Strategy & Economic Research

Rebalancing flows

Wednesday, October 28, 2026

Swedish portfolio managers' rebalancing needs

Our model estimates that typical Swedish portfolio managers will have broadly neutral SEK requirements in their monthly currency rebalancing this October. The most pronounced flows are buying JPY and selling USD, although the estimated rebalancing needs in these currencies are relatively modest. The stylised portfolio gained 0.4% in October, bringing its year-to-date return to 4.4%.



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NEUTRAL SEK REQUIREMENTS

This October, rebalancing implies SEK purchases of 0.04% of the portfolio. The largest need, however, is to buy JPY (+0.2%) and sell USD (-0.2%).

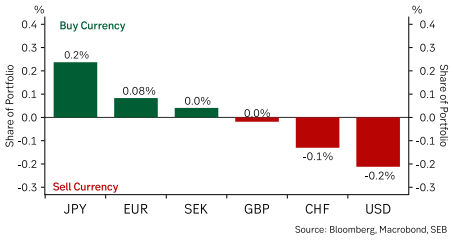
PORTFOLIO IMPLICATIONS

Currency hedge: The stylised portfolio used in our analysis gained 0.4% in October, which implies only a very small need to rebalance the hedge ratios (corresponding to -0.03% of the portfolio).

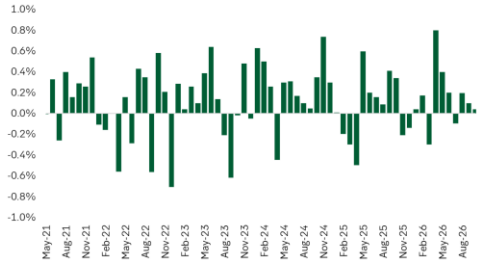
Bonds & Equity: Relative monthly performance points to a very small need to buy Swedish equities (corresponding to 0.03% of the portfolio) and a minimal need to buy Swedish bonds. Together, the allocation rebalancing implies net SEK purchases of 0.01% of the portfolio.

All in all: Combining the hedge and allocation rebalancing needs results in total SEK purchases of 0.04% of the portfolio in October.

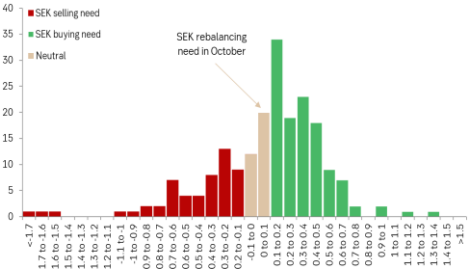
Currency rebalancing flows – October



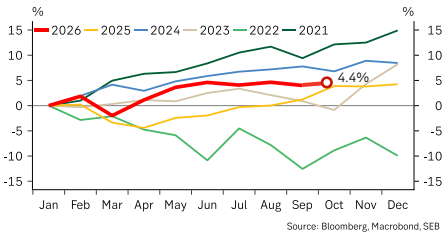
Historical outcomes of SEK rebalancing needs



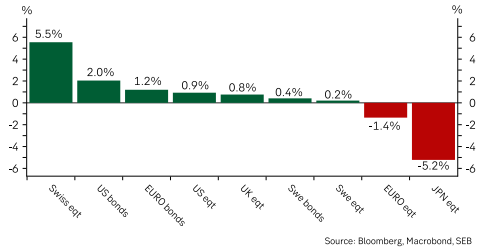
Distribution of monthly outcomes (2010+)



Portfolio aggregated performance (SEK)



Market developments October – chart



Market developments October – table

	Stocks	Bonds	vs. SEK
SEK	0.2%	0.4%	0.0%
EUR	-1.4%	1.2%	-2.3%
USD	0.9%	2.0%	-0.5%
GBP	0.8%	-	-0.2%
CHF	5.5%	-	0.3%
JPY	-5.2%	-	-0.9%

Source: Bloomberg, Macrobond, SEB

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