

January inflation in Sweden

Review

January inflation

The outcome largely confirmed the flash estimate with CPI at 0.5%, CPIF at 2.0% and CPIF excluding energy (core) at 1.72% y/y (revised up from 1.66% y/y). The downside surprise in inflation is lower service inflation; especially dental services declined more than expected due to changes in subsidies. Electricity prices, which were low in December but high in January, rose by 21% in CPI terms and contributed to the higher headline inflation. Education has received a higher weight, while furniture and clothes have a lower weight.

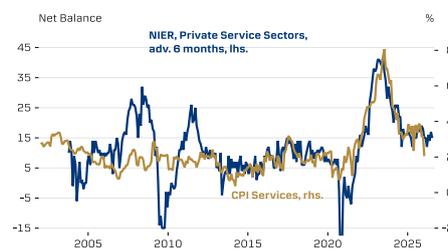
Looking ahead, we anticipate further downward pressure from the SEK. However, as we do not foresee additional strengthening of the SEK, the pass-through effect should diminish over the course of the year. Electricity prices remain elevated, and although the cold weather appears to be easing slightly, production remains under strain. We will revise our forecast and send out an update in the coming days.

Forecast error

	Actual	Forecast	Error
Food, Alcohol, Tobacco	0.28	0.27	0.01
Goods Excluding Food, Alcohol, Tobacco & Energy	-1.00	-2.01	1.01
Services Excluding the Capital Stock	-0.66	0.40	-1.06
Non-Durable Goods	2.22	2.85	-0.63
Semi-Durable Goods	-2.26	-4.10	1.84
Durable Goods	0.04	-0.80	0.84
CPIF Excluding Energy	-0.44	-0.25	-0.19
Energy	11.12	14.21	-3.09
CPIF	0.27	0.62	-0.35
CPI	0.13	0.57	-0.44

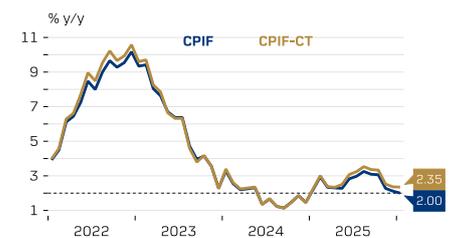
Source: Statistics Sweden, Danske Bank and Macrobond

Services inflation



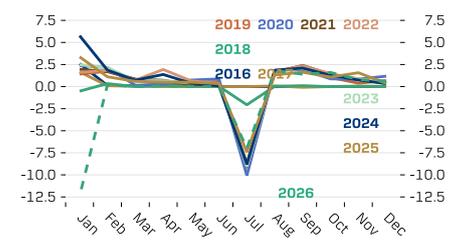
Source: Statistics Sweden, NIER, Danske Bank and Macrobond

CPIF vs CPIF with constant taxes



Source: Statistics Sweden, Danske Bank and Macrobond.

Health services m/m



Source: Statistics Sweden, Danske Bank and Macrobond.

The Riksbank

The markets have recalibrated their expectations of the Riksbank in recent weeks due to the slowdown in macro data at year-end and the downside surprise in inflation in January. From a macro perspective, we do not see a need to ease monetary policy. The slowdown was expected and factored into our forecast in December. The labour market is still improving, not least seen in the strong unemployment reading earlier this week at 8%. From a stimulus perspective, we do not see the need for another cut. The recovery is ongoing, inflation is on target, and we are waiting for additional fiscal stimulus.

Regarding the low-inflation environment before the pandemic, the Riksbank have been clear that they do not wish to return to unconventional monetary policy, emphasising that fiscal policy should take greater responsibility in situations where inflation is too low. One additional cut is not unconventional, but it would bring the interest rate to the lowest territory of the neutral span. The effect of fiscal policy on Swedish inflation is debated, but uncertainty surrounding the stimulus package and underlying price pressures remains high. The cost of waiting to see how these factors develop is low.

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Heatmap, monthly change

Sweden: Inflation Heatmap Breakdowns

	Weights	01-2026	12-2025	11-2025	10-2025	09-2025	08-2025	07-2025	06-2025	05-2025	04-2025	03-2025	02-2025
Total	100.0	0.1	0.0	-0.4	0.3	0.0	-0.4	0.2	0.5	0.1	0.1	-0.7	0.6
Food & Non-Alcoholic Beverages	13.9	0.3	0.3	-0.3	0.4	-0.8	-0.7	1.1	0.0	0.2	0.2	0.8	1.8
Food	12.5	0.0	0.4	-0.4	0.4	-0.8	-0.7	1.1	0.1	0.1	-0.2	0.7	1.6
Non-Alcoholic Beverages	1.4	3.3	-0.6	0.4	0.2	-0.4	-1.2	0.7	-0.5	0.3	3.7	1.5	3.2
Alcoholic Beverages & Tobacco	3.3	0.3	0.2	0.1	0.2	0.2	0.1	0.4	-0.1	0.3	0.1	0.5	0.6
Clothing & Footwear	4.2	-5.2	0.2	-0.7	0.2	1.6	5.4	-4.5	-1.8	1.2	1.3	0.2	3.1
Housing, Water, Electricity, Gas & Other Fuels	26.0	4.6	-0.5	0.7	0.2	-0.4	0.6	0.0	-0.9	-0.9	-0.9	-1.9	-0.6
Actual Rentals for Housing	7.2	1.7	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.2	1.0	0.2	0.5
Imputed Rentals for Housing	13.7	1.5	-0.4	-0.8	-0.7	-0.9	-0.8	-0.6	-0.1	-2.0	-0.8	-1.3	-2.1
Maintenance, Repair & Security of the Dwelling	0.7	-0.3	0.4	-2.8	6.7	-0.7	-0.9	-1.6	-0.5	0.8	1.1	1.2	-1.5
Water Supply & Miscellaneous Services Relating to the Dwelling	0.9	4.2	0.0	0.0	0.0	0.0	0.9	0.0	0.0	0.0	0.1	0.6	-0.1
Electricity & Fuels	3.6	18.6	-2.1	7.2	3.2	0.2	7.0	2.4	-5.9	0.2	-5.3	-8.5	2.2
Furnishings & Household Goods	5.2	0.5	-1.9	-0.2	0.5	-0.3	0.3	-1.6	0.3	0.5	-1.3	0.1	0.3
Health	3.1	-6.4	0.3	1.4	0.5	0.6	0.5	-3.2	0.3	0.1	0.3	0.5	0.4
Transport	12.9	-2.1	0.4	0.0	0.3	-0.8	-1.4	1.0	2.3	-1.2	0.5	-0.5	-0.1
Purchase of Vehicles	3.9	0.4	0.0	0.0	0.1	0.3	0.0	0.3	-0.1	0.1	-0.3	-0.2	0.0
Operation of Vehicles	6.6	-2.3	-0.2	0.8	-0.3	-1.3	-0.9	1.0	3.2	-1.5	-0.4	-0.9	-0.1
Transport Services	2.3	-5.9	3.2	-2.4	1.9	-1.3	-5.2	2.3	3.9	-2.3	5.0	-0.1	-0.2
Transport Goods	0.1	0.7	0.0	0.1	0.9	0.0	0.0	0.0	1.2	0.0	0.2	0.2	0.0
Communication	4.9	0.2	-0.6	-1.0	0.2	0.8	-0.8	-0.3	-0.4	-0.2	-0.4	-1.5	1.2
Recreation & Culture	10.2	-3.6	2.9	-3.8	0.0	1.1	-5.0	3.3	4.7	0.8	1.8	-2.8	1.8
Books & Stationery	0.8	-2.2	0.6	-0.5	0.9	0.5	0.5	-0.4	0.0	-1.0	9.5	-6.4	-0.2
Package Holidays	1.9	-15.5	17.0	-18.2	-1.7	3.1	-22.5	16.4	31.1	4.8	6.8	-12.9	8.3
Education	0.3	1.7	0.3	0.6	-0.4	-0.1	0.2	0.3	0.2	0.0	0.5	0.0	0.2
Restaurants & Hotels	8.4	-0.7	-1.2	-0.6	0.0	1.3	0.2	-0.1	-0.1	2.8	0.0	0.5	0.8
Catering Services	7.0	0.2	0.2	0.1	0.3	0.4	0.1	0.1	0.7	0.6	0.5	0.3	0.0
Accommodation Services	1.4	-6.0	-7.4	-3.3	-1.1	5.3	0.4	-1.0	-3.5	13.4	-2.0	1.6	5.1
Miscellaneous Goods & Services	5.6	0.2	0.0	0.1	0.7	-0.1	0.7	-0.5	0.5	-0.1	0.6	0.4	0.1
Insurance & Financial Services	1.9	-0.2	0.2	0.0	0.1	0.3	0.1	0.0	0.0	0.0	2.5	0.2	0.0

Conditional formatting based on the Z scores of the last 60 observations (round to 1 decimal)
Red indicates high inflation as compared to previous observations for each respective category

Source: Statistics Sweden, Danske Bank and Macrobond

Services inflation



Source: Statistics Sweden, NIER, Danske Bank and Macrobond

Non-Durable Goods



Source: Statistics Sweden, Danske Bank and Macrobond

Semi-Durable Goods



Source: Statistics Sweden, NIER, Danske Bank and Macrobond

Durable Goods



Source: Statistics Sweden, Danske Bank and Macrobond

Inflation expectations among firms



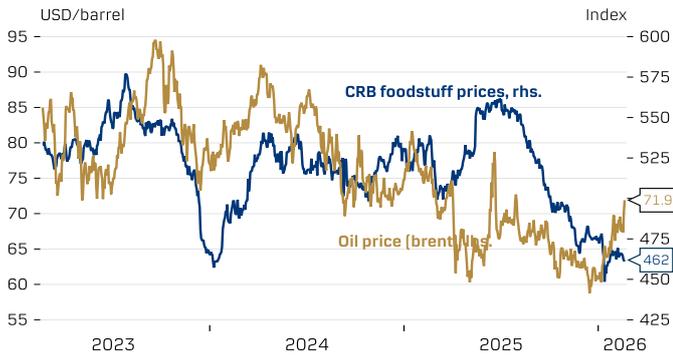
Source: Statistics Sweden, NIER, Danske Bank and Macrobond

Price expectations in the retail sector



Source: Statistics Sweden, NIER, Danske Bank and Macrobond

Commodity price levels – oil and food



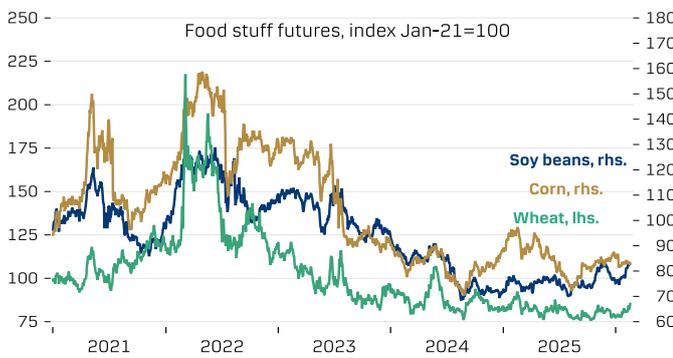
Source: Macrobond Financial, Bloomberg

Commodity price levels – metals and iron ore



Source: Macrobond Financial, Bloomberg

Grain prices



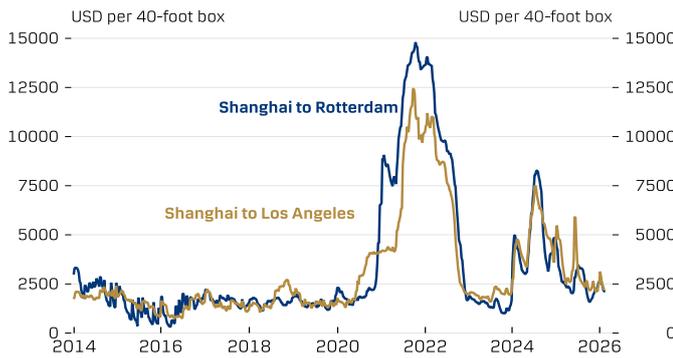
Source: Macrobond Financial, Bloomberg

Fertilizer input prices



Source: Macrobond Financial, Bloomberg

Freight rates



Source: Macrobond Financial, Bloomberg, WCI

Bottle necks – PMI supplier delivery indices



Source: S&P Global, Macrobond Financial

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