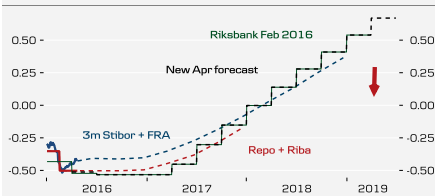


Flash Comment

Riksbank adds linkers to QE

- Contrary to our expectations, the Riksbank extended QE purchases of nominal government bonds from SEK200bn to SEK230bn (from end-June to end-year) and added SEK15bn in linkers, apparently a precautionary step aiming to keep the SEK from appreciating too fast (not to break the upward trend in inflation). The repo rate remained unchanged at -0.5% and the repo rate path remained unchanged. It also repeated that it stands ready to ease policy further if needed.
- It is worth noting that the QE expansion means that nominal purchases slow to roughly half the previous pace, i.e. from SEK65bn in H1 to SEK30bn in H2 in nominal bonds.
- The Krona index (KIX) forecast again shifted down (about 1% this time) suggesting that the Riksbank despite everything has slightly more tolerance for a SEK appreciation.
- The macro forecast was almost unchanged (see table).

Unchanged repo rate forecast



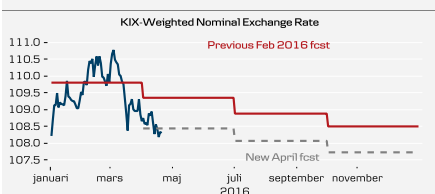
Source: Macrobond Financial, Riksbank

Riksbank new April forecast

	2015	2016	2017	2018
CPI	0.0	1.0 (0.7)	1.9 (2.1)	2.9 (2.9)
CPIF	0.9	1.4 (1.3)	2.0 (2.1)	2.2 (2.1)
GDP	4.1 (3.7)	3.7 (3.5)	2.7 (2.8)	2.3 (2.5)
Unemployment, ages 15-74, per cent	7.4	6.8 (6.8)	6.6 (6.7)	6.7 (6.9)
Repo rate, per cent	-0.3	-0.5 (-0.5)	-0.4 (-0.4)	0.2 (0.2)

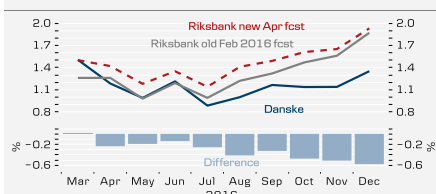
Source: Riksbank, February forecast in brackets

Riksbank shifts KIX 1% lower



Source: Riksbank

Lowers CPIF forecast but not enough



Source: Riksbank, Danske Bank

Macro/FI Strategy

Michael Grahn

[@MichaelGrahn1](https://twitter.com/MichaelGrahn1)

+46 8 6588 0588

mika@danskebank.se

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