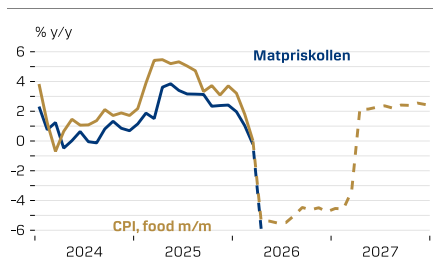


# Sweden: Inflation forecast

## Downside surprise in March and updated Riksbank call

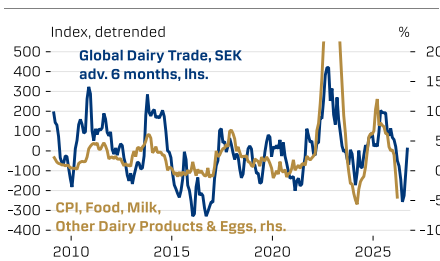
Final figures for March inflation confirmed the downside surprise in core inflation and energy. The larger decline in energy was attributed to a steeper fall in electricity prices than anticipated, while fuel prices surged as expected. Within services, holiday-related prices fell, accounting for most of the surprise in this category. Food prices fell broadly and more than they usually do given the season. The decline was most prominent in dairy products, reflecting lower world prices and a stronger currency last year (see chart below). Even with the low March figure, we still expect full effect on food prices from the lowered VAT in April, and data from *Matpriskollen* confirm this view (see chart below). It is important to note that *Matpriskollen* measures prices differently from Statistics Sweden, as it does not account for offers or sales campaigns, which Statistics Sweden does. However, since the reduced VAT impacts regular prices, *Matpriskollen's* predictions are likely to be more accurate than usual.

### We expect full pass-through to consumer prices from the lower food VAT



Source: Matpriskollen, Statistics Sweden, Danske Bank and Macrobond

### Declining consumer prices for dairy products driven by last year's global market trends and a stronger SEK



Source: Global Dairy Trade, Statistics Sweden, Danske Bank and Macrobond

### Implications for the Riksbank

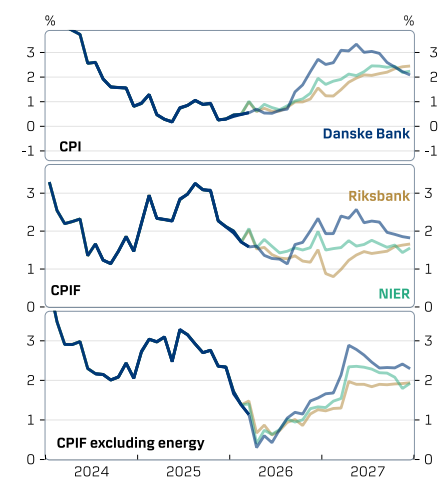
The temporary reduction in VAT is expected to lower year-over-year inflation by approximately 0.8 percentage points over the next 12 months. Combined with other tax effects, inflation will be significantly lower than it otherwise would have been (inflation is already 0.3 percentage points lower due to these tax effects, see chart to the right). A potential drawback is that this may obscure rising underlying price pressures, as headline figures are artificially reduced by tax cuts. Conversely, low inflation readings are likely to help the Riksbank keep inflation expectations anchored. The latest Origo survey of inflation expectations among Money Market Players revealed that expectations for the 2-year and 5-year horizons remained almost unchanged, while 1-year inflation expectations rose to 1.74% (see chart on the next page). On 29 April, the NIER survey will be released and provide important insights into firms' inflations expectations, which have historically been a good indicator of inflation over time (see chart on page 4).

For the Riksbank, the soft March figure provides some relief in the near term and combined with the weaker activity observed at the beginning of the year, we have decided to revise our policy rate forecast. We now expect two hikes in June and August, leading to a policy rate of 2.25%. Read more about this in [Reading the Markets Sweden](#).

### Table of contents

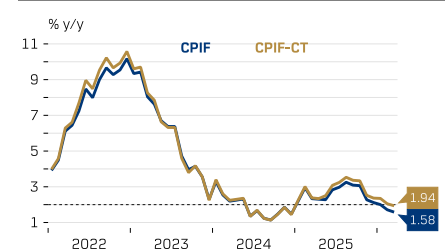
- [Forecast](#)
- [Implications for the Riksbank](#)
- [Charts](#)
- [Forecast table](#)

### Danske Bank, NIER and the Riksbank



Source: Danske Bank, NIER, the Riksbank and Macrobond.

### CPIF with constant taxes



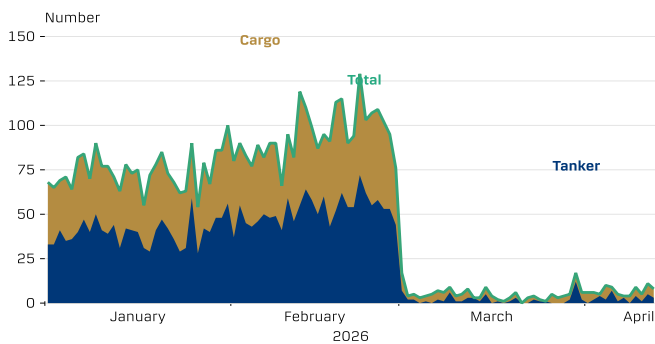
Source: Statistics Sweden, Danske Bank and Macrobond.

### Macro Analyst

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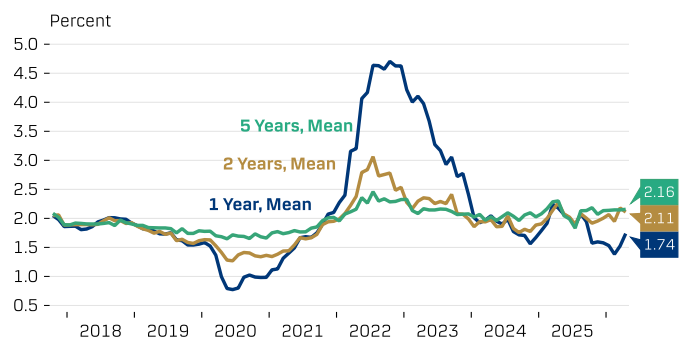
Charts:

Hormuz Strait, transit calls



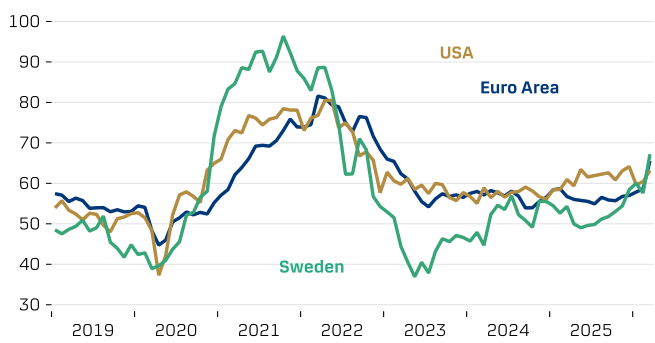
Source: Imf, Statistics Sweden and Danske Bank

Inflation expectations among Money Market Players



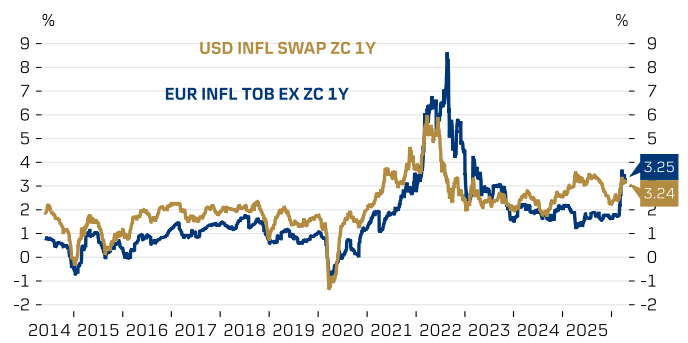
Source: Origo, Danske Bank and Macrobond

PMI input prices



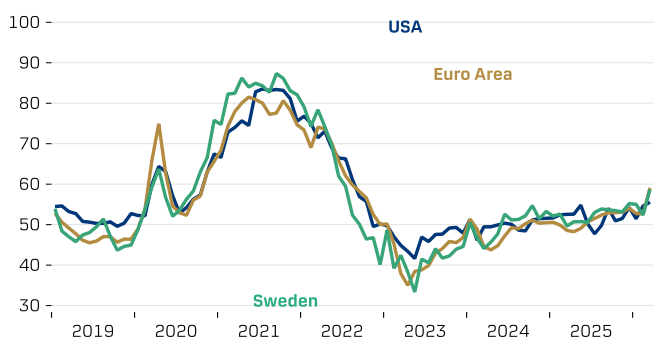
Source: Sif/Swedbank, Danske Bank and Macrobond

Market pricing of 1-year inflation in the US and Euro Area



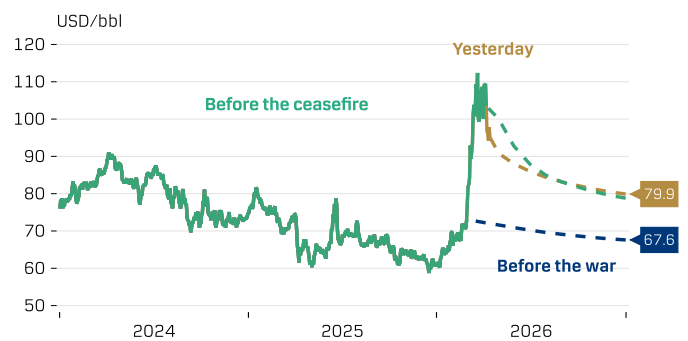
Source: Bloomberg, Danske Bank and Macrobond

PMI delivery times



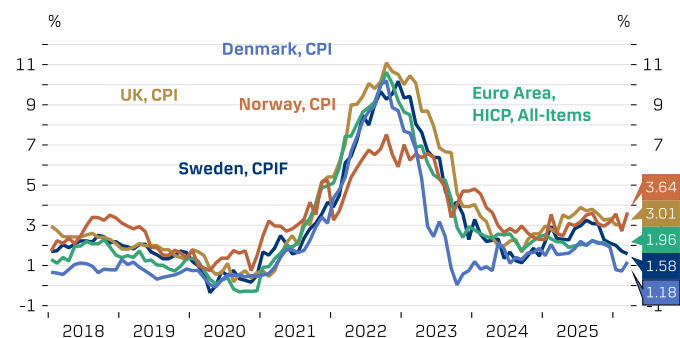
Source: Sif/Swedbank, Danske Bank and Macrobond

Brent Oil - Futures curve



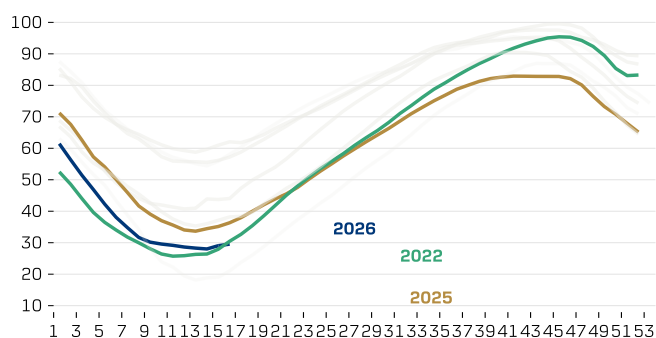
Source: Bloomberg, Danske Bank and Macrobond

### Inflation in Denmark, Sweden, Norway, the Euro Area and the UK



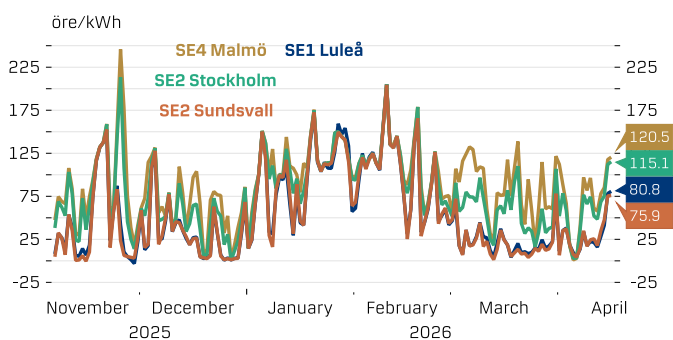
Source: U.K. Office for National Statistics (ONS), Statistics Norway, Statistics Denmark, Eurostat, Statistics Sweden, Macrobond and Danske Bank

### Europe, Natural Gas, Total, Fill Level



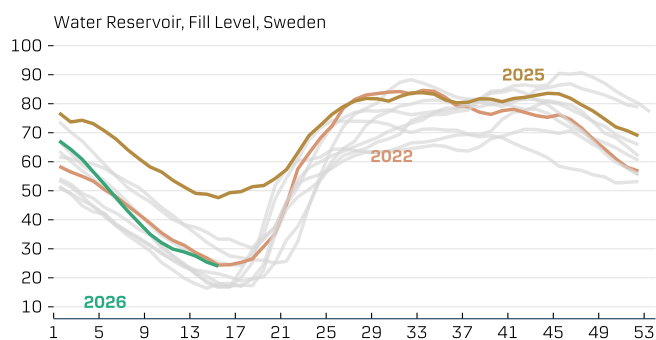
Source: Gas Infrastructure Europe (GIE), Danske Bank and Macrobond

### Electricity prices



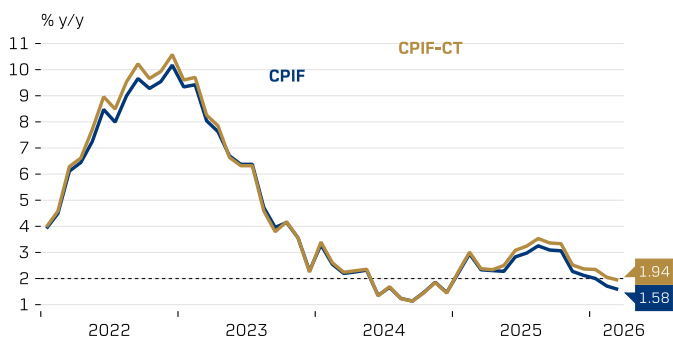
Source: Nord Pool, Danske Bank and Macrobond

### Water Reservoir, Fill Level



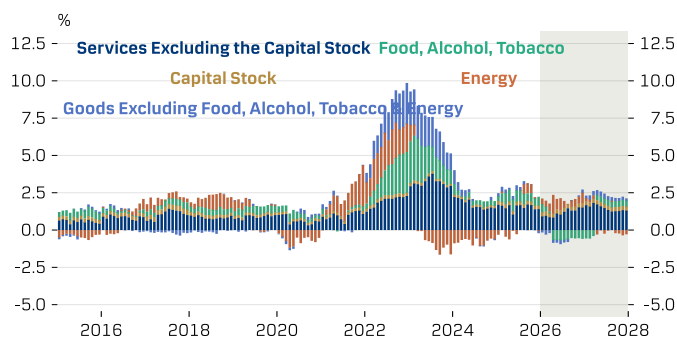
Source: Nord Pool, Danske Bank and Macrobond

### CPIF with constant taxes



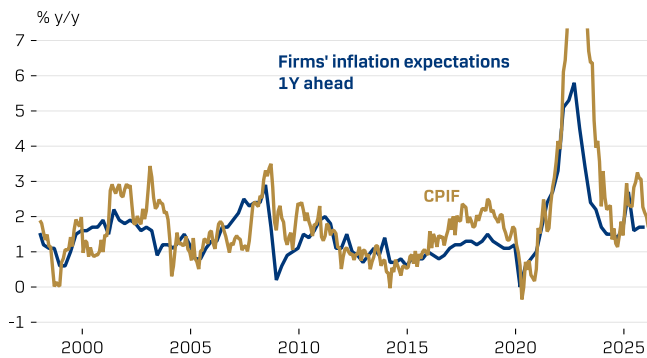
Source: Statistics Sweden, Danske Bank and Macrobond

### Contribution incl. forecast, y/y



Source: Statistics Sweden, Danske Bank and Macrobond

**Firms' inflation expectations and CPIF**



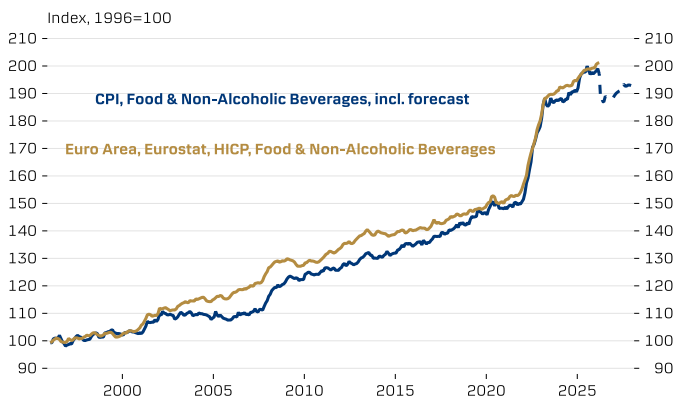
Source: Statistics Sweden, NIER, Danske Bank and Macrobond

**Selling price expectations and CPIF**



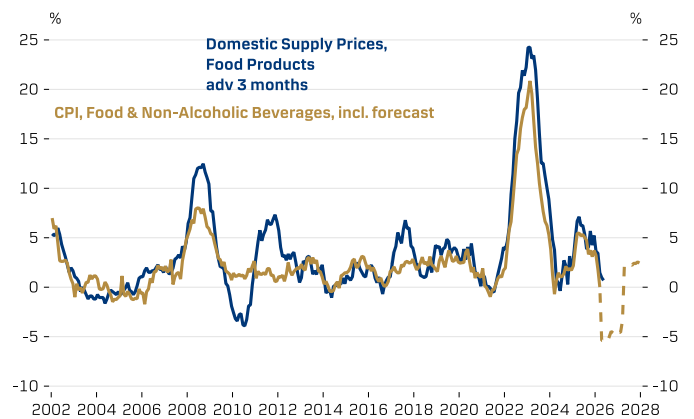
Source: Statistics Sweden, NIER, Danske Bank and Macrobond

**Food prices, Sweden vs Euro Area, Index, 1996=100**



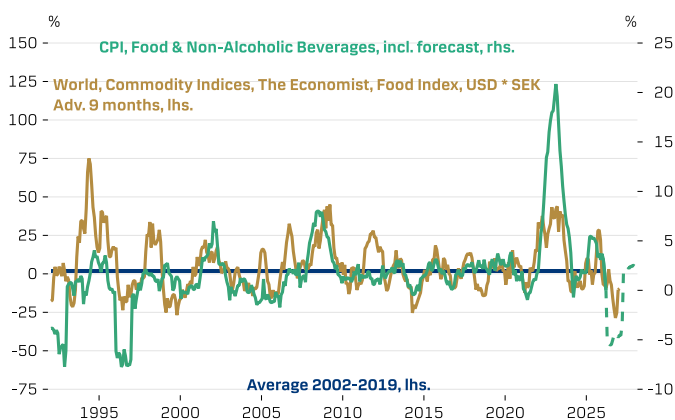
Source: Statistics Sweden, Eurostat, Danske Bank and Macrobond

**Food prices incl. forecast and Domestic PPI Food Products**



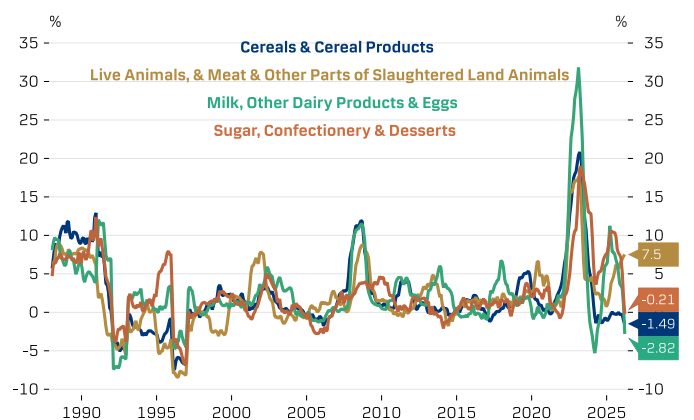
Source: Statistics Sweden, Danske Bank and Macrobond

**Food products and The Economist food index (in SEK)**



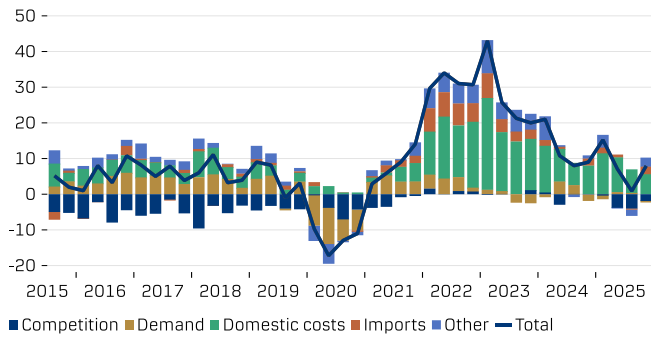
Source: Statistics Sweden, the Economist, Danske Bank and Macrobond

**Key food products representing half of the food consumer basket**



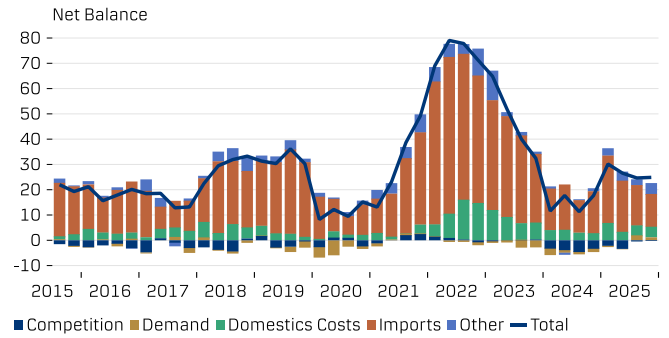
Source: Statistics Sweden, Danske Bank and Macrobond

**Driving forces behind price changes among companies in the service sectors**



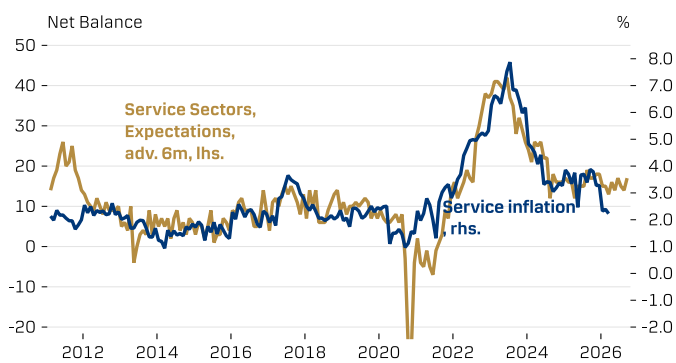
Source: NIER, Danske Bank and Macrobond

**Reasons for Latest Price Changes Among Companies in the Trade Sector**



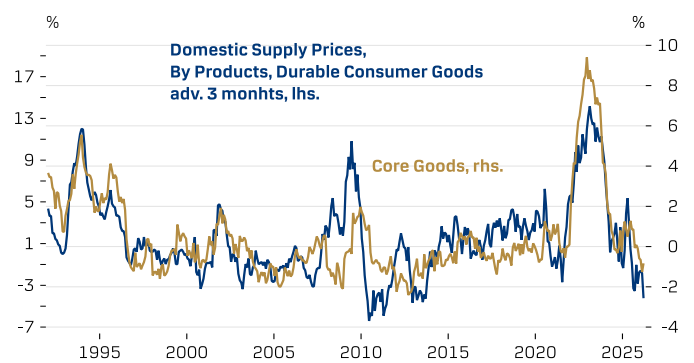
Source: NIER, Danske Bank and Macrobond

**Service inflation vs Service Sectors Price Expectations**



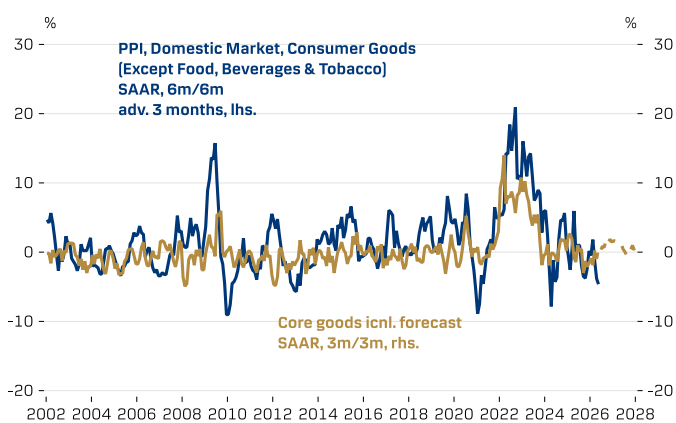
Source: Statistics Sweden, NIER, Danske Bank and Macrobond

**Goods Excluding Food, Alcohol, Tobacco & Energy vs PPI**



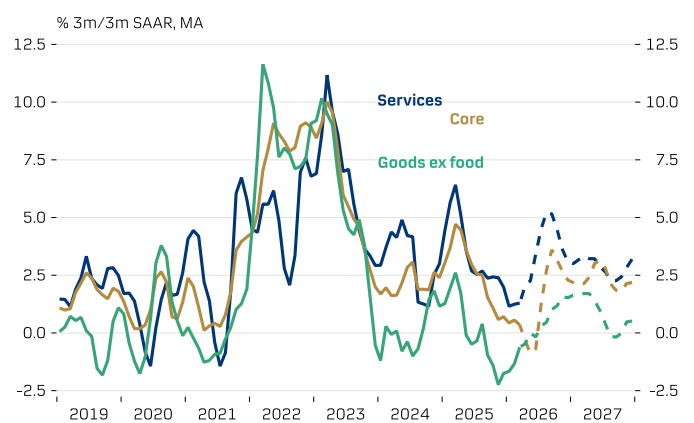
Source: Statistics Sweden, Danske Bank and Macrobond

**Momentum in core goods, PPI vs CPI incl. forecast**



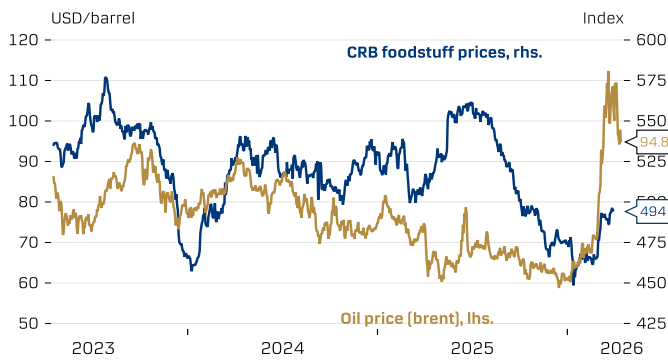
Source: Statistics Sweden, NIER, Danske Bank and Macrobond

**Goods Excluding Food, Alcohol, Tobacco & Energy vs PPI**



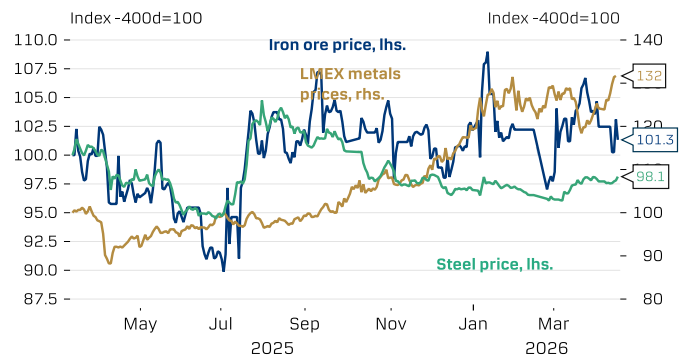
Source: Statistics Sweden, Danske Bank and Macrobond

**Commodity price levels – oil and food**



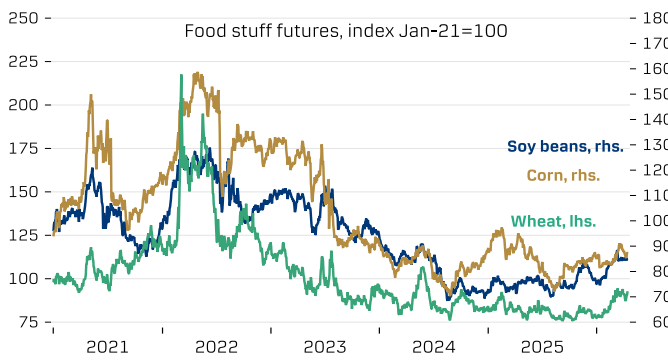
Source: Macrobond Financial, Bloomberg

**Commodity price levels – metals and iron ore**



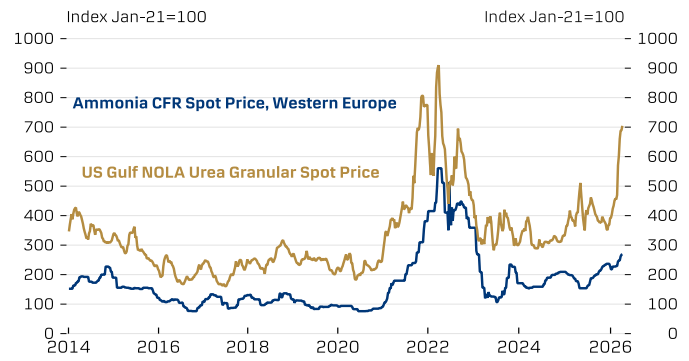
Source: Macrobond Financial, Bloomberg

**Grain prices**



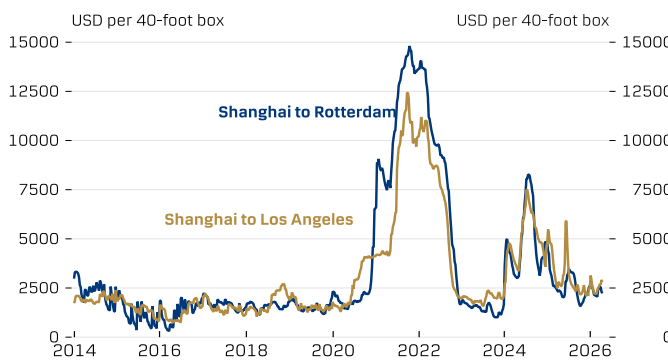
Source: Macrobond Financial, Bloomberg

**Fertilizer input prices**



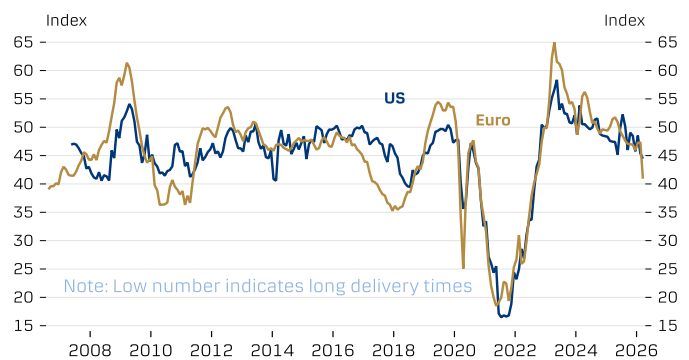
Source: Macrobond Financial, Bloomberg

**Freight rates**



Source: Macrobond Financial, Bloomberg, WCI

**Bottle necks – PMI supplier delivery indices**



Source: S&P Global, Macrobond Financial

Heatmap of monthly change

Sweden: Inflation Heatmap Breakdowns

	Weights	03-2026	02-2026	01-2026	12-2025	11-2025	10-2025	09-2025	08-2025	07-2025	06-2025	05-2025	04-2025
<b>Total</b>	<b>100.0</b>	-0.6	0.6	0.1	0.0	-0.4	0.3	0.0	-0.4	0.2	0.5	0.1	0.1
<b>Food &amp; Non-Alcoholic Beverages</b>	<b>13.9</b>	-1.0	0.4	0.3	0.3	-0.3	0.4	-0.8	-0.7	1.1	0.0	0.2	0.2
Food	12.5	-1.0	0.4	0.0	0.4	-0.4	0.4	-0.8	-0.7	1.1	0.1	0.1	-0.2
Non-Alcoholic Beverages	1.4	-1.0	0.9	3.3	-0.6	0.4	0.2	-0.4	-1.2	0.7	-0.5	0.3	3.7
<b>Alcoholic Beverages &amp; Tobacco</b>	<b>3.3</b>	0.4	0.3	0.3	0.2	0.1	0.2	0.2	0.1	0.4	-0.1	0.3	0.1
Alcoholic Beverages	2.0	0.3	0.0	0.1	-0.1	-0.1	0.0	0.1	0.0	0.3	-0.2	0.1	-0.1
Tobacco	1.3	0.6	0.6	0.3	0.6	0.3	0.6	0.3	0.4	0.6	0.2	0.7	0.3
<b>Clothing &amp; Footwear</b>	<b>4.2</b>	2.2	2.3	-5.2	0.2	-0.7	0.2	1.6	5.4	-4.5	-1.8	1.2	1.3
Clothing	3.7	2.2	2.7	-5.8	0.4	-0.7	0.1	2.0	5.7	-4.8	-2.2	1.5	1.1
Footwear	0.6	1.9	-0.6	-2.2	-1.0	-1.0	0.8	-0.5	3.7	-3.1	0.5	0.1	2.4
<b>Housing, Water, Electricity, Gas &amp; Other Fuels</b>	<b>26.0</b>	-3.1	0.4	4.6	-0.5	0.7	0.2	-0.4	0.6	0.0	-0.9	-0.9	-0.9
Actual Rentals for Housing	7.2	0.4	0.6	1.7	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.2	1.0
Imputed Rentals for Housing	13.7	0.2	0.1	1.5	-0.4	-0.8	-0.7	-0.9	-0.8	-0.6	-0.1	-2.0	-0.8
Maintenance, Repair & Security of the Dwelling	0.7	0.4	0.0	-0.3	0.4	-2.8	6.7	-0.7	-0.9	-1.6	-0.5	0.8	1.1
Water Supply & Miscellaneous Services Relating to the Dwelling	0.9	0.0	1.0	4.2	0.0	0.0	0.0	0.9	0.0	0.0	0.0	0.0	0.1
Electricity & Fuels	3.6	-17.5	0.7	18.6	-2.1	7.2	3.2	0.2	7.0	2.4	-5.9	0.2	-5.3
<b>Furnishings &amp; Household Goods</b>	<b>5.2</b>	-0.2	-0.2	0.5	-1.9	-0.2	0.5	-0.3	0.3	-1.6	0.3	0.5	-1.3
Furniture	1.7	-1.7	0.0	-0.2	-2.5	0.0	0.5	-0.2	0.9	-3.2	0.2	0.7	-0.7
Household Textiles	0.4	5.7	-2.9	4.1	-8.5	3.3	-1.6	2.8	0.9	1.9	-3.9	3.4	-5.1
Household Appliances	0.7	0.2	0.4	-0.4	-1.4	-1.3	1.7	-2.5	0.5	-2.3	1.7	1.6	-3.1
Household Utensils	0.6	-0.4	-0.7	3.0	-2.7	1.1	-0.4	-0.4	0.1	-0.4	1.3	-1.7	-1.4
Tools & Garden Equipment	0.5	-0.6	-0.4	0.4	-1.1	-2.5	1.5	-0.3	0.3	-1.1	-0.1	-1.3	-0.1
Household Maintenance	1.3	0.0	0.1	-0.5	0.3	0.0	0.1	0.3	-0.9	0.2	0.3	0.3	-0.3
<b>Health</b>	<b>3.1</b>	0.0	1.3	-6.4	0.3	1.4	0.5	0.6	0.5	-3.2	0.3	0.1	0.3
Medicaments, Spectacles, etc.	1.6	-0.3	1.5	-0.5	0.3	1.2	-0.1	-0.4	-0.2	1.1	0.2	-0.2	0.0
Outpatient Services	1.5	0.4	1.0	-12.4	0.4	1.6	1.1	1.6	1.3	-7.4	0.3	0.5	0.5
<b>Transport</b>	<b>12.9</b>	4.0	0.3	-2.1	0.4	0.0	0.3	-0.8	-1.4	1.0	2.3	-1.2	0.5
Purchase of Vehicles	3.9	0.7	-0.1	0.4	0.0	0.0	0.1	0.3	0.0	0.3	-0.1	0.1	-0.3
Operation of Vehicles	6.6	7.4	0.7	-2.3	-0.2	0.8	-0.3	-1.3	-0.9	1.0	3.2	-1.5	-0.4
Transport Services	2.3	0.2	0.2	-5.9	3.2	-2.4	1.9	-1.3	-5.2	2.3	3.9	-2.3	5.0
Transport Goods	0.1	1.5	0.0	0.7	0.0	0.1	0.9	0.0	0.0	0.0	1.2	0.0	0.2
<b>Communication</b>	<b>4.9</b>	-0.3	1.0	0.2	-0.6	-1.0	0.2	0.8	-0.8	-0.3	-0.4	-0.2	-0.4
<b>Recreation &amp; Culture</b>	<b>10.2</b>	-2.9	0.6	-3.6	2.9	-3.8	0.0	1.1	-5.0	3.3	4.7	0.8	1.8
Recreational Durables	0.7	-0.3	0.2	-0.1	-0.2	1.0	-1.2	0.1	0.0	-0.6	0.0	0.4	-0.5
Other Recreational Goods	1.5	-3.8	-4.2	0.1	0.0	-2.4	1.8	1.5	0.1	-0.4	-1.7	0.7	-0.6
Gardens & Pets, Index	1.2	0.9	1.4	-3.2	0.8	0.2	-0.6	0.6	-0.3	-0.1	-0.6	0.4	1.0
Recreational Services	3.4	-0.7	1.3	-0.5	0.0	-0.5	0.3	0.7	-0.1	0.4	0.3	0.1	-0.2
Cultural Goods	0.1	13.4	-4.3	2.2	-0.3	2.0	-1.2	-0.8	-1.6	-1.9	-2.3	1.3	4.8
Cultural Services	0.6	-1.5	-0.4	1.7	1.9	-0.3	0.5	-1.2	-1.4	2.5	1.7	-1.2	1.3
Books & Stationery	0.8	-5.6	-2.5	-2.2	0.6	-0.5	0.9	0.5	0.5	-0.4	0.0	-1.0	9.5
Package Holidays	1.9	-10.3	5.4	-15.5	17.0	-18.2	-1.7	3.1	-22.5	16.4	31.1	4.8	6.8
<b>Education</b>	<b>0.3</b>	-0.3	0.2	1.7	0.3	0.6	-0.4	-0.1	0.2	0.3	0.2	0.0	0.5
<b>Restaurants &amp; Hotels</b>	<b>8.4</b>	0.0	1.6	-0.7	-1.2	-0.6	0.0	1.3	0.2	-0.1	-0.1	2.8	0.0
Catering Services	7.0	0.2	0.4	0.2	0.2	0.1	0.3	0.4	0.1	0.1	0.7	0.6	0.5
Accommodation Services	1.4	-0.9	8.0	-6.0	-7.4	-3.3	-1.1	5.3	0.4	-1.0	-3.5	13.4	-2.0
<b>Miscellaneous Goods &amp; Services</b>	<b>5.6</b>	0.3	0.6	0.2	0.0	0.1	0.7	-0.1	0.7	-0.5	0.5	-0.1	0.6
<b>Insurance &amp; Financial Services</b>	<b>1.9</b>	0.1	0.2	-0.2	0.2	0.0	0.1	0.3	0.1	0.0	0.0	0.0	2.5

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

## Forecast table

date	CPI	Monthly	Yearly	CPIF	Monthly	Yearly	CPIF-XE	Monthly	Yearly	CPI1980
2026-01-31	124.58	0.13	0.46	123.29	0.27	2.00	121.94	-0.44	1.72	418.49
2026-02-28	125.37	0.63	0.49	124.08	0.64	1.71	122.66	0.59	1.38	421.14
2026-03-31	124.58	-0.63	0.55	123.31	-0.62	1.58	122.34	-0.26	1.13	421.13
2026-04-30	124.90	0.26	0.70	123.61	0.25	1.61	121.97	-0.31	0.30	419.58
2026-05-31	124.79	-0.09	0.54	123.49	-0.10	1.36	122.55	0.48	0.60	419.19
2026-06-30	125.37	0.46	0.53	124.04	0.44	1.28	123.22	0.55	0.43	421.14
2026-07-31	125.76	0.31	0.65	124.37	0.27	1.26	123.85	0.51	0.75	422.45
2026-08-31	125.34	-0.33	0.70	123.91	-0.37	1.14	123.59	-0.21	1.05	421.04
2026-09-30	126.25	0.73	1.40	124.71	0.64	1.65	123.94	0.28	1.19	424.10
2026-10-31	126.93	0.54	1.68	125.24	0.42	1.70	124.23	0.23	1.15	426.39
2026-11-30	127.14	0.17	2.22	125.30	0.05	2.01	123.89	-0.28	1.48	427.09
2026-12-31	127.81	0.52	2.72	125.83	0.42	2.34	124.39	0.40	1.56	429.33
2027-01-31	127.71	-0.08	2.51	125.67	-0.13	1.93	123.97	-0.34	1.66	429.01
2027-02-28	128.61	0.70	2.59	126.48	0.64	1.93	124.72	0.61	1.68	432.03
2027-03-31	128.43	-0.14	3.09	126.27	-0.17	2.40	124.95	0.18	2.13	431.42
2027-04-30	128.73	0.24	3.06	126.50	0.19	2.34	125.49	0.43	2.89	432.43
2027-05-31	128.95	0.17	3.34	126.66	0.12	2.57	125.96	0.38	2.78	433.18
2027-06-30	129.14	0.14	3.01	126.79	0.10	2.22	126.48	0.41	2.64	433.80
2027-07-31	129.59	0.35	3.04	127.19	0.31	2.26	126.89	0.33	2.46	435.31
2027-08-31	129.05	-0.41	2.96	126.68	-0.39	2.24	126.45	-0.35	2.31	433.52
2027-09-30	129.53	0.37	2.59	127.16	0.38	1.97	126.82	0.29	2.32	435.10
2027-10-31	129.99	0.36	2.41	127.63	0.37	1.91	127.11	0.23	2.32	436.66
2027-11-30	129.97	-0.02	2.22	127.63	-0.01	1.85	126.87	-0.18	2.41	436.59
2027-12-31	130.48	0.39	2.09	128.12	0.39	1.82	127.24	0.29	2.30	438.29

Source: Danske Bank

Note: Past performance is not a reliable indicator of current or future results.

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