

MNI Riksbank Preview: June 2025

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MNI Point of View – How Low Will The Rate Path Go?

16 June 2025, by Emil Lundh

The Riksbank is expected to cut rates by 25bps to 2.00% on

Wednesday, following through on the slight dovish tilt incorporated into the May policy statement. The May guidance noted that *“it is somewhat more probable that inflation will be lower than that it will be higher than in the March forecast. This could suggest a slight easing of monetary policy going forward”*. Data since then has veered in a dovish direction, with soft activity signals coming alongside an easing of inflationary pressures. As such, **a cut towards the lower end of the Riksbank’s 1.50-3.00% neutral range appears prudent to offer further support to Sweden’s rate-sensitive economy.**

The June decision includes an updated Monetary Policy Report and rate path projection. **Developments since March support a downward revision to the rate path from its current flat 2.25% level, but we don’t expect the path to move much below 2.00%.** It’s still too early for the Executive Board to signal a material chance of a cut to 1.75% in the baseline projection – the June MPR alternative scenarios are best placed to incorporate a dovish pivot of that nature. We expect the path to gradually return to the 2.25% level by the end of the projection horizon. In the policy statement, we expect guidance to note that rates are *“well positioned”* to navigate the uncertain outlook, and don’t expect an explicit bias towards further easing.

There is a risk that the Riksbank remains on hold at 2.25%, citing lingering concerns around the persistence of the Q1 inflation rise and continued uncertainty around the trade outlook. In this scenario, we would expect firmer guidance for another cut in Q3 (i.e. August or September) in the policy statement, to remain consistent with the likely downward revision to the rate path.

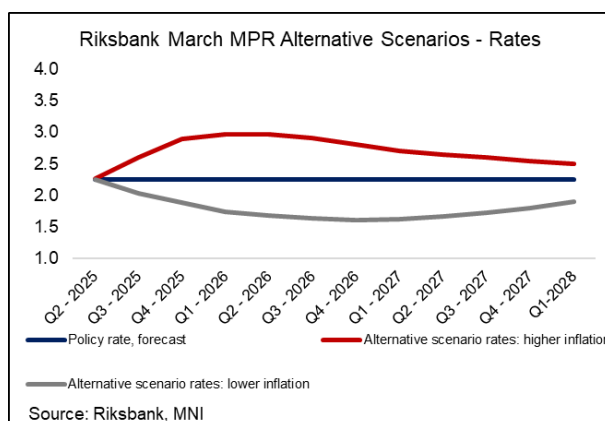
The May meeting minutes did not suggest any Executive Board member was leaning towards a June cut at the time, but we still thought they leant dovish on net. Governor Thedeen also played down the weak Q1 GDP report on June 2, but this was before more recent dovish inflation and survey data. Overall, the Executive Board has not provided much steer ahead of the June decision.

Of the 13 analyst previews we have seen, the majority (11) expect a 25bp cut in June to 2.00%. Danske Bank and UBS expect rates to be held at 2.25%, but for the policy statement/rate path to signal a high chance of cut in Q3. Of those who expressed a view on the June rate path, expectations are for a trough in Q3/Q4 around 1.90-2.00%. Terminal rate expectations range between 1.75-2.00% heading into the decision.

At the start of June, markets were split 50/50 on whether the Riksbank would hold rates at 2.25% or deliver a 25bp cut at the upcoming decision. However, recent dovish data outturns have left an ~80% implied probability of a cut at the time of writing. Latest estimates from SEB indicate terminal rate pricing is just over 1.80% in Q1 2026 (i.e. an 80% implied probability of another 25bp cut to 1.75%). There may be slight hawkish risks to current terminal rate pricing, especially if the rate path troughs at 2.00% and the policy statement is ambiguous on the chances of further easing.

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Macro Since May: Dovish On Net

Inflation

Spot inflation readings have been lower-than-expected in each of the three months since the March MPR was published. Taken alongside a slightly stronger trade-weighted exchange rate and weaker energy prices, this should contribute to a downward revision to the Riksbank's inflation projections and weigh on the June MPR rate path (the latest energy spike on Israeli/Iran tensions has likely come too late to impact the June projections).

May flash CPIF ex-energy was softer-than-expected at 2.47% Y/Y (vs 2.6% cons, 2.68% March MPR). MNI's estimate of seasonally adjusted underlying inflation pointed to benign price pressures in May, rising 0.02% M/M (vs 0.35% in April). That pulled 3m/3m momentum down to 3.04% (vs 3.90% prior). Although details of the report suggested one-off factors (e.g. airfares and a change to a home renovation subsidy rate) pulled down inflation in May, the Riksbank's view that the Q1 uptick in inflationary pressures was temporary is being affirmed.

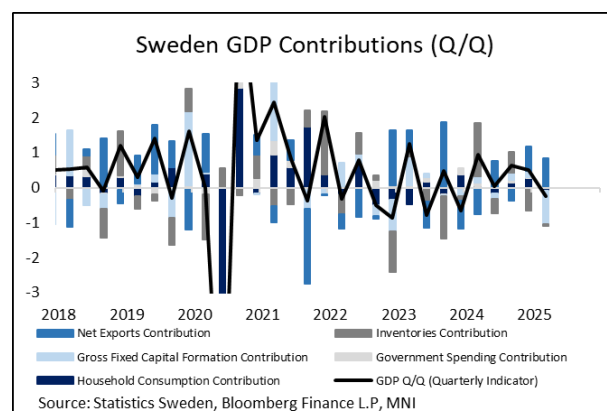
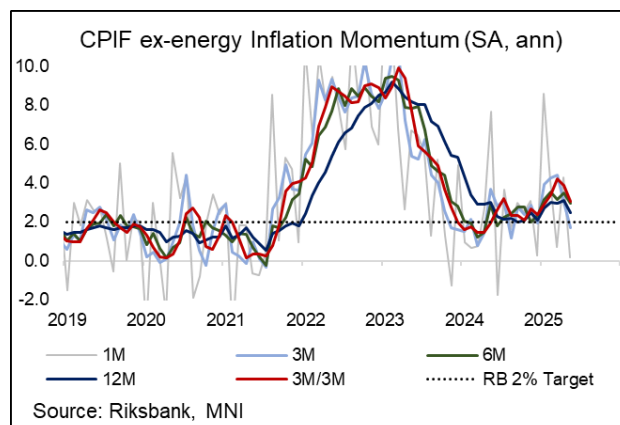
The Riksbank's Business Survey indicated that companies selling to households are planning to increase prices “*above all due to increased purchasing costs*”, while business-to-business sellers noted that “*weaker demand will make it more difficult*” to raise prices. Importantly though, household-facing firms are “*not planning to raise prices more or more often than normal*”, which should assuage any Executive Board concerns on that front. Although retail expected prices moved down from recent extremes in the May Economic Tendency Indicator (ETI), manufacturing and services expected prices inched higher. On balance, we think the Board will pay more attention to the Riksbank's own Business Survey, but these trends suggest lingering concerns around upside inflation pressures are still warranted.

That said, there is no evidence that the Q1 acceleration in spot inflationary pressures has de-anchored inflation expectations. Origo Group money market participant inflation expectations eased across 1/2/5-year horizons in May, with 5-year ahead CPIF expectations back at 2.0% (vs 2.3% in April). 1- and 2-year ahead expectations were both 2.1%.

Economic Activity and Labour Market

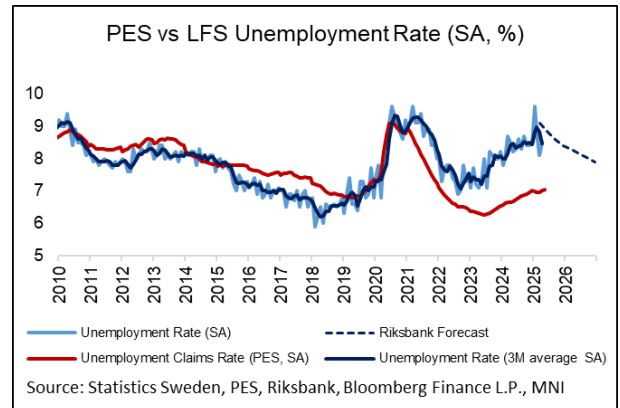
On net, activity data since March should have a dovish impact on the June MPR rate path. We think the Riksbank's latest Business Survey has been the most important indicator since the May decision, due to its forward-looking nature. The survey noted a “*significantly gloomier*” economic outlook. The direct impact of tariffs has thus far been limited (consistent with signals from the ETI), with most of the downside growth risks stemming from related uncertainty. Against a backdrop of extremely weak consumer confidence readings, retail trade respondents noted that “*some argue that households have already become cautious, while others see it as a risk that has not yet materialised*”. In the May ETI, sentiment fell in all industries other than construction, and the headline index at 94.6 has been below the neutral 100 handle for 34 consecutive months. In contrast, the May PMIs saw relatively resilient results. However, we think the Business Survey/ETI are more important signals to the Executive Board.

The Q1 GDP reading was also weaker than both the flash release and the Riksbank's projection (-0.2% Q/Q vs 0.0% flash, 0.5% March MPR). This weakness was driven by domestic demand components, with consumption falling 0.2% Q/Q and investment falling 3.8% Q/Q (most notably in buildings and construction).



Not all the data has been dovish though. Swedish April GDP rose 0.4% M/M, with solid consumption and business production growth (notwithstanding the unreliability of the monthly activity data). Meanwhile, household and corporate lending growth continued to rise in April, while retail sales momentum has been positive.

The labour market is not yet showing clear signs of a renewed deterioration. The 3m average of the LFS unemployment rate fell to 8.5% in April, down from 8.8% in March and 9.0% in February. The unemployment claims rate has also been hovering at 7.0% for the last 7 months, while the employment rate is tracking above the Riksbank's March MPR projection. On the other hand, the latest moderation of the ETI expected employment indicator will be worth monitoring in the coming months, alongside a continued pullback in job vacancies.



MNI Riksbank Data Watch List											
Inflation		Current	3m ago	3m Chg	6m ago	6m Chg	2Y History	Hit / Miss	Vs Trend	Surprise Index	Z-Score
CPI	% y/y	0.2	1.3	↓	1.60	↓					-1.23
CPIF	% y/y	2.3	2.9	↓	1.80	↓					-0.32
CPIF Excl Energy	% y/y	2.5	3.0	↓	2.4	↓					-0.69
PPI	% y/y	-2.4	3.5	↓	-1.3	↓					-0.41
Economic Activity		Current	3m ago	3m Chg	6m ago	6m Chg	2Y History	Hit / Miss	Vs Trend	Surprise Index	Z-Score
Monthly GDP Indicator	Index	0.4	-0.1	↑	-0.3	↑					0.43
Private Sector Production	% y/y	3.4	0.8	↓	-0.20	↓					2.25
Economic Tendency Survey	Index	94.6	96.2	↓	97.20	↓					0.59
Swedbank Service PMI	Index	50.8	50.5	↑	50.60	↑					0.23
Swedbank Manuf PMI	Index	53.6	53.6	→	53.7	↓					0.95
Monetary Analysis		Current	3m ago	3m Chg	6m ago	6m Chg	2Y History	Hit / Miss	Vs Trend	Surprise Index	Z-Score
M3 Money Supply	% y/y	4.15	1.55	↑	0.64	↑					2.18
Lending to HH	% y/y	2.30	1.74	↑	1.31	↑					2.18
Lending to Non-Fin Corp	% y/y	0.52	-0.38	↑	-2.08	↑					-0.02
Avg. new HH loan rate	%	3.34	3.84	↓	4.48	↓					-2.05
Consumer / Labour Market		Current	3m ago	3m Chg	6m ago	6m Chg	2Y History	Hit / Miss	Vs Trend	Surprise Index	Z-Score
Retail Sales YoY	% y/y	5.27	2.22	↑	0.33	↑					2.01
Consumer Confidence	Index	83.1	94.5	↓	101.2	↓					-0.37
Unemployment Rate	%	8.5	9.6	↓	8.40	↑					0.48
Household Consumption	% y/y	2.7	0.2	↑	-1.10	↑					2.22
Markets		Current	3m ago	3m Chg	6m ago	6m Chg	2Y History	Hit / Miss	Vs Trend	Surprise Index	Z-Score
Equity Market (OMXS30)	Index	2481	2725	↓	2514	↓					0.25
Sweden 10-Y Govt Bond	%	2.36	2.31	↑	1.99	↑					-0.24
SEK Yield Curve (2s-10s)	bps	47.1	33.7	↑	30.9	↑					1.22
SEK KIX TWI	Index	118.20	124.02	↓	127.26	↓					-2.19

Source: MNI, Bloomberg

Summary of Riksbank Communication Since May

June 2 – Thedeen: Emphasising Alternative Scenarios More In Communication

Riksbank Governor Thedeen speech on "Monetary policy communication in practice" is [here](#):

Little in the way of commentary ahead of the June 18 decision. But that's not surprising given the content and context of the speech. Thedeen highlights that the current outlook "has led several central banks, including the Riksbank, to emphasise more than before that monetary policy will be determined by new information on the outlook for the economy and inflation. Moreover, some central banks have basically stopped talking about monetary policy going forward"

- "The Riksbank publishes interest rate forecasts because we want to be transparent and provide information that makes it easier to understand how we normally act, which should not be interpreted as information on exactly what we will do"
- "On this basis, it is natural for us to change our interest rate forecast. If conditions change, we may need to adjust monetary policy to keep inflation low and stable".
- "It is important that the uncertainty in the central bank's assessments is recognised and that households, businesses and market participants understand that it exists," said Mr Thedén. He thought that this was particularly true for the guidance on future monetary policy, where experience has shown that such guidance can be interpreted as more certain statements than central banks have intended.
- "The Riksbank has continued to publish interest rate forecasts. But we have made some changes to address the communication challenges we have faced, including the communication of the interest rate forecast. We are also now emphasising alternative scenarios more in our communication"

June 2 – Thedeen: Picture Not Materially Changed Since May

- Q1 GDP "was a touch weaker than expected but you should see this in the context of other numbers which might not have been as weak, so the overall picture has not materially changed".
- "Of course the overall assessment we will have to come back to when we meet in three weeks' time".

May 27 – Jansson: Convinced At Krona Strength

- "I feel pretty convinced that the movement we have been seeing in the krona will be more persistent"... "This is a repositioning and has to do with investors wanting to decrease their exposure to US dollar. So they basically exit US assets and go into European and Swedish assets".
- Referencing the May/June decisions: "Given that it is just six weeks between the two decisions, presumably the world won't be redone in six weeks"

May 21 – Seim Re-iterates Wait-and-see Stance

Highlights from Riksbank Deputy Governor Seim's [speech summary](#). Little new relative to the May meeting minutes rhetoric at first glance:

- "My assessment is that monetary policy is currently well-balanced and that it is at present wise to await further information to obtain a clearer picture of the outlook for inflation and economic activity. We will change the policy rate if warranted"
- Ms Seim sees two main tracks as to how this will affect the Swedish economy. One is that the uncertainty makes households and businesses so cautious that they save more and invest less, which would lead to a drop in demand. Another is supply-side disruptions, where global value chains break down and shortages of inputs and consumption goods occur in different parts of the world.
- We do not yet know which tariff threats will actually materialise and there is so far only a limited amount of data on how the economy has evolved since the shift in US trade policy. "In this environment, it is particularly valuable to visit different parts of the country and gain insight into what companies encounter and how they reason."

May 16 – Seim: Policy Rate Projection Most Valuable Projection Tool

Summary of Seim's [remarks](#) from the same panel as Lane:

- *"In an international comparison, the Riksbank is ranked as one of the most transparent central banks. One reason for this is that we publish forecasts for our policy rate. The Riksbank has been doing this since 2007, and although there have been challenges, we have generally had a positive experience of communicating our view of monetary policy by means of forecasts for our own policy rate"*
- *"I believe that, together with alternative scenarios, the policy rate forecast is perhaps our most important monetary policy communication tool."*
- *The Riksbank is "Not an executive board striving for consensus, but the institutional setting is part of the reason it has worked so well"*
- *At the same time, Ms Seim emphasises that the composition and working methods of the monetary policy committees differ a great deal between different central banks, which of course affects how they choose to communicate"*

May 16 – Thedeen Re-iterates Cautious Approach To Future MonPol

Riksbank Governor Thedeen's speech summary "On risk, uncertainty and geoeconomic fragmentation" [here](#).

The key excerpt is *"It is therefore appropriate to sit tight and wait for more information to get a somewhat clearer view of the inflation and economic outlook"*

- It's largely consistent with Thedeen's cautious view in the May minutes, released Wednesday: *"The current assessment is somewhat in favour of our next step being a policy rate cut but this is far from certain. For the time being, we will maintain course and speed".*
- Of the Riksbank Executive Board, we view Breman as the most dovish (i.e. most likely to support an earlier cut), followed by Bunge. Meanwhile, Jansson/Thedeen/Seim sit in a more cautious/wait-and-see camp.

A few highlights from the summary:

- In the monetary policy update, the Riksbank assessed that international developments – particularly the elevated uncertainty – are dampening the economic prospects in Sweden. *"In turn, this suggests that inflation, beyond the near term, may become lower than in our March forecast. But we also pointed out that there are several risk factors, such as those linked to companies' global value chains, and that inflation thus could well become unexpectedly high"*
- *"Fundamentally, there are three approaches for central banks to take towards risk and uncertainty, said Thedeen. You can act cautiously, more forcefully or completely disregard it."*
- *"I consider that the current situation provides an example of when it is reasonable to apply the conservatism principle. Uncertainty is high and there are several possible scenarios for future inflation developments. It is therefore appropriate to sit tight and wait for more information to get a somewhat clearer view of the inflation and economic outlook"*
- *"Our experiences in recent years have taught us that disregarding supply shocks is not self-evident, not least because, in real time, it is very difficult to determine whether a shock is temporary or more long-term".*

May 14 - RIKSBANK: Dovish Feel To Riksbank Minutes Even If Rate Guidance Lacking

Although the Riksbank Executive Board were non-committal with respect to the timing of any future rate cuts, the lean of the May meeting minutes was dovish, perhaps more so than the policy statement portrayed.

- Although some members highlighted that the overall risks to inflation may be two-sided, the recent union wage bargaining round (Breman, Bunge, Thedeen) and stronger krona (Breman, Bunge, Jansson, Thedeen) were cited several times as inflation dampeners.
- Meanwhile, growth risks are clearly tilted to the downside. Breman highlighted Riksbank research concluding that uncertainty leads to *"poorer development in the real economy"*, while Jansson noted that *"increased uncertainty can certainly lead to lower growth, but this will probably happen primarily via a reduction in aggregate demand, leading to falling, not rising, inflation. This is, of course, a development that is easier to manage in monetary policy, especially if inflation is already elevated at the outset"*.

- Alongside tracking tariff developments and hard data, several Board members emphasised the importance of monitoring company price plans in the Economic Tendency Indicator, and the next Riksbank Business Survey.

May 14 - RIKSBANK: May Minutes: Little To Suggest Anyone Strongly Favours June Cut Yet

Initial highlights from the Riksbank May meeting minutes. Very little to suggest any member of the Board clearly leans in favour of a June cut at this stage. Breman appears the most openly dovish, followed by Bunge. Meanwhile, Thedeem, Seim and Jansson remain in wait-and-see mode. We will review the minutes in more detail now.

- **Thedeem:** "A policy rate of 2.25 per cent gives us the scope to act as necessary to reach our targets. The current assessment is somewhat in favour of our next step being a policy rate cut but this is far from certain. For the time being, we will maintain course and speed".
- **Breman:** "It is probable we will see lower growth and somewhat lower inflation than in our most recent forecast. This indicates a lower policy rate at coming meetings, if this forecast holds"...." The decisive factor for the Swedish economy will not be an individual meeting, but the overall monetary policy conducted in the coming months".
- **Jansson:** "My overall conclusion for Swedish inflation at present is thus that there is much to indicate that it will fall and that this may well happen faster than we assumed in the March forecast. That said, I still share the view in the draft update that the uncertainty in this assessment is very high"... I think it is wise to now leave the policy rate unchanged and await more information to obtain a clearer picture of the outlook for economic activity and inflation".
- **Seim:** "As I pointed out at the last meeting, in the current situation a reasonable strategy is to constantly test the extent to which incoming data can be interpreted as reliable signals and act accordingly. This should not in any way be interpreted as an unwillingness to act. We will adjust the policy rate if the outlook for inflation and economic activity indicates that this is justified. The neutral interest rate level we are starting from provides us with favourable conditions to navigate the uncertain road ahead."
- **Bunge:** "I consider that the real economic prospects suggest that a slightly more expansionary monetary policy is needed going forward"... my view is that the economic outlook looks weaker than in March and that the risks have increased for lower inflation going forward than in our most recent forecast. However, in the prevailing environment, I consider it reasonable for us to continue to act gradually with a degree of caution and to try to avoid sudden shifts in monetary policy – so as not to fuel further uncertainty".

Sell Side Previews (A-Z)

Of the 13 analyst previews we have seen, the majority (11) expect a 25bp cut in June to 2.00%. Danske Bank and UBS expect rates to be held at 2.25%, but for the policy statement/rate path to signal a high chance of cut in Q3. Of those who expressed a view on the June rate path, expectations are for a trough in Q3/Q4 around 1.90-2.00%. Terminal rate expectations range between 1.75-2.00% heading into the decision.

Bank of America

- **June Rate Decision:** Cut to 2.00%
- **June Guidance:** “While a cut in June (or August, in case of a hold next week) is very likely, we don't think back-to-back cuts should be the base case”.
 - “We expect the Riksbank to signal at most a small probability of further cuts this year. We would expect the Board to start another fragile pause. Our base case is that growth in 2H25 will be low and eventually the Riksbank will have to start worrying about inflation undershooting the target persistently”.
- **Rate Outlook:** “Without much confidence, we are keeping another cut to 1.75% in our profile (tentatively 1Q26, when core inflation should move clearly below target). But, depending on the Riksbank's new growth/inflation forecasts for this year, we see clear risks of this being brought forward to 2H25. We will refresh our macroeconomic forecasts and reassess the path in our usual Nordics mid-year outlook”.

Barclays

- **June Rate Decision:** Cut to 2.00%
- **June Guidance:** “Risks from tariffs are for weaker growth and inflation in small open economies such as Sweden, which makes the policy path heavily conditional on trade developments post the July deadline. Overall, we expect modest weakness for the SEK as a cyclical currency vulnerable to a global slowdown for the remainder of the year”.

Danske Bank

- **June Rate Decision:** Hold at 2.25%
- **June Guidance:** “We expect the Riksbank to instead open up for a rate cut later this summer (we expect August), with a rate path signalling some 15bp of cuts”.
 - “Admittedly, cutting in June or August likely makes little difference to the overall economy, and with market pricing skewed towards a cut (20bp priced), there is indeed pressure on the Riksbank to deliver already at this point”.
- **Rate Outlook:** “Should everything fall out as we (and the Riksbank) expect during the summer months, the data and the communication would be well aligned for a cut after the summer”.

DNB

- **June Rate Decision:** Cut to 2.00%
- **June Guidance:** “We maintain our forecast of a 25bps cut of the policy rate to 2.00% at next week's monetary policy meeting. The Riksbank may also indicate a minor possibility for future easing, but we regard that as unlikely unless the outlook for the Swedish economy worsens further”.

Goldman Sachs

- **June Rate Decision:** Cut to 2.00%
- **June Guidance:** “Given the Riksbank's increased openness to easing rates further, moderating inflation pressures and the weak Q1 GDP details, together with our assessment that the trade policy related hit should start to come through in the Q2 data, we continue to expect the Riksbank to cut rates by 25bp to 2.0% at the June meeting next week”.
- **Rate Outlook:** “We then still see them cutting one more time in August to a terminal rate of 1.75%, which is close to market pricing but notably below the Riksbank's latest policy rate path, which we expect to show some probability of further easing when presented next week”

Handelsbanken

- **June Rate Decision:** Cut to 2.00%
- **June Guidance:** “The uncertainty surrounding the trade war renders the Riksbank's signalling of the interest rate path a delicate task. We believe that the Riksbank wants to keep the door open for the interest rate to be cut again in August, but at the same time seeks to avoid sending any signals that may cause the market to run ahead and that may need to be reversed”.
 - “A cautious downward revision of the repo rate path gives the Executive Board room to await the development of the trade war in the summer, as well as further information on the recovery and inflation outlook. We believe that the interest rate path will be 1.98 percent for the third quarter and that it will bottom out at 1.92 percent in the fourth quarter, which is consistent with a 32 percent probability that the rate will be cut by a further 25 basis points to 1.75 percent by the September meeting at the latest”.
 - “We expect the key message in the press release to be a main scenario in which the policy rate will remain at 2 percent for the rest of the year, but with great uncertainty, and that another interest rate cut cannot be ruled out. With its alternative scenarios, the Riksbank can signal that continued high uncertainty would mean lower interest rates”.
 - “We believe that the repo rate path will start to rise cautiously again towards the end of next year and will move towards 2.25 percent at the end of the forecast period (Q2 2028)”
- **Rate Outlook:** “In addition to our forecast that the Riksbank will cut interest rates in June, we project a further cut in August”.

ING

- **June Rate Decision:** Cut to 2.00%
- **June Guidance:** “It's a close call, but we think the Riksbank will cut one last time next week. Though the committee had signalled it was probably done, core inflation has undershot its forecasts and growth has disappointed”.

JP Morgan

- **June Rate Decision:** Cut to 2.00%
- **June Guidance:** “If a cut is delivered, we do not think the Board will feel comfortable indicating a high risk (50% or more) of more cuts ahead. Uncertainty remains elevated and members may still have conviction that growth will improve in the second half of the year (due to lagged rate cuts and fiscal stimulus). In our view, a 20% risk of another cut in 3Q appropriately illustrates the current risk picture and the Riksbank's reaction function. At the press conference, the Governor is likely to justify the rate cut with increasing downside risks, but at the same time we think—given the above uncertainties—that he will try to strike a more balanced tone on the outlook”.
 - For the first three quarters—which are based on the Board's assessment (remaining quarters “belong” to staff)—we expect the following: 3Q25: 1.98%, 4Q25: 1.95%, and 1Q26: 1.95%. This aligns with our above-described base case of a cut and around 20% probability of another in either August or September. In the dovish scenario, including a June cut and ~50% likelihood of a another in August/September, the quarterly points would be 3Q25: 1.95%, 4Q25: 1.87%, and 1Q26: 1.87%”.
 - “Alternative scenarios are now a regular part of the MPR. This is a communication tool the Governor praised in the above-mentioned speech and considered very useful in the current uncertain situation. Most interesting will be the downside scenario. We think this will show a lower terminal rate than in March (1.61%), likely below the lower neutral range estimate of 1.5%. The terminal rate may also be reached sooner than in the March MPR (in 4Q26), perhaps already this year.”
- **Rate Outlook:** “In terms of our Riksbank forecast, we have previously had a cut in August, but we took this out after US tariffs were significantly lowered in mid-May. At present, we think there is a greater risk of another cut in September than in August. This reflects the Board's wait-and-see rhetoric, lower risk of an imminent global recession, and the fact that our US and Euro areas teams have pushed out expectations for the next cuts (to December and September, respectively)”.

Morgan Stanley

- **June Rate Decision:** Cut to 2.00%
- **June Guidance:** “The repo rate path is to be seen as a balance of risks. As we highlight below, we think that the risks are still likely going to be tilted to the downside on both the growth and inflation outlook. Uncertainty remains high due to a number of factors, including the US trade policy, trajectory of the currency and the pace of the domestic recovery. Hence, we think that the repo rate path could indicate potential for further easing in 2H2025 by showing the terminal rate below 2.0%”.

- **Rate Outlook:** “We maintain our view that the Riksbank will deliver one more rate cut in September, bringing the policy rate down to 1.75%.”

Nordea

- **June Rate Decision:** Cut to 2.00%
- **June Guidance:** “As the Riksbank seems to be in an easing mood, they may signal readiness to act again. The Riksbank’s rate path should therefore indicate a small bias of 5bp, i.e. about 20%, of a rate cut also in August. In that case, it is a way of creating scope for action rather than a signal that they actually intend to cut the policy rate again”.
- **Rate Outlook:** “The rate cut is an isolated event in our opinion. The recovery in the Swedish economy continues and inflation will deviate just moderately from the 2% target next year, which reduces the need of further stimulus. Nordea’s view is that the ECB is done cutting rates, which also supports our view that the Riksbank’s policy rate will bottom out at 2.0%”.

SEB

- **June Rate Decision:** Cut to 2.00%
- **June Guidance:** “Disappointing growth and uncertainty about both the Swedish and international recovery implies that the Riksbank will indicate 10bps (40% probability) for another rate cut in September or November”...” The rate path is likely to indicate that the policy rate in 2028 will return to 2.25%, in line with the Riksbank current estimate for the long-term neutral rate”.

Swedbank

- **June Rate Decision:** Cut to 2.00%
- **June Guidance:** “They probably want to manage expectations for further cuts by keeping the rate path at 2% in the next three quarters (the policy horizon). After that, they could signal gradual hikes back to 2.25%, the midpoint of their estimated neutral policy rate range”
 - “The Riksbank probably also believes it is somewhat more likely that the next step is another cut rather than a hike. In that case, the rate path should be below 2%, but it is obviously challenging from a communication standpoint to signal the possibility of a future cut followed by a hike”
- **Rate Outlook:** “We expect outcomes and indicators to remain weak this summer and that there will be another cut in September. If the Riksbank still chooses not to cut in June, which is not impossible, we believe the rate path will indicate a strong probability of a cut in August”.

UBS

- **June Rate Decision:** Hold at 2.25%
- **June Guidance:** “After the Riksbank stayed on hold at 2.25% in the past two meetings but introduced an easing bias in May, we expect it to keep rates unchanged in the June meeting as well, but to guide relatively explicitly for a 25bp rate cut to 2.0% in the subsequent meeting in August. While the latest data (see below) have raised the likelihood of a June cut and the meeting is a close call, we believe the uncertainty about global growth and US tariffs is too large to lower rates already in June”.
 - “We expect the 2025 CPIF forecast to be lowered by 0.3pp to 2.2% and 2026 by 0.4pp to 1.5%, while 2027 will likely stay unchanged at 2.0%. For core inflation, we expect a 0.2pp downward revision for 2025 and 2026 each, to 2.7% and 1.8%, respectively, on the back of recent downside surprises and weaker growth. The large downside surprise in Q1 GDP has a notable impact on the 2025 growth forecast, which we expect to decline by 0.9pp to 1.3%, while 2026 and 2027 should remain unchanged at 2.2% and 2.0%”.
 - “These forecast revisions would argue for more easing, and we expect the Riksbank to explicitly acknowledge this by revising down its rate path forecast to indicate a cut to 2.0% in Q3. As this would bring the policy rate into slightly accommodative territory, we would also expect to see an upward trend in the rate path towards the end of the forecast horizon”.



All Signal, No Noise

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