

MNI Riksbank Review: August 2025

Key Links: [Policy Statement](#) | [Monetary Policy Update](#) | [Press conference \(in Swedish\)](#)

Key Dates:

- August meeting minutes: August 26, 2025.
- Q2 GDP: August 29, 2025
- August Flash CPI: September 4, 2025 (final September 11, 2025)
- Next Monetary Policy Decision (including MPR): September 23, 2025

MNI Point of View – Keeping Options Open

20 August 2025, by Emil Lundh

The Riksbank held rates at 2.00% in August, as unanimously expected. The Board continues to see “some probability of a further interest rate cut this year”, with the June outlook broadly affirmed despite the summer uptick in inflationary pressures. This was in line with MNI’s expectations ahead of the decision. **The August decision was balanced overall, keeping a September cut on the table without signalling an urgent need to ease policy at that meeting.** Governor Thedéen stressed as much in the post-decision press conference, while also pushing back strongly on a question around the scope for a 50bp cut at some point this year.

With markets still pricing the September decision as a coin toss between a hold and a cut, there will be plenty of focus on the Q2 GDP and August inflation reports in the coming weeks. In the more immediate term, First Deputy Governor Breman will give a presentation on the August decision tomorrow, with the full August meeting minutes due next Tuesday.

The policy statement, Monetary Policy Update and press conference played down the recent increase in inflation, referencing the role of temporary, volatile factors like foreign travel and car rental. Additionally, other inflation indicators are “not pointing to any lastingly elevated inflationary pressures”. Importantly, Governor Thedéen emphasised that the Riksbank sets policy on a forward-looking basis, also taking into account real activity trends alongside spot inflation outturns. That said, the Board still calls for “vigilance” with respect to inflation, with Thedéen noting that a moderation is required to avoid an unwanted uptick in inflation expectations.

The outlook for economic activity is still considered to be “weak”, which is the main reason for retaining a dovish bias in the policy statement. Households are “still cautious with regard to their spending” and “the labour market is not yet showing any clear sign of improving”. While the EU-US trade deal has reduced uncertainty, Thedéen noted (in response to an MNI Policy Team question) that the level of uncertainty is still dampening economic activity. Interestingly, the Monetary Policy Update considered the weak outlook to be broadly in line with the June projections, even though the flash Q2 GDP indicator was substantially below central bank projections (0.1% Q/Q vs 0.9% projected) and the 15% EU-US tariff agreement was more onerous than the 10% that had been assumed in June. We suspect this is because the Riksbank (i) rightfully has little confidence in the reliability of the flash GDP indicator, and (ii) did not want to complicate the policy message at an interim decision.

There was little net reaction in SEK FX and rates to the August decision. The very modest 1-2bp rise in front FRA rates likely reflects a lack of more explicit guidance for another rate cut (markets price almost a 100% implied chance of such a move, while the June MPR is consistent with a 50% chance), but it certainly doesn’t shift the broader market-implied outlook.

We haven’t seen any analyst view changes following the decision. The median analyst still tilts in favour of one more rate cut in September.

Sell Side Reviews

Summary of Analyst Views (Sorted A-Z)



Institution	August Review
Danske Bank	"In our latest forecast (Swedish inflation forecast, 14 August), core inflation is expected to be around 3.0% y/y for the remainder of the year, which should complicate things should the Riksbank make a similar assessment. The Riksbank's June MPR forecast had 2.7% y/y for CPIFxE for August, and should the outcome be closer to the Riksbank's forecast (which also indeed would show that June-July prints were driven by temporary factors), the door could open for a move already in September"
Goldman Sachs	"Given the Riksbank's openness to further easing, the current weakness in activity, and the benign inflation outlook, we continue to expect a 25bp cut in September to 1.75% to conclude the Riksbank's easing cycle, but see risks as skewed towards more easing later in the year".
Handelsbanken	"We continue to see room – and need – for one final cut to support activity and prevent inflation from undershooting. Our base case now is a September move to 1.75 percent. Nothing in today's communication shifts that view. More broadly, we acknowledge that much of July's upside surprise in CPI is likely to persist through the summer. However, the underlying inflation trend is softening, and we expect headline CPIF to follow suit and decline in the autumn. Recent economic activity data has generally remained weak and below the Riksbank's projections and labour market indicators suggest a continued sluggish development for employment ahead".
JP Morgan	"Overall, today's meeting was very close to our expectations. The main (small) deviation compared to our expectations was that the description of the real economy in the MPU was slightly less dovish. We do, however, not think this was a big issue as the press statement's description of growth and the labor market overall was dovish. In terms of our forecast, we still expect one more cut in September. This is based on: 1) various demand indicators still pointing to sluggish growth (such as revised 2Q GDP and business surveys); 2) a weak labor market; 3) a slightly stronger krona; and 4) a drop in core inflation".
Morgan Stanley	"Today's messaging supports our view that the Riksbank could deliver a 25bp rate cut in September, bringing the policy rate down to 1.75%. Given the Board's focus on the economic recovery and implications for inflation, the 2Q final GDP growth data will be a key input for the September meeting".
Nordea	"A rate cut can't be ruled out in September, but the bank should have sent stronger signals of a near term move if they plan to cut rates at the next meeting. The bottom line is that the bank still see some inflation risks, despite the surprisingly weak growth. We keep our forecast that the bank will stay on hold at 2.00% during the remainder of the year as well as during the next year, with risks tilted to a rate cut in the near term".
SEB	"We continue to expect a rate cut in September and do not rule out the possibility of another one later this year, but inflation prospects will be important".
Swedbank	"We forecast that the Riksbank will cut the policy rate at the next meeting in September and see some probability of an additional rate cut later this year".

Source: Analyst reviews, MNI

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