

## Swedish Q3 GDP: Growth still strong but signs of trouble ahead

Another strong growth figure from Sweden, but ...



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Q3 figures for Swedish economic growth published this morning came in at 0.8% growth QoQ, in line with expectations. That is a strong figure, if somewhat lower than in Q2, and shows continued strong momentum in the Swedish economy. Confidence indicators out earlier this morning were above expectations.

But the GDP release also revised down Q1 and Q2 growth figures slightly, and the breakdown of GDP components suggests risks are to the downside. Construction made another big contribution to growth in Q3 but, given the housing market looks like it is cooling off, that strong construction contribution is unlikely to continue for much longer.

For the Riksbank, today's GDP data is a small negative surprise (their latest forecast stood at 1.0% QoQ growth). In combination with the downside surprise in October inflation and uncertainty around the housing market, that will marginally strengthen the hand of the doves on the committee.