

MNI Riksbank Preview: January 2026

Statement / Monetary Policy Update release: 08:30GMT / 09:30CET, Thursday 29 January 2026

Press conference (in Swedish): 10:00GMT / 11:00CET, Thursday 29 January 2026

MNI Point of View – No Hawkish Pivot Yet

26 January 2026, by Emil Lundh

The Riksbank is expected to hold the policy rate at 1.75% on Thursday, while reiterating that it is “expected to remain at this level for some time to come” The January decision does not include an updated MPR or rate path projection, only a concise Monetary Policy Update document. We expect communication to re-iterate that a cyclical economic recovery is underway, but believe **lingering downside inflation concerns, the much stronger-than-expected krona and spare capacity in the labour market will guard against any hawkish pivot for now.** Geopolitical uncertainty and a (brief) return of tariff risks will likely also provide the Board a reason to stay cautious.

If growth signals and the labour market continue to improve over the coming months and downside inflation risks fail to increase, **it may warrant a small upward revision to the Riksbank’s Q4 2026 rate projection at the March or (more likely) June MPR meeting.** This part of the rate path will become “owned” by the Executive Board in these MPRs, so its level will constitute a policy signal on the risks of a rate hike. On the other hand, we think the risk of another cut will only become material if the activity data sees an abrupt reversal of momentum.

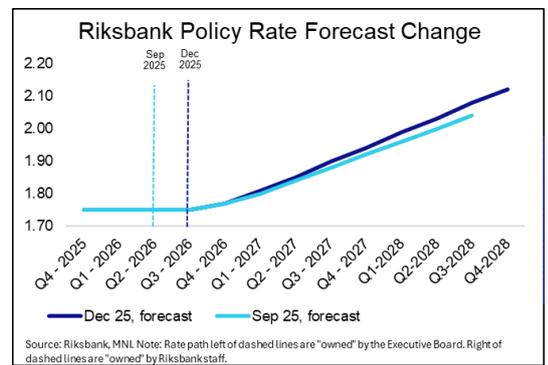
The December meeting minutes did not suggest a hawkish pivot is imminent, portraying a Board that is very content with the current policy setting. The overall view on inflation was relaxed, with most members still more cognizant of weaker-than-desired underlying pressures despite signs of an economic recovery. Deputy Governor Jansson was the most dovish voice, seeing the risk of another rate cut as greater than the risk of a hike. Meanwhile, Deputy Governor Seim remains a hawkish leaning outlier, expressing greater concern that the cyclical recovery could generate inflation pressures than her colleagues.

None of the analysts we monitor look for another Riksbank cut this cycle. Hike expectations vary, with Danske Bank, DNB and UBS pencilling in a move in late-2026, and others forecasting a move in 2027. Bank of America and Morgan Stanley do not pencil in any rate changes in their forecast horizons at present.

Markets price just under a 50% implied probability of a hike through the end of this year. While we would expect the Riksbank to incorporate some implied probability of such a move in future MPR rate paths, current pricing still screens as a little hawkish given Board signals, and potentially susceptible to balanced press conference from Governor Thedéen. This in turn may risk a modest reversal of this month’s SEK strength, particularly with positioning in the likes of EURSEK appearing stretched.

We will also be interested to see if the Riksbank makes any operational framework announcements in January, with a widening of the interest rate corridor to encourage more interbank activity a possible outcome. See our December Riksbank [preview](#) for a more substantial write-up of the potential changes.

<p>Contents</p> <p>Page 1: MNI Markets Team Preview</p> <p>Page 3: Sell-side Previews</p>
--



Macro Update – Offsetting Forces Of Soft Inflation and Stronger Growth

Downside Inflation Risks Lingering

Potential downside risks to medium-term inflation are a key barrier to the Board making a hawkish pivot in January.

Swedish CPIF ex-energy inflation was 2.33% Y/Y in December, notably below Riksbank and analyst expectations of 2.6% Y/Y. Underlying details were also soft, particularly on the goods side, while our estimate of 3m/3m seasonally adjusted and annualised inflation momentum was just 1.15% (vs 1.09% prior). This will likely reinforce Executive Board member's views (excluding Deputy Governor Seim) that strengthening activity is not expected to provide a material inflationary impulse to the Swedish economy. Instead, it may increase the risks of undershooting the target in the eyes of Deputy Governor Jansson. However, **despite the downside surprise and soft details, Governor Thedéen played down the deviation from Riksbank forecasts in comments on January 16. These comments reinforce our view that the bar to another rate cut is still very high.**

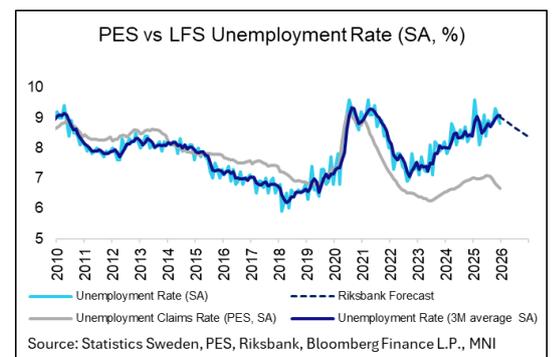
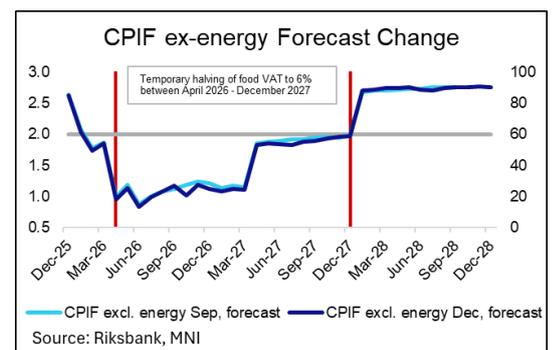
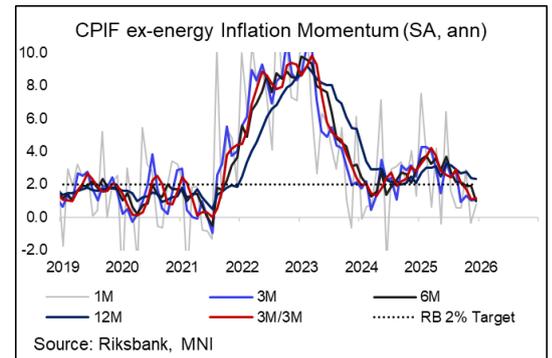
The outlook for CPIF ex-energy is distorted by the Government's upcoming temporary food VAT cut, which will mechanically pull inflation below target from April 2026. The Board has stressed that it will look through the direct disinflationary impacts of this temporary policy, but remains attentive to the impact it may have on longer-term inflation expectations. A scenario where inflation falls by less than expected following the introduction of the policy is also a more hawkish risk to monitor. **For now, long-term inflation expectations remain well-anchored around the 2% target.** 5-year ahead money market player CPIF expectations were 2.1% in January, in line with December's levels.

Another downside inflation risk the Board will have to navigate is the exchange rate. The KIX effective exchange rate was 113.3 on January 23, the lowest in over four years (indicating a stronger SEK). This is below the Riksbank's 2028 KIX forecast of 114.9 in the December MPR. This strengthening has a downward impact on the Riksbank's imported inflation outlook, and will likely be a dovish contributor to the March 2026 rate path if it persists. **In December, the Riksbank continued to assert that the krona was undervalued relative to "long-term determinants, but recent price action may prompt this guidance to be dropped in future decisions.**

Activity Data Strengthening And Labour Market Green Shoots Appearing

Activity and sentiment data continue to improve. Swedish GDP rose 0.9% M/M in November, according to monthly activity data. That was much stronger than expected and kept 3m/3m momentum at a solid pace of 0.6% (albeit down from 1.1% in Oct and 1.0% in Sep). The Riksbank projects GDP to grow 0.4% in Q4, down from 1.1% in Q3. The Q4 flash GDP release (which should always be taken with a pinch of salt) is released the morning of the Riksbank decision. Meanwhile, PMIs and the Economic Tendency Indicator have both been trending higher in recent months.

There are finally signs that improving activity momentum is being reflected in better labour market conditions, but the Riksbank will still assess that spare capacity is available. The LFS unemployment rate fell back to 8.8% in December, from 9.1% prior, with the fall in unemployment reflecting a 0.3% M/M rise in employed persons. Further improvements are expected ahead, with the Public Employment Service unemployment claims rate have declined for four consecutive months, and Y/Y growth in vacancies having turned positive for the first time since May 2023 in December. The Economic Tendency Indicator's expected employment metric is also at a multi-year high.



Sell Side Previews (A-Z)



Summary of Analyst Views (Sorted A-Z)

Institution	Cuts	Hikes	Riksbank View
Bank of America	x	x	We expect the Riksbank to keep rates unchanged at 1.75% in January, with broadly unchanged guidance. A small rate recalibration (e.g., from 1.75% to 2.00%) cannot be fully ruled out if growth clearly and persistently exceeds expectations and if labour market improvements put 2027 inflation on a stronger trajectory than we currently foresee. For now, we maintain a flat rate path and see any potential hikes as a risk skewed toward 2027 rather than the year ahead.
Danske Bank	x	25bp in Dec 26 and Mar 27	We expect the Riksbank to by-and-large stick to the December communication, keeping the policy rate at 1.75% and saying something along the lines of "the rate is expected to remain at this level for some time to come". There are seemingly some factors that point in a more dovish direction, while the underlying macro recovery remains solid. Perhaps the most interesting part of the January meeting will be the minutes (released 4 Feb), which may indicate how the different board members see inflation risks from here.
DNB	x	25bp in Nov 26, Jan 27 and "late" 27	We expect the Riksbank to tighten monetary policy earlier and more forcefully than implied by the current rate path, which ends at 2.12%, particularly in light of the communicated neutral policy rate of 2.25%. We expect a first rate hike in November 2026, followed by another in January 2027, and most likely a final hike in late 2027, taking the policy rate to 2.50%. As next week's monetary policy update will not include a revised rate path or updated economic forecasts, we do not expect any material policy signals from the Riksbank.
Goldman Sachs	x	25bp in H2 27	We think additional easing is possible if activity fails to live up to expectations or if underlying inflationary pressures are assessed to be no longer consistent with target, for example, via re-anchoring of inflation expectations lower. We assign a 70% chance to our baseline forecast of unchanged rates in the near term, see a 20% chance that a deterioration of the economic outlook catalyses an additional rate cut in 2026 and a 10% chance that hikes commence earlier, in 2026Q3. The resulting probability-weighted path is below market pricing for a sizeable probability of a hike by the end of this year.
JP Morgan	x	25bp in Jun 27	The Riksbank is widely expected to leave the policy rate on hold at next week's interim meeting. We expect no change to the forward guidance that the policy rate will remain on hold "for some time". We still expect no policy rate change in 2026, with risk skewed to the downside. Markets still price in roughly half a hike cumulative by end-year.
Morgan Stanley	x	x	We expect the Riksbank to remain on hold at the January meeting and reiterate that the policy rate will remain at the current level for the foreseeable future. The policy rate path from December sent a clear signal that the Board expects no rate change for least the upcoming three quarters. The data received since then further supports this assessment.
Nomura	x	25bp in H2 27	We expect the Riksbank to leave its policy rate unchanged at 1.75% at its 29 January meeting, following unchanged rates at its last two meetings. We forecast the Riksbank to leave its policy rate on hold until late-2027, when we believe one 25bp hike is likely.
Nordea	x	2.50% rate by end 27	As long as economic activity improves, the Riksbank should look through the low inflation in 2026, even if it turns out to be somewhat lower than the Riksbank's forecast in its December report. In other words, it is crucial that the economic recovery continues, and we believe that it will. We consequently expect the Riksbank to leave its policy rate unchanged at 1.75% throughout 2026. But a rate cut in May or June, for example, cannot be ruled out. The stronger economy justifies rate hikes in 2027, and we see the policy rate at 2.50% by the end of 2027.
SEB	x	25bp in Dec 27	We predict the policy rate to be unchanged throughout 2026 but do not rule out another rate cut in the spring or summer. However, downside risks have decreased on the back of stronger growth.
Swedbank	x	25bp in Nov 27	The Riksbank is likely to maintain its policy rate plan at this month's monetary policy meeting. This means keeping the policy rate at 1.75% and reaffirming the rate path from December 2025, which means that there won't be a rate hike until the end of 2027. If the economy surprises on the downside, we would expect the Riksbank's threshold to cut the policy rate this year to be low
UBS	x	25bp in Late-26 and mid-27	The policy rate of 1.75% is at the lower end of the Riksbank's estimated neutral range from 1.5% to 3% and therefore likely slightly expansionary. With growth running above trend in 2026/27 and the labour market recovering, accommodative policy may eventually not be needed anymore. [However,] Hikes may [...] take a while. We forecast a gradual normalisation of policy with two 25bp rate hikes between December 2026 and June 2027.

Source: Analyst previews, MNI

Unauthorized disclosure, publication, redistribution or further dissemination of this information may result in criminal prosecution or other severe penalties. Any such authorization requires the prior written consent of Market News International. Redistribution of this information, even at the instruction of your employer, may result in personal liability or criminal action unless such redistribution is expressly authorized in writing by Market News International. Violators will be prosecuted. This information has been obtained or derived from sources believed to be reliable, but we make no representation or warranty as to its accuracy or completeness. This is not an offer or solicitation of an offer to buy/sell. Copyright © 2026 Market News International, Inc. All rights reserved.