's analysis of Japan marks the launch of the Nordic Outlook Update. Between now and Tuesday, 10 November, we will publish our forecasts and views on

macroeconomic developments in individual countries and regions on our Research page. On 10 November, we will publish our overall global outlook, including all the usual, eagerly awaited forecast tables.

Nordic key stories

Norwegian retail sales. Retail sales ex. autos rebounded in August, rising 0.6% m/m after the slump in previous month. Household consumption was week during H1, weighing on our full year estimate. Consumer confidence has recovered but continue to indicate cautions households. We expect higher purchasing power to underpin consumption ahead, with momentum improving into 2027.

Today's Swedish calendar is relatively thin, but tomorrow will bring more releases, with the National Institute of Economic Research's Economic Tendency Survey and growth data. The krona strengthened slightly against the euro yesterday and has been relatively stable against both the euro and the dollar overnight.

Today's key events

Chart package for the most important events this week here

Time	Country	Event	Period	SEB forecast	Consensus	Last
01:30	AUS	CPI | trimmed mean mom	Sep		0.6/4.2 | 0.3	0.4/4.0 | 0.2
02:00	NZD	RBNZ official cash rate	Oct 28	3.00	3.00	2.75
08:00	NOR	Retail sales ex. autos	Sep		---/---	0.6/-1.4
08:00	NOR	Credit growth | households | businesses	Sep		--- | --- | ---	4.5 | 4.6 | 4.8
08:00	GER	GfK consumer confidence	Nov		-30.1	-30.6
13:30	US	Advance goods trade balance | imports mom sa | expor	Sep		-129bn | --- | ---	-132.6bn | 5.5 | 1.9
13:30	US	Retail inventories mom | wholesale inventories mom	Sep		--- | ---	0.3 | 0.5
14:45	CAN	Bank of Canada rate decision	Oct 28	2.50	2.25	2.25
19:00	US	FOMC rate decision (upper bound) | (lower bound)	Oct 28	4.00 | 3.75	4.00 | 3.75	4.00 | 3.75

Auctions: SWE to sell SGB 1056 & 1068 (11:00), Norway to sell bonds (11:00), GER to sell bonds (11:30) US to sell FRN (16:30).
Speeches: RBNZ press conference (03:00) Fed press conference (19:30). Reports: Microsoft, Alphabet, SK Hynix, Epiroc.
Other: The UK Autumn Budget 2026 will be delivered by Chancellor John Healey.

Market data

Equities	Index	Future	FX		Commodities	
S&P 500	0.6%	0.0%	EUR/USD	1.11	Brent fut $/bl	115.7
Nasdaq comp	1.2%	0.5%	EUR/SEK	11.07	Gold fut $/oz	4032
Eurostoxx 50	0.8%	-0.3%	USD/SEK	9.96	**Government bonds yields**	
OMX Stockholm 30	1.0%		EUR/NOK	10.38	US 10 year	5.02%
OBX Oslo	0.0%		USD/NOK	9.33	US 2 year	4.75%
OMX Copenhagen 25	0.6%		NOK/SEK	1.07	Germany 10 year	3.36%
OMX Helsinki 25	-0.1%		USD/DKK	6.72	Germany 2 year	3.08%
Nikkei225	1.2%		USD/JPY	158	Sweden 10 year	3.10%
Shanghai Comp	0.7%		USD/CNY	6.67	Sweden 2 year	2.70%

US and Europe indices indicate change at yesterday's close

Daniel Bergvall
Head of Economic Forecasting
daniel.bergvall@seb.se