

## Swedish inflation beats consensus at 2%

Swedish CPIF inflation comes out at 2.0%, above consensus, on the back of increases in fuel and imported goods



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After two months of downside surprises, Swedish inflation today came out above consensus. Fuel, electricity, and clothing increased in November relative to October, as higher oil prices feed through to domestic prices. The main reason for the upside surprise, however, is the transport component, which has been erratic all year after changes to the way the Swedish statistics authority measures package holidays.

In effect, today's upside surprise off-sets the misses in September and October. For the Riksbank the data will not make a huge difference to its policy decision next week. The central bank has been saying all along that it doesn't place much weight on month-to-month volatility caused by measurement issues. The policy committee will be pleased with the confirmation that inflation is back to target, but we think the dovish majority will want to keep policy accommodative for some time yet to avoid the risk that inflation falls back again.