



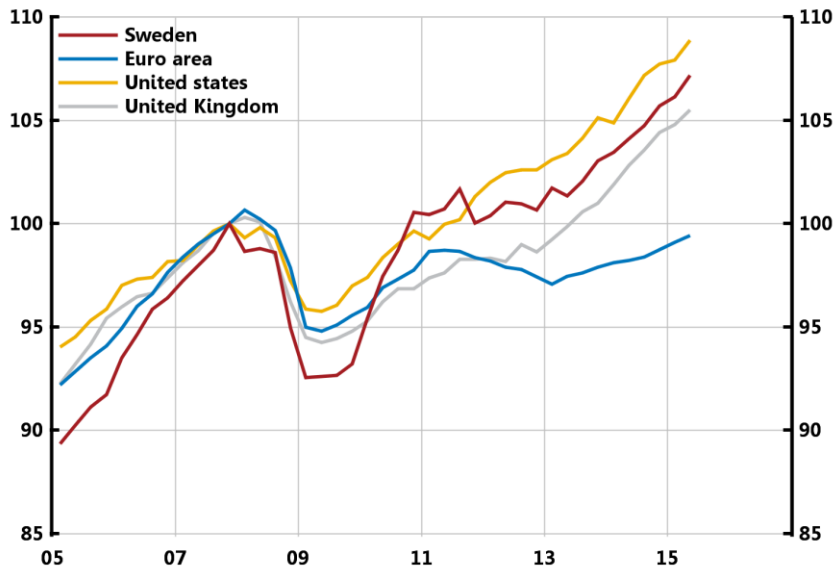
# Current Swedish Monetary Policy - QE and other measures

ECMI Annual Conference  
October 20, 2015

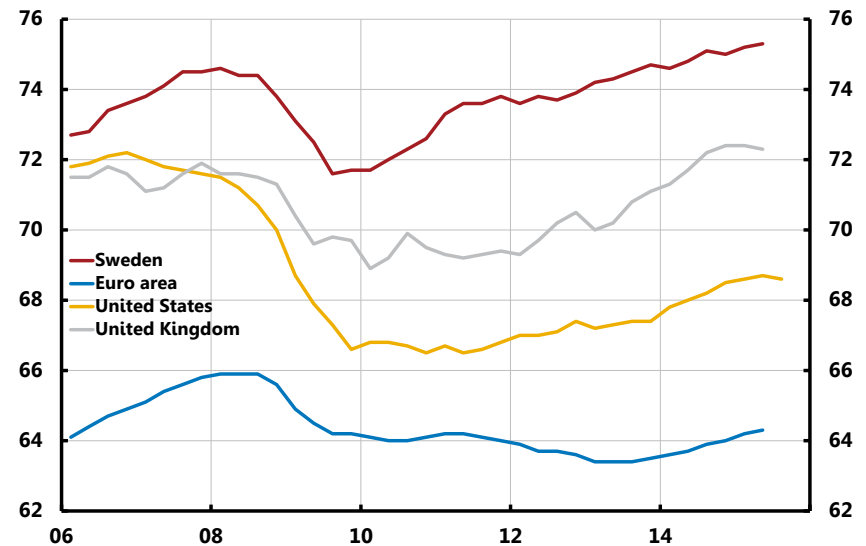
Marianne Nessén, Monetary Policy Department

# Sweden – Real economy in fairly good shape

## GDP



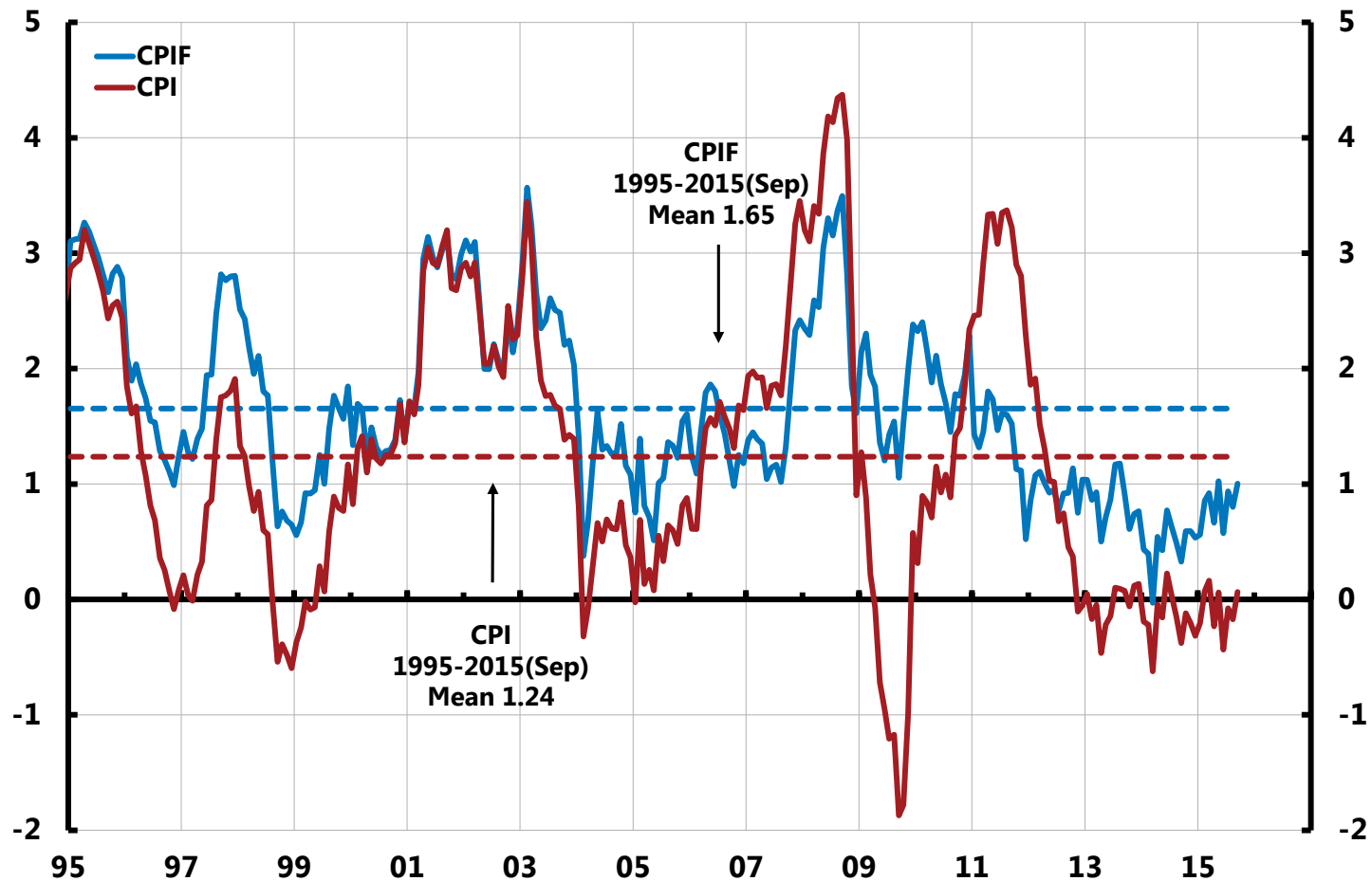
## Employment rate



Note. GDP, index, 2007 Q4 = 100.  
Employment rate, per cent of population, aged 15-64.

Sources: Bureau of economic analysis, Eurostat, Office for National Statistics, OECD and Statistics Sweden

# Low inflation over several years

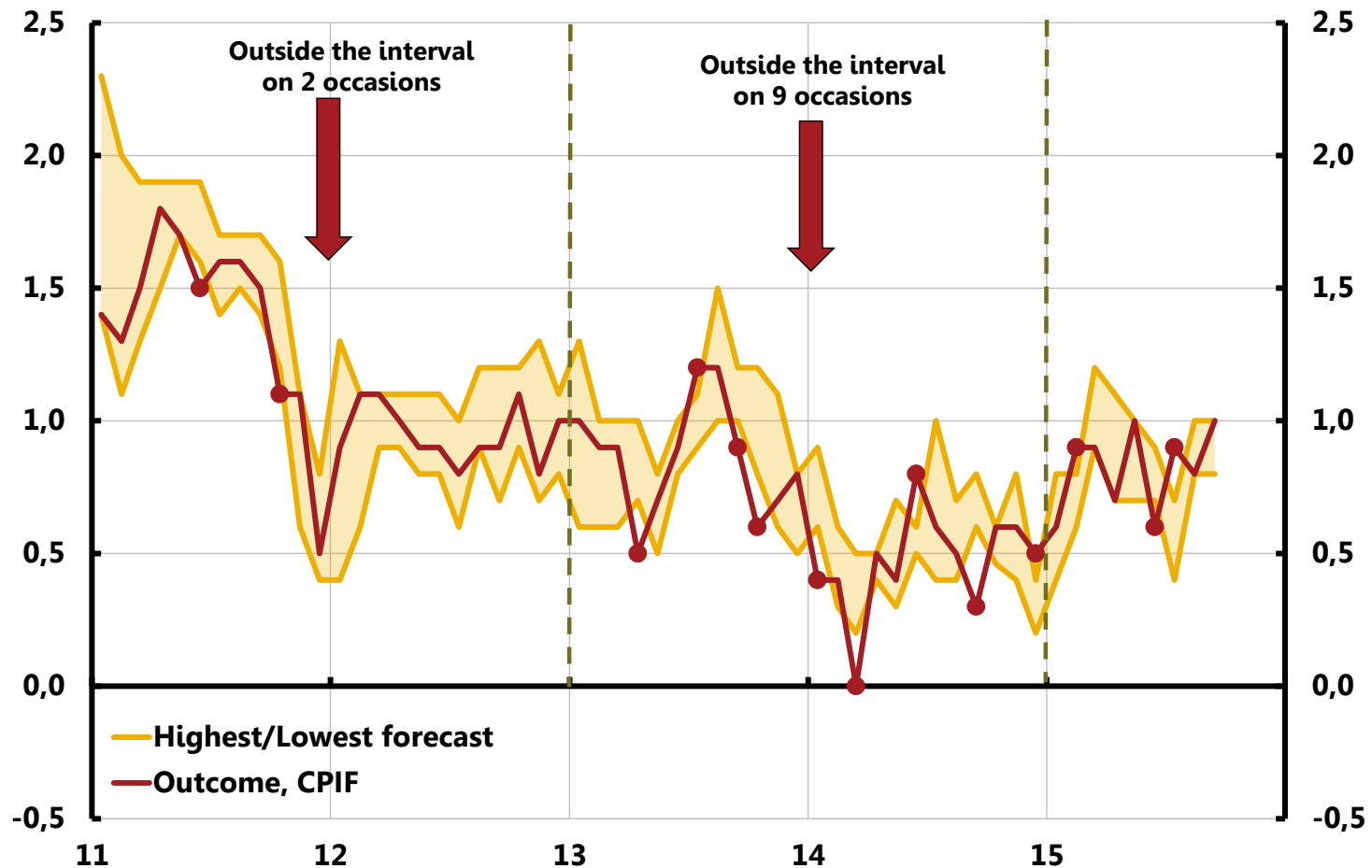


Note. Annual percentage change. The CPIF is the CPI with a fixed mortgage rate. Broken lines represent real-time averages since 1995.

Sources: Statistics Sweden and the Riksbank

# Unusual forecasting errors at end of 2013 and beginning of 2014

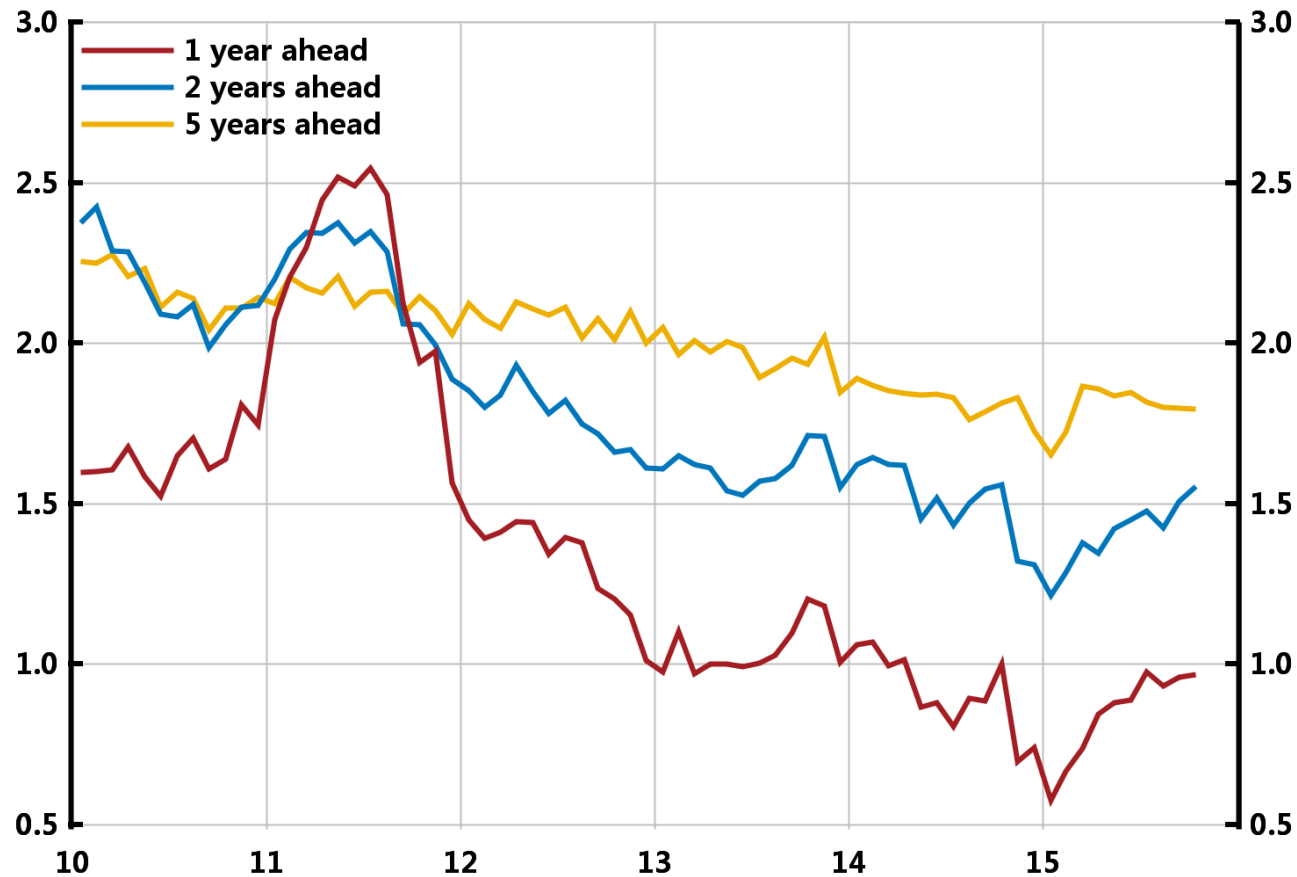
Short-term forecasts for CPIF inflation, annual percentage change



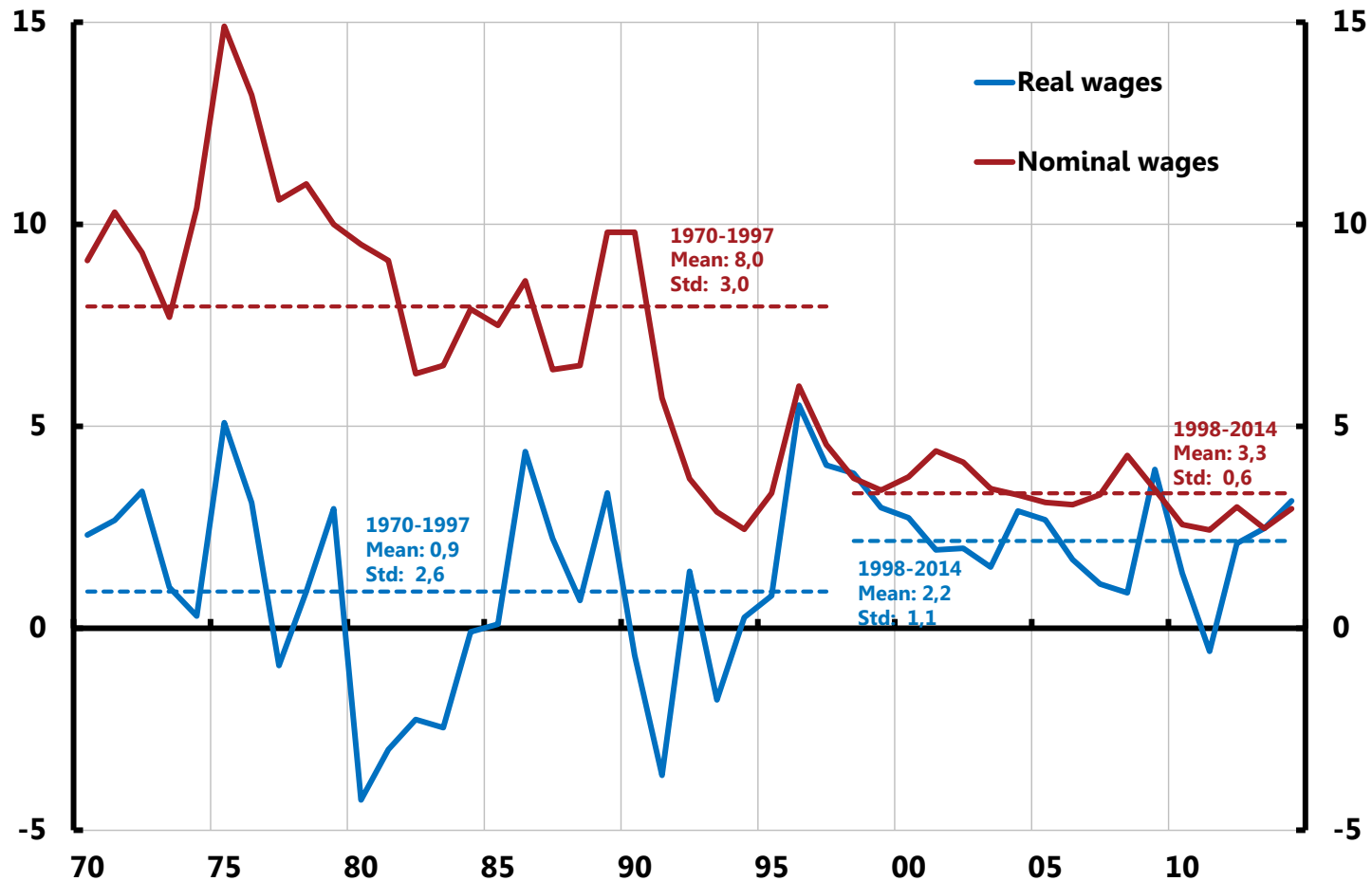
Note. The interval refers to the highest and lowest forecast for all forecasters.

Sources: Bloomberg, Statistics Sweden and the Riksbank

# Inflation expectations have fallen



# Credible inflation target important for wage formation

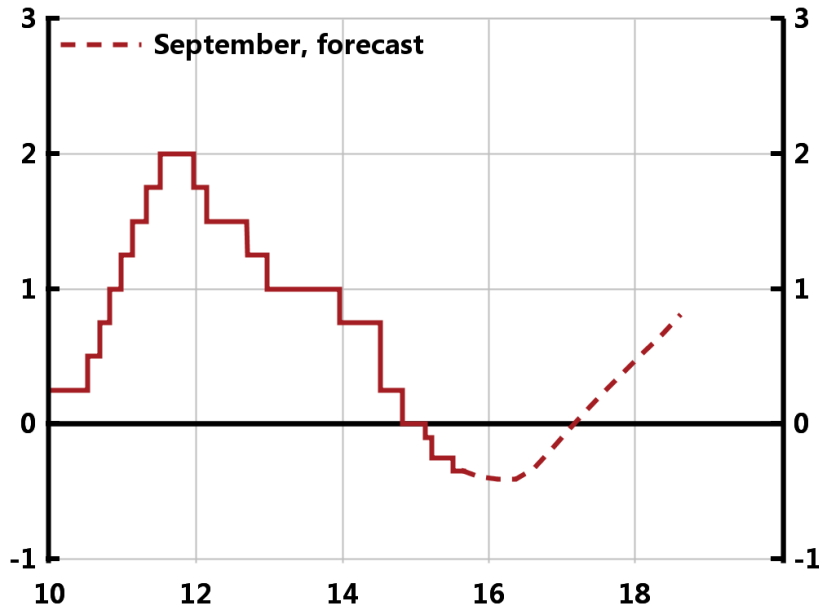


Note. Procent. Real wages deflated using CPI.

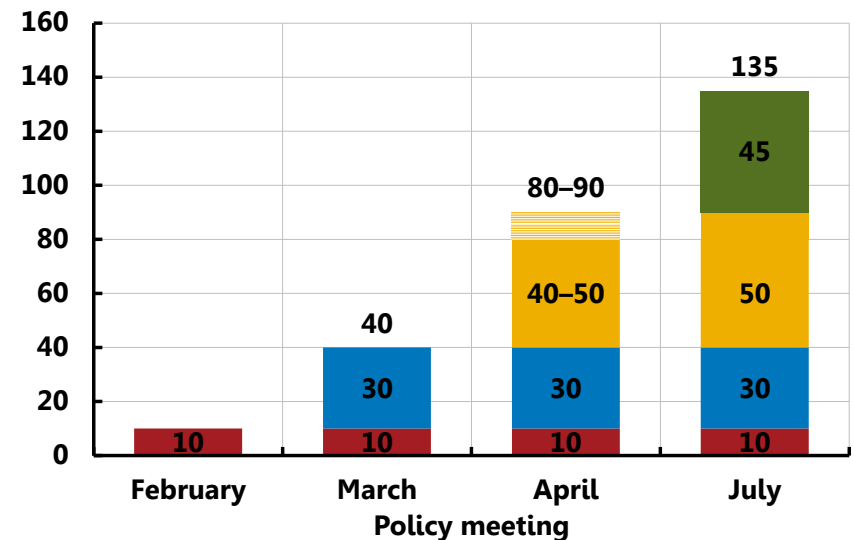
Sources: Swedish National Mediation office and Statistics Sweden

# Policy response: negative policy rate and purchases of government bonds

## Policy rate



## Purchases of government bonds

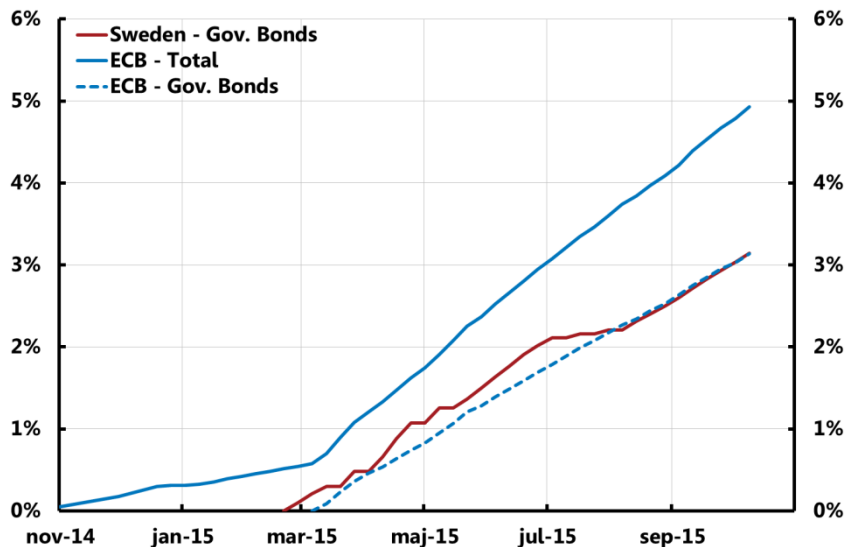


# Riksbank's QE program in comparison with ECB's sovereign bond purchases



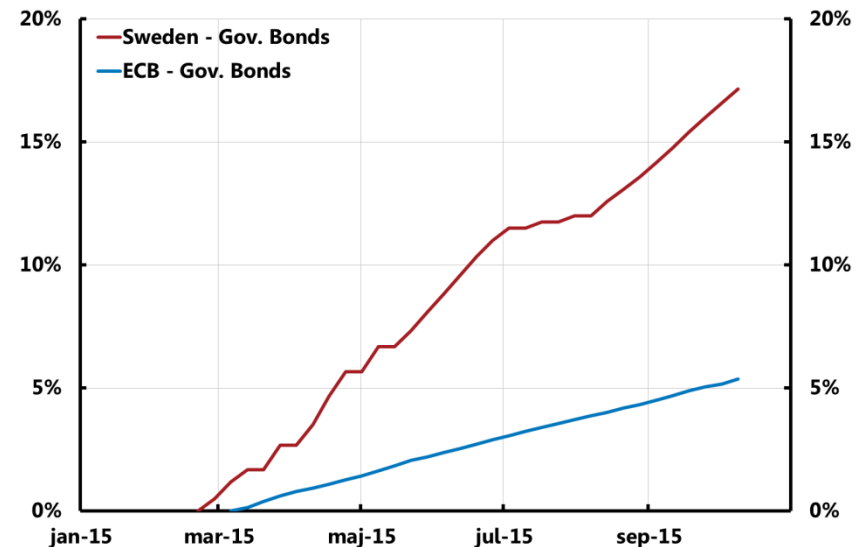
## Share of GDP

Per cent



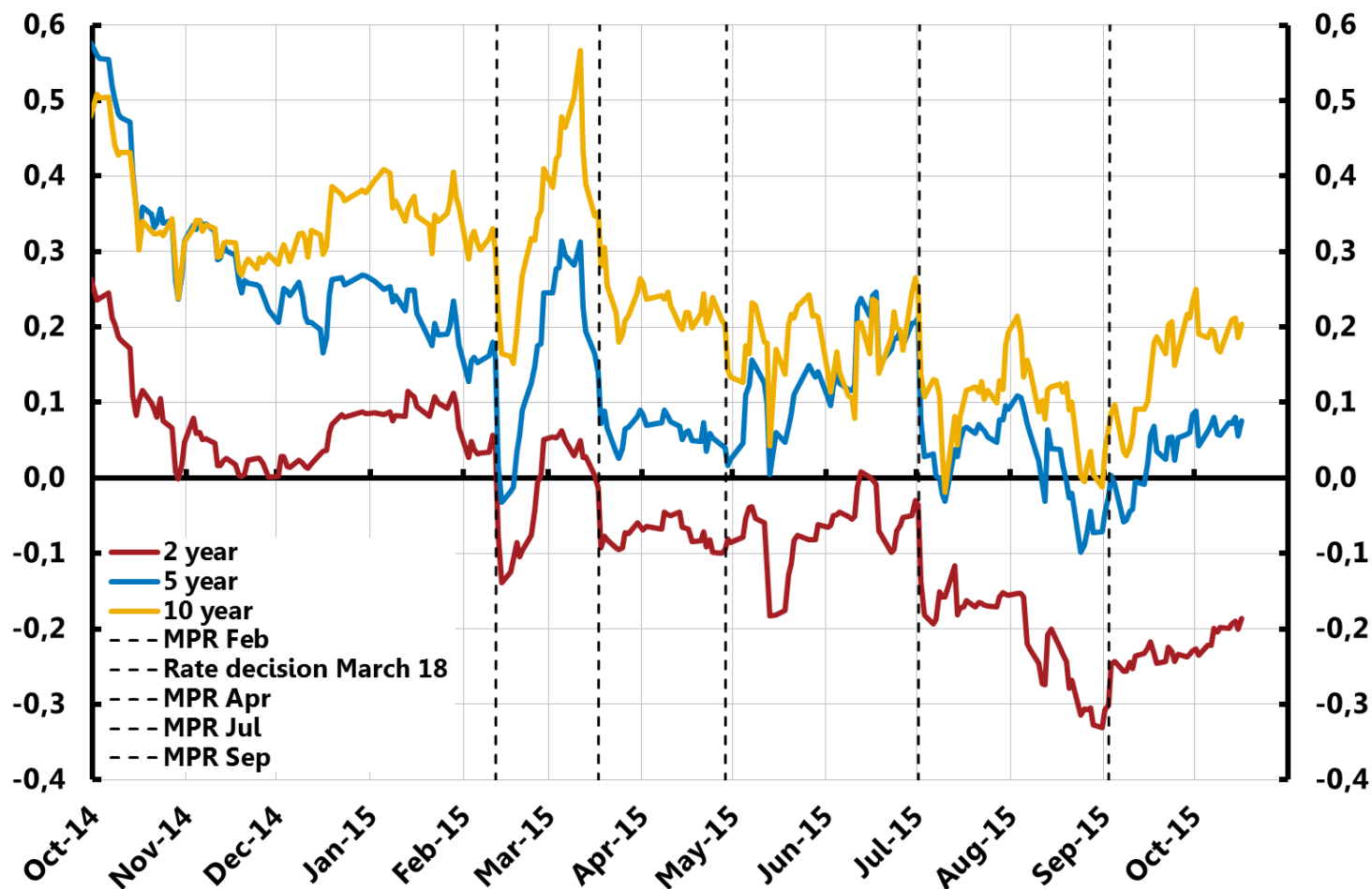
## Share of debt stock

Per cent





# Effects: Interest rate differentials vs Germany have fallen



Note. Swedish zero coupon rates have been estimated using extended Nelson-Siegel method while German zero coupon rates have been collected from Thomson Reuters

Macrobond, Riksbanken

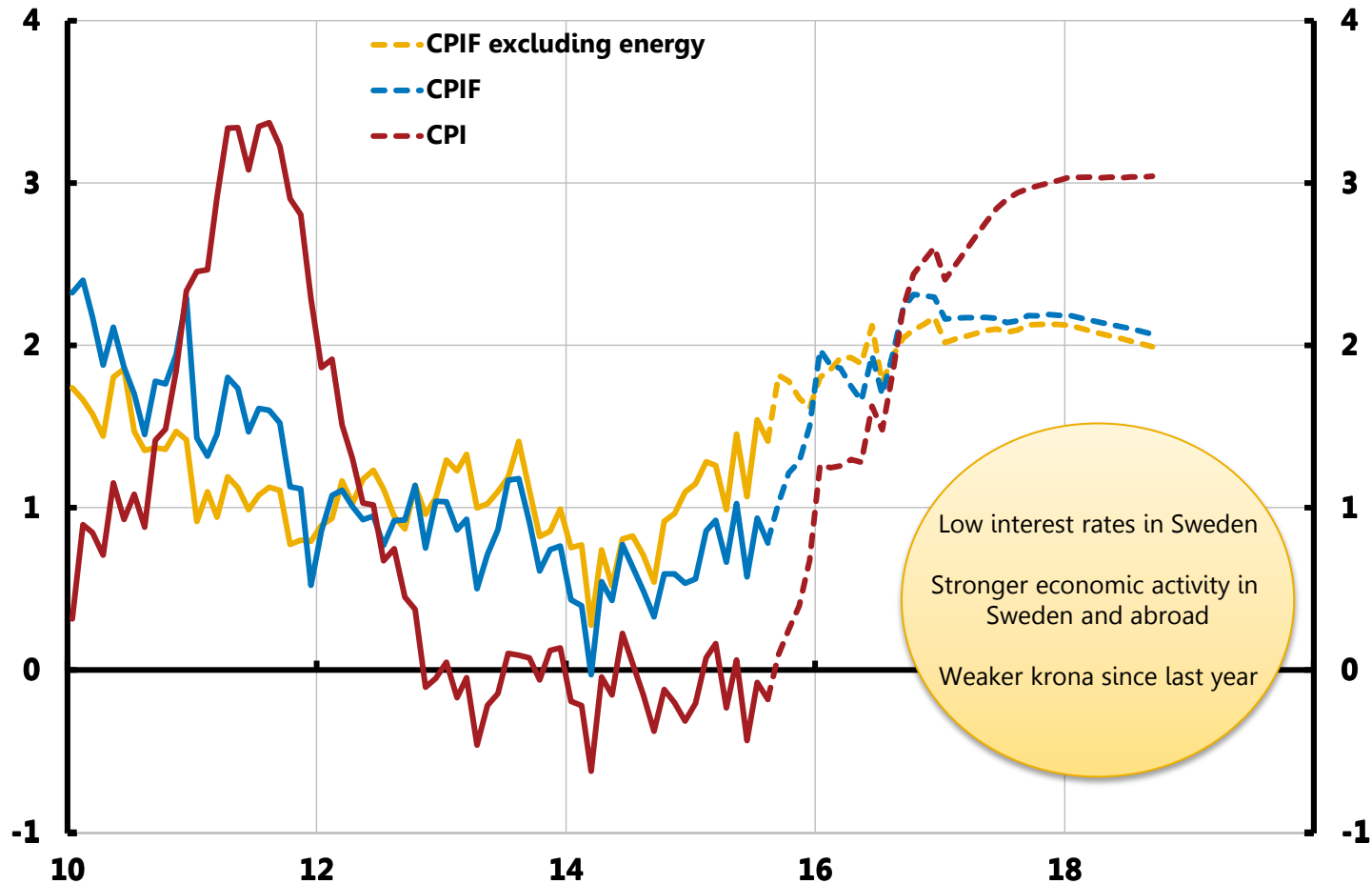
# Effects: Swedish effective exchange rate relatively weak

Index 1992-11-18=100



Source: Macrobond

# Effects: Inflation rising towards target



Annual percentage change. The CPIF is the CPI with a fixed mortgage rate.

Sources: Statistics Sweden and the Riksbank

# Risks – the housing market and household debt

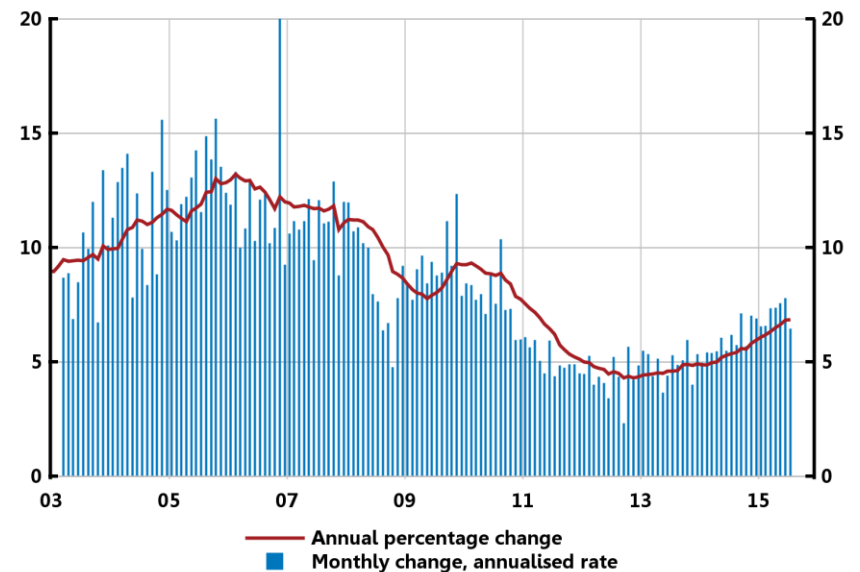
## Housing prices

Årlig procentuell förändring



## Loans to households

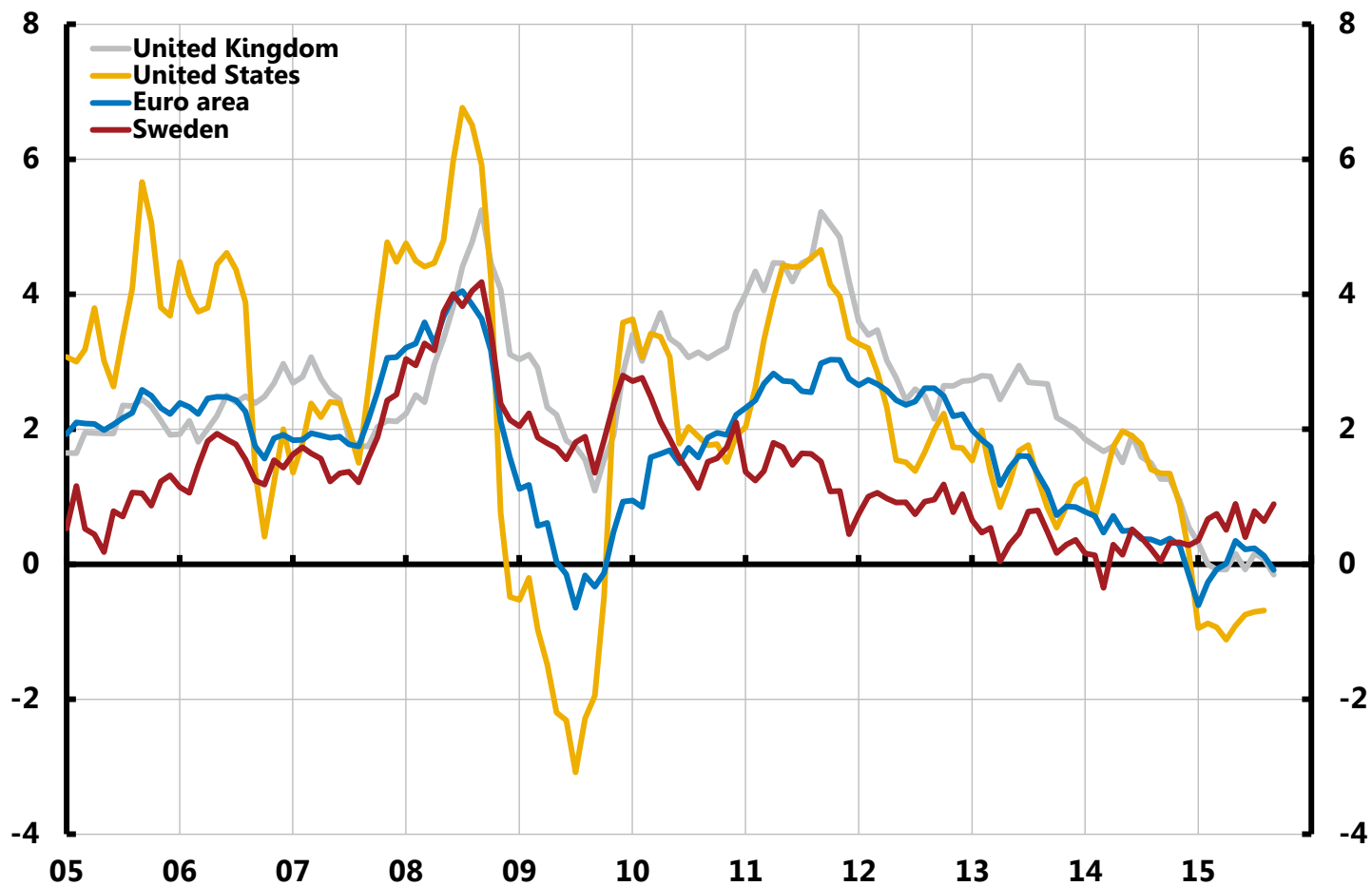
Per cent



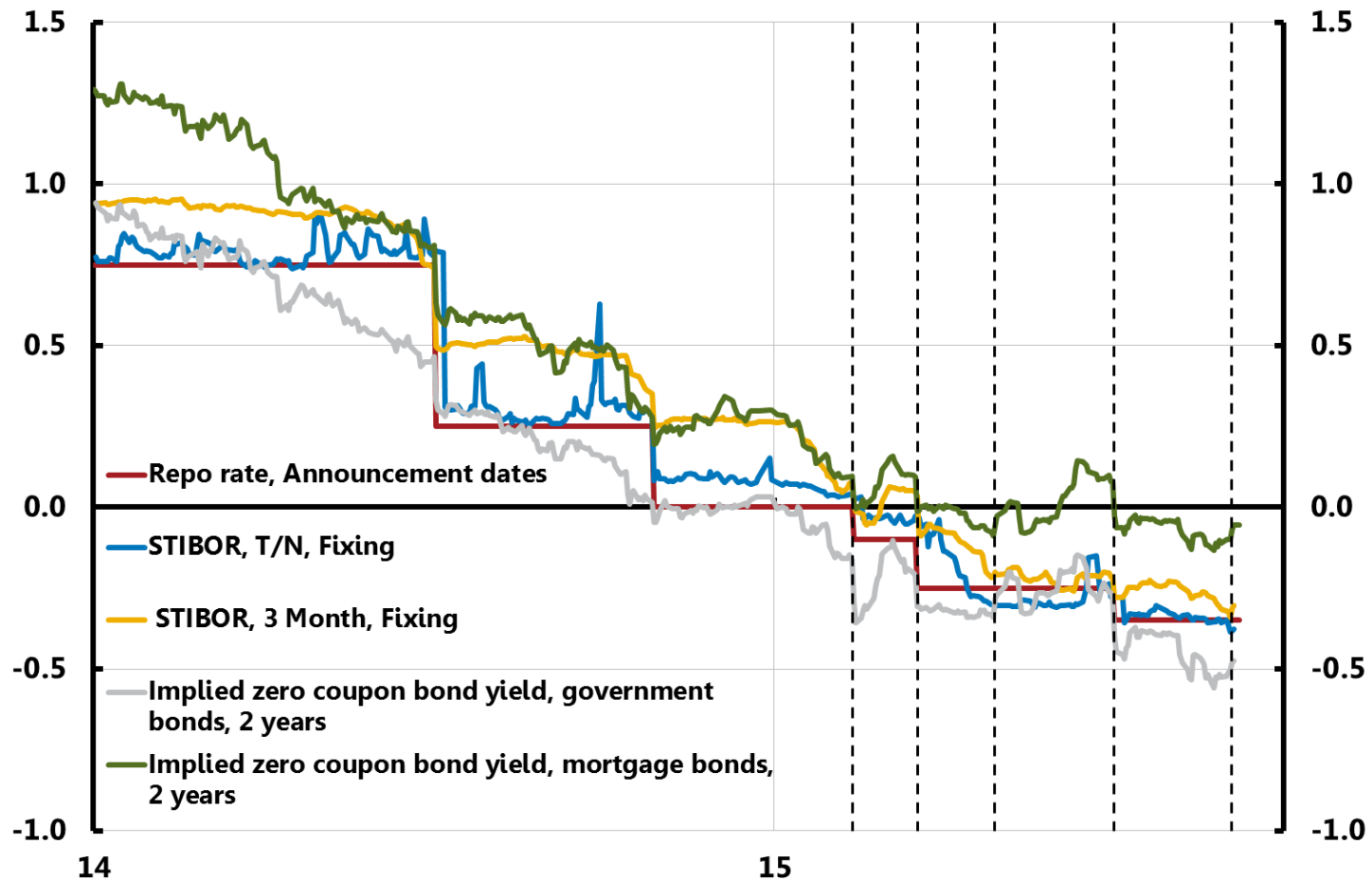


# HICP

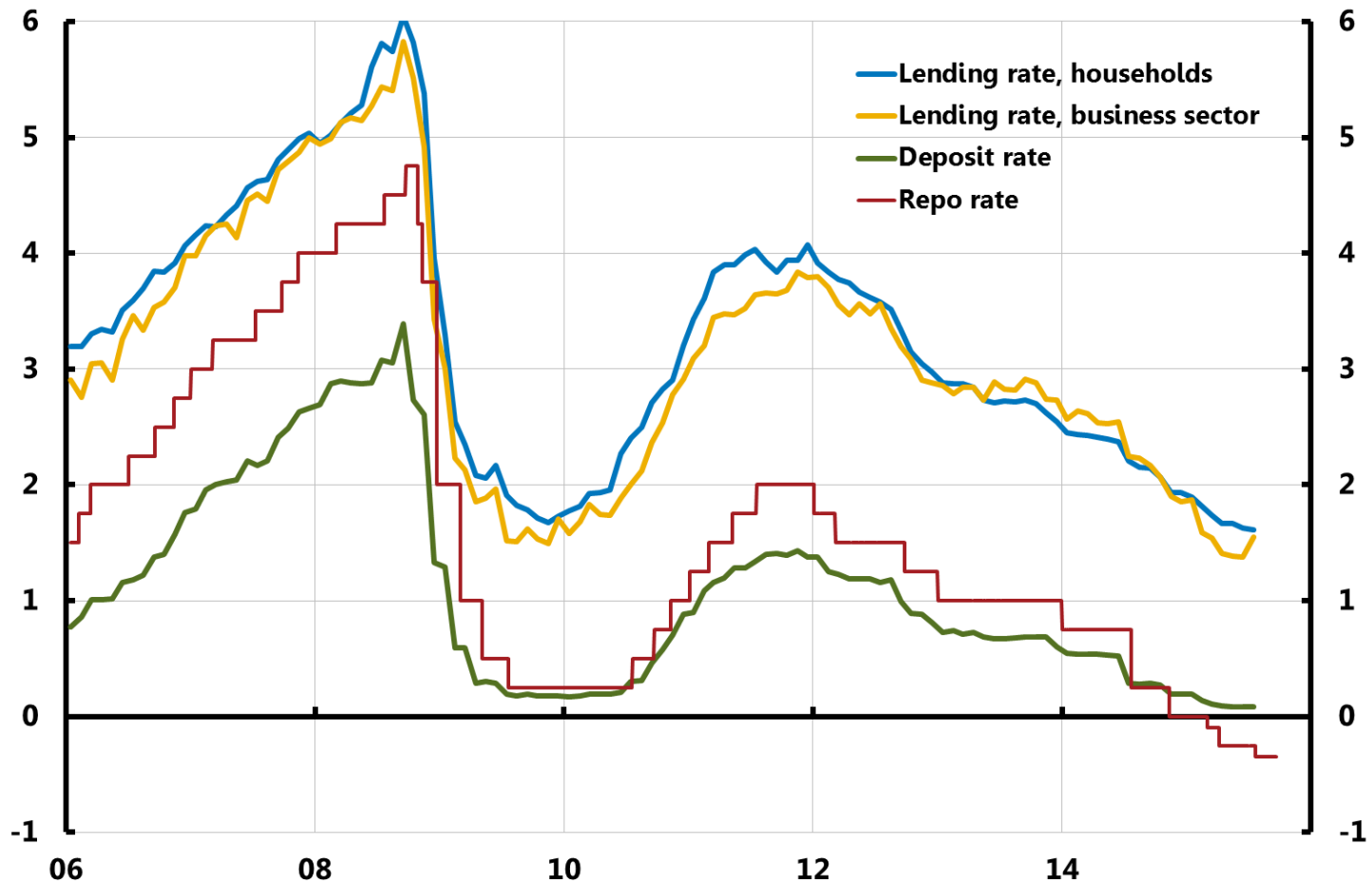
Annual percentage change



# Monetary policy and short maturity market rates



# Monetary policy, lending rates, and deposit rates





# Centralbanks total assets to GDP

Per cent

