

MNI Riksbank Preview: March 2026

Statement / Monetary Policy Report release: 08:30GMT / 09:30CET, Thursday 19 March 2026

Press conference (in Swedish): 10:00GMT / 11:00CET, Thursday 19 March 2026

MNI Point of View – Uncertain Rate Path, No Knee-jerk Reactions

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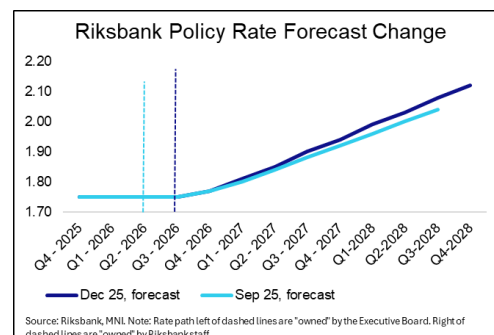
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16 March 2026, by Emil Lundh

The Riksbank is expected to hold the policy rate at 1.75% in March. We expect the policy statement to stress considerable uncertainty around the updated March MPR forecasts and rate path projection. Although the central forecast may still indicate that a 1.75% rate is appropriate through the course of this year, **we are unsure if the Board will have enough confidence to repeat its guidance of steady rates for “some time to come” given the geopolitical uncertainty.**

This should not necessarily be interpreted as an overtly hawkish tweak, but rather a reflection of the wider range of potential outcomes relative to December. Prior to the Iran war starting, developments since the December decision had been dovish, which would have warranted a downward revision to the March MPR rate path – and therefore some implied probability of another rate cut this cycle. Downside growth risks stemming from war-tied precautionary saving may also factor into some Board member’s considerations in the months ahead.



Overall, we think the first three quarters of the March MPR rate path should see minimal revisions relative to December (this is the part of the path “owned” by the Executive Board, and therefore constitutes a policy signal). Further out, weak underlying inflation momentum may warrant a marginal downward revision through 2028/2029, but an upward trend towards the 2.25% nominal neutral rate anchor should remain intact. That said, the Riksbank’s mandate prioritises inflation as a first order objective. **The policy statement is thus likely to stress heightened vigilance on inflation and inflation expectations developments, and a willingness to act if required.** We had previously expected Deputy Governor Jansson to vote for a cut in March but suspect he may now vote for a hold to send a credible signal on fighting inflation. This will be new Board member Göran Hjelm first meeting on the Board – we expect him to conform with consensus, with the March meeting minutes a better opportunity to gauge his policy reaction function.

The policy statement could partially borrow from the April 2022 release (i.e. post Russia/Ukraine war). The green highlights denote phrases that can be copied wholesale, while the yellow highlight would require tweaking to reflect the current inflationary environment.

“Monetary policy cannot affect commodity or freight prices. It is therefore unavoidable that the rate of increase in consumer prices of, for example, energy, food and certain other goods, will remain high for some time yet. However, the Riksbank can conduct monetary policy to counteract the higher inflation becoming entrenched in price-setting and wage-formation”.

Increased focus should be paid on the March MPR’s alternative scenarios, which are likely to cover (i) a quick de-escalation and pullback in energy prices (i.e. a dovish scenario) and a (ii) more protracted conflict with a persistent rise in energy prices and increase in long-term inflation expectations (hawkish scenario). A third scenario could be included to cover a protracted conflict that does not filter through to inflation expectations (a neutral/less hawkish scenario compared to (ii)).

The Sep26-Dec26 SEK FRA contract is currently at 2.24%, around 22bps above the current 3M STIBOR rate. As such, markets price a high implied probability of a hike this year. We think the bar to a Riksbank hike is still quite high given the soft underlying inflation pressures in the economy. **One scenario we can envisage is a relatively hawkish policy statement (i.e. vigilance and willingness to act on inflation), which is then dampened by a more balanced press conference from Governor Thedeen.** This could see some fading of current hawkish market pricing intraday. Looking further ahead though, the longer the Iran war lasts, and the longer energy prices remain elevated, the more likely a Riksbank reaction becomes – especially with policy considered to be in near-accommodative territory.

Analysts are unanimous in expecting the Riksbank to remain on hold in March, but there is less agreement on whether the steady rates “for some time to come” guidance will be repeated. We haven’t seen any forecast changes since the Iran War began, given elevated uncertainty around the Riksbank’s reaction function. DNB and Danske Bank still pencil in hikes this year, but these calls were in place before the war started.

Macro Update – Iran War Risks Offset Dovish Inflation Developments

Iran War May Help Push S/T Inflation Expectations Back to Target

Underlying inflation has developed well below the Riksbank’s December MPR projections. In February, CPIF ex-energy was 1.38% Y/Y, down from 1.72% in January and below the Riksbank’s 1.74% projection. On a seasonally adjusted basis, CPIF ex-energy inflation is estimated at 0.01% M/M, after 0.02% in Jan and 0.03% in Dec. That left 3m/3m momentum at a soft 0.40% rate - **underlying inflation pressures remain soft.**

The Iran war naturally complicates the outlook. In the near-term, we expect both energy and food inflation to be pushed higher. The Riksbank will likely be comfortable looking through these effects initially, particularly as the upward impact on both spot inflation and inflation expectations will offset the downward impact from the temporary food VAT cut, which comes into effect in April. In other words, **the Iran war may actually help stabilise both inflation and inflation expectations around the 2% target.**

However, the main focus going forward will be on whether long-term inflation expectations remain stable. This will depend crucially on the length of the war and persistence of the rise in energy prices, and it’s still too early to draw any firm conclusions here. In February, 5-year ahead money market participant CPIF expectations from Origo group’s (formerly Prospera) survey were 2.1%. The quarterly expectations survey, which also surveys social partners, is due the morning of the Riksbank decision.

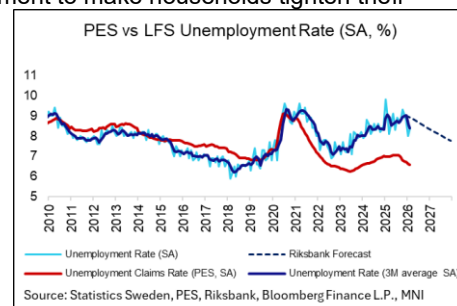
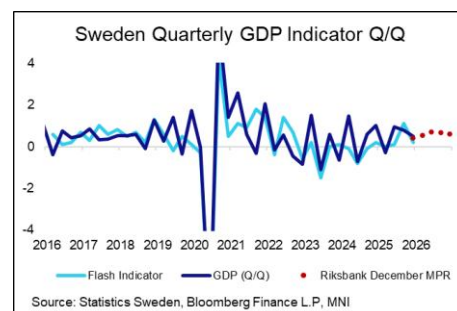
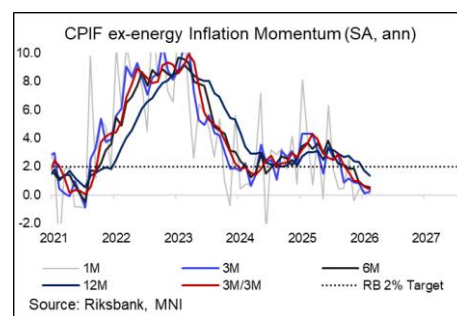
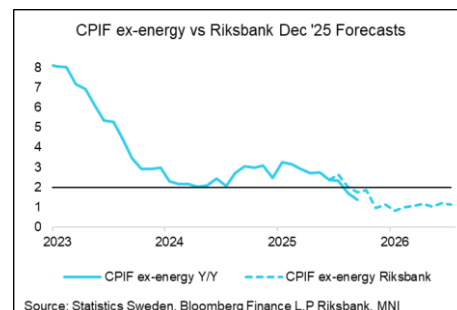
Iran War Adds Downside Growth Risk, But Labour Market Improving

We expect the domestic growth/labour market outlook to have a broadly neutral impact on the March MPR rate path. The front of the rate path may see small dovish revisions due to the Iran war and recent growth data, but don’t expect this to have a material impact further out for now.

Growth momentum has faded a little to start 2026, with the January GDP indicator falling 1.1% M/M and the February Economic Tendency Indicator pulling back to 100.1 (vs 102.8 in Jan, 103.4 in Dec). **However, that hasn’t been enough to materially derail expectations for an economic recovery through 2026**, particularly after the Q4 GDP report (0.5% Q/Q vs 0.2% flash, 0.4% Riksbank Dec MPR) showed solid public sector-driven domestic demand. Household consumption also ended 2025 above the Riksbank’s full-year projection after a 0.9% Q/Q reading in Q4. The Riksbank’s February Business Survey noted that “large Swedish companies are experiencing some improvement in economic activity, but the recovery is both slow and hesitant”.

That said, the Iran war adds a downside risk to the growth outlook. In particular, we think the Riksbank will be concerned of the risk of increased precautionary saving amongst households. This is a topic that has been referenced several times by Governor Thedén in press conferences and interviews with the MNI Policy Team. The February Business Survey stated that companies “see the greatest risk to economic growth as being that something happens in the global environment to make households tighten their purse strings again”. A fresh increase in the savings rate would offset recent trends (13.9% in Q4 vs 14.3% in Q3 and 15.8% in Q2), and dampen the Riksbank’s consumption outlook.

The labour market has finally showed signs of recovering. The LFS unemployment rate was 8.4% in February (after 8.0% in January and 8.8% in December). This left the 3mma unemployment rate at 8.4%, tracking below the Riksbank’s 8.9% forecast for Q1 from the December MPR. Public Employment Service (PES) data has been signalling for a decline in the LFS unemployment rate for some time. In March, we expect the Riksbank

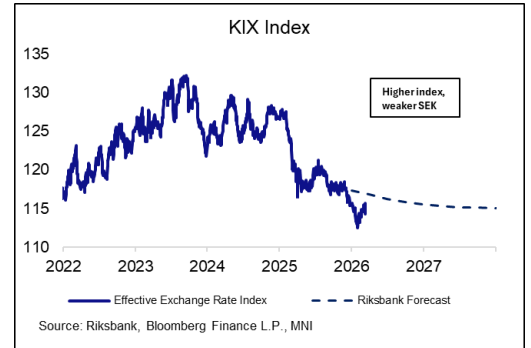


to express cautious optimism around the labour market for 2026, though caveat that somewhat subdued vacancy levels and fresh geopolitical uncertainty will keep the recovery gradual in nature.

Exchange Rate Unwinds January Strengthening

The KIX nominal effective exchange rate index has risen almost 3% since the start of February. At current spot levels, the index is now only 0.5% below the Riksbank's December MPR projection, but on a Q1 average basis it is 2% lower. As such, the exchange rate should still have a marginally dovish impact on the December MPR rate path.

Weakening since the Riksbank's January decision first reflected the dovish signals from the January meeting minutes (where the strengthening krona was highlighted as a downside inflation risk) and subsequent inflation/sentiment data, but more recently has been in response to the Iran war. SEK headwinds stemming from the Iran war include the 7.5% pullback in Estoxx 50 futures, Sweden's status as a net energy importer and a more aggressive hawkish repricing in foreign (e.g. EUR) rates versus SEK counterparts.



Sell Side Previews (A-Z)

Summary of Analyst Views (Sorted A-Z)

Institution	Cuts	Hikes	Riksbank View
Bank of America	x	x	"If energy prices normalise within two months or so, we are confident that the Riksbank will stay on hold (as per our base case). We think the bar for hikes remains high, and higher than in the Euro area. The Riksbank is more forward-looking than ECB and starting points matter."
Danske Bank	x	Dec 2026 and Mar 2027	Danske Bank expect the Riksbank to hike in December 2026 and March 2027 to a terminal of 2.25%.
DNB	x	Nov 2026 and two more in 2027	"We maintain our forecast that the next move will be a 25bp rate hike in November, reflecting the ongoing economic recovery alongside higher inflation and rising inflation risks. We then expect two additional hikes in 2027, bringing the policy rate to 2.50%. That said, as long as the conflict in the Middle East continues, the outlook remains highly uncertain, implying a wider distribution of possible policy outcomes going forward"
Goldman Sachs	x	Q3 2027	"With spot inflationary pressures weaker than projected and openness to further easing expressed by the Riksbank's Board members but increased upside risks to the inflation outlook from energy prices and hard data supporting the assessment that activity is recovering, we think the risks for a near-term cut remain but have decreased over the past week from the 40% we outlined in February". Goldman Sachs pencil in a hike in Q3 2027.
JP Morgan	x	Q2 2027	"Markets have started to price in a risk of a rate hike late this year. We think the Riksbank will push back on this, however. ". JP Morgan continue to expect no policy rate changes this year, but had pencilled in a hike in Q2 2027 as of February 24th.
Morgan Stanley	x	x	We expect the Riksbank to remain on hold across the forecast horizon, but risks have emerged
Nomura	x	End-2027	We expect no change in the policy rate this year, and a hike at the end of 2027, as we expect the economic recovery to have taken hold and cause upside risks for inflation by that point.
Nordea	x	Q4 2027	Our forecast is still that the Riksbank will leave the policy rate unchanged at 1.75% throughout 2026. Developments in the Middle East have altered the risk balance in our monetary policy assessment – from previously being clearly skewed towards rate cuts to now being neutral.
SEB		Q4 2027	"We predict the policy rate to be unchanged throughout 2026 but continue to believe that a relatively high probability of a rate cut in the spring or summer." SEB pencil in a 25bp hike in Q4 2027
UniCredit	x	Q4 2027	UniCredit expect no policy rate changes this year, but had pencilled in a hike in Q4 2027 as of February 24th.

Source: Analyst previews, MNI. Hike forecasts taken from Bloomberg February survey if available and not detailed in preview

Bank of America

- **March Rate Decision:** Hold at 1.75%
- **March Guidance:** “The recent economic dataflow would be consistent with a slightly lower Riksbank rates path, implying a limited likelihood of a cut in the next few meetings. However, given the recent spike in energy prices and the associated upside risks to the inflation outlook, we expect the Riksbank to remain non-committal and present a largely unchanged rate path. Small adjustments are possible, but we would still expect a flat trajectory over the next couple of quarters.”
- **Rate Outlook:** “If energy prices normalise within two months or so, we are confident that the Riksbank will stay on hold (as per our base case). We think the bar for hikes remains high, and higher than in the Euro area. The Riksbank is more forward-looking than ECB and starting points matter.”

Danske Bank

- **March Rate Decision:** Hold at 1.75%
- **March Guidance:** “We expect that the main message will be a cautious “wait and see”, without any significant adjustments to the near-term rate path. In terms of forecasts and guidance, however, the current environment is indeed a highly uncertain one. Thus, we would expect the Riksbank to present more detailed alternative scenarios depending on the development in the oil price.”
- **Rate Outlook:** Danske Bank expect the Riksbank to hike in December 2026 and March 2027 to a terminal of 2.25%.

DNB

- **March Rate Decision:** Hold at 1.75%
- **March Guidance:** “we expect the Riksbank to leave the policy rate unchanged at 1.75% next week and refrain from making any major adjustments to either the policy rate path or its macroeconomic forecasts. The main exception is likely to be higher inflation projections, particularly for CPIF including energy. In this environment, the already unlikely prospect of a rate cut now appears effectively off the table.”
- **Rate Outlook:** “For the time being, we maintain our forecast that the next move will be a 25bp rate hike in November, reflecting the ongoing economic recovery alongside higher inflation and rising inflation risks. We then expect two additional hikes in 2027, bringing the policy rate to 2.50%. That said, as long as the conflict in the Middle East continues, the outlook remains highly uncertain, implying a wider distribution of possible policy outcomes going forward”

Goldman Sachs

- **March Rate Decision:** Hold at 1.75%
- **Rate Outlook:** “With spot inflationary pressures weaker than projected and openness to further easing expressed by the Riksbank’s Board members but increased upside risks to the inflation outlook from energy prices and hard data supporting the assessment that activity is recovering, we think the risks for a near-term cut remain but have decreased over the past week from the 40% we outlined in February. We will continue to monitor the incoming data on activity, inflation and FX developments closely.”

JP Morgan

- **March Rate Decision:** Hold at 1.75%
- **March Guidance:** “Markets have started to price in a risk of a rate hike late this year. We think the Riksbank will push back on this, however. For the rate profile, we expect this will be shown flat as before at 1.75% for the next three quarters to 4Q26, the period which is set by the board. For the period beyond then, set by the staff, the existing rate profile was shown sloping upwards gradually towards the middle of the Riksbank’s estimate range for the equilibrium rate (2.25%). The path upwards is likely to be revised to show a slower rise, reflecting setbacks on growth and underlying inflation. But this adjustment is likely to be small. In any case, the upward slope should not be taken either as a response to higher energy prices or as a strong bias to hike by the board.”
- **Rate Outlook:** JP Morgan continue to expect no policy rate changes this year, but had pencilled in a hike in Q2 2027 as of February 24th.

Morgan Stanley

- **March Rate Decision:** Hold at 1.75%
- **March Guidance:** “Facing heightened uncertainty, our conviction that the Riksbank will remain on hold for some time has strengthened. We expect all five members to vote for a hold. The focus will be on the new policy rate path, which we expect to be broadly unchanged. The statement will likely emphasize the need for the wait and see strategy, flag heightened uncertainty and readiness to adjust monetary policy if the outlook changes.”
- **Rate Outlook:** “We expect the Riksbank to remain on hold across the forecast horizon, but risks have emerged”

Nomura

- **March Rate Decision:** Hold at 1.75%
- **March Guidance:** “We expect the Executive Board to highlight higher levels of uncertainty over its forecasts (which will be updated at this meeting). The Board is also likely to repeat policy rate guidance that “the rate is expected to remain at this level for some time to come”, but that it will monitor the situation in the Middle East closely and is willing to act to prevent the energy price shock causing elevated inflation for a protracted period. Nonetheless, we believe a hike this year remains unlikely.”
- **Rate Outlook:** “We expect no change in the policy rate this year, and a hike at the end of 2027, as we expect the economic recovery to have taken hold and cause upside risks for inflation by that point. A rate rise would also take the policy rate closer to the middle of the Riksbank’s estimate of the neutral range (1.50%-3.00%). However, a quick end to the Middle East conflict and continued inflation weakness risks a policy rate cut this year, while a longer conflict risks faster inflation and a sooner rate hike.”

Nordea

- **March Rate Decision:** Hold at 1.75%
- **March Guidance:** “We expect the policy rate to be left unchanged at 1.75%, and the rate path to remain intact from the December report, implying an unchanged policy rate throughout most of 2026. Beyond that, the rate path should remain unchanged. The endpoint is raised, though, to around 2.15% from 2.12% in the December report, as the path is extended by one quarter to Q1 2029.”
- **Rate Outlook:** “Our forecast is still that the Riksbank will leave the policy rate unchanged at 1.75% throughout 2026. Developments in the Middle East have altered the risk balance in our monetary policy assessment – from previously being clearly skewed towards rate cuts to now being neutral. An important signal from the Riksbank on 19 March will be its high readiness to tighten policy should inflation accelerate rapidly.”
 - “The longer the conflict persists, the greater the likelihood of a rate hike. A tightening of monetary policy would, however, still require a significant deterioration in conditions. The reason is that inflation is low at the outset, and energy prices would need to rise substantially from today’s level before inflation becomes uncomfortably high. On the other hand, if the war and its impact on energy prices prove short-lived, the focus is likely to shift back to inflation being too low. In such a scenario, discussions of a potential rate cut would likely resume.”

SEB

- **March Rate Decision:** Hold at 1.75%
- **March Guidance:** “The press release will probably repeat that the policy rate most likely will remain at the current level for some time to come. We expect the Riksbank to signal a wait-and-see strategy and if the situation Middle East stabilises expectations for a rate cut may return”
 - “We predict that the Board will remove the small probability (4 bps) for a rate hike in Q4 this year and lower the rate forecast slightly in 2027 and 2028. “
- **Rate Outlook:** “We predict the policy rate to be unchanged throughout 2026 but continue to believe that a relatively high probability of a rate cut in the spring or summer”
 - SEB pencil in a 25bp hike in Q4 2027

UniCredit

- **March Rate Decision:** Hold at 1.75%
- **March Guidance:** “The Riksbank is expected to keep the policy rate unchanged at 1.75%, reiterating guidance that rates will likely remain on hold for an extended period, albeit with increased uncertainty due to geopolitical tensions. In the upcoming Monetary Policy Report, the bank may modestly downgrade its growth outlook following weak early-year data. Recent inflation prints and broader indicators have pointed to subdued underlying inflation pressure in 2026”.
- **Rate Outlook:** “Upside pressure from energy and linked to the conflict in Iran could slow disinflation and materially reduce the likelihood of Riksbank rate cuts.”
 - UniCredit expect no policy rate changes this year, but had pencilled in a hike in Q4 2027 as of February 24th.

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