

European Economic Perspectives

European Central Bank Watch

Economics

Europe including UK

What to expect from the ECB, BoE, SNB and Riksbank?

The Middle East conflict is confronting central banks with new challenges, above all higher inflation and slower growth. How will the ECB, BoE, SNB, and Riksbank respond?

ECB: We expect the Bank to hike rates by 25bps in both June and September, to 2.5%, but with the balance of risk skewed towards earlier, faster or larger rate hikes. **BoE:** We expect a prolonged hold with the next policy move being a cut (Nov-26 and Feb-27), not a hike. **SNB:** We expect the SNB to stay on hold at 0% until mid-2027, as rising inflation pressure from energy is being compensated by a strong CHF. **Riksbank:** With inflation currently falling, not rising, we see the policy rate stable at 1.75% this year. In our view, hikes would only become plausible if SEK were to depreciate sharply.

ECB: Expected to hike rates by 25bps each in June and September

We now expect the ECB to hike rates by 25bps in both June and September, bringing the policy rate to 2.5%. We acknowledge that this call may prove too dovish. The ECB might already hike rates at the 30 April meeting if it sees sufficient evidence of pro-inflationary second-round effects. A sequence of hikes in June and July, rather than June and September, is also a plausible alternative. Moreover, if the Iran conflict persists, the ECB might ultimately deliver more than two hikes and might even consider 50bp steps. By contrast, if the conflict were to end very soon, rate increases could be limited to less than 50bps - although this scenario appears increasingly unlikely.

BoE: We expect the next move to be a cut (in November), not a hike

Across the major European central banks, the repricing of the policy rate path has been most pronounced for the BoE, with market pricing for 2026 moving from -53.5bps at the end of February to +60.5bps by the time of writing. Despite considerable uncertainty, we think the next BoE move will be a cut, not a hike. According to our baseline, the Bank will stay on hold over the coming months before delivering two rate cuts (in Nov-26 and Feb-27). Given the weaker starting point of the economy (and the labour market specifically) compared with the 2022 energy shock, we view rate hikes as a risk scenario rather than the base case.

SNB: Policy rate to remain at 0% this year; hikes only with delay to ECB hikes

We expect the SNB to keep rates on hold at 0% this year as higher inflation pressure from energy is compensated by a strong CHF. In March, the SNB indicated that it is more worried about the latter and signalled an increased willingness to intervene in FX markets. However, eventually the SNB may take into account ECB rate hikes which would widen the ECB-SNB rate differential, potentially weakening the CHF and raising Swiss inflation. This could allow the SNB to normalize policy somewhat and move away from its 0% policy rate. We now expect the SNB to raise its policy rate in June 2027 (previously: Dec. 2027), but see two-sided risks to this call: the SNB could raise its policy rate earlier if the CHF weakens or decide not to hike at all.

Riksbank: In wait-and-see mode at 1.75%, SEK developments crucial

The Riksbank left the policy rate unchanged at 1.75% in March and reiterated its guidance that "the rate is expected to remain at this level for some time to come", while outlining risks for both a higher and a lower policy rate. As an outlier in Europe, Swedish inflation is currently falling despite rising energy prices, partly due to tax cuts but also because of subdued underlying price pressures. This should allow the Riksbank to wait and see. According to our baseline forecast, the policy rate will remain unchanged at 1.75% this year. For market pricing of 75bp hikes by end-2026 to be realised, we believe sharp SEK depreciation amid a global risk-off episode would be necessary.

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Figure 1: Timing of upcoming central bank meetings

	Apr 2026	May 2026	June 2026	July 2026	Aug 2026
Fed	29 Apr	-	17 Jun	29 Jul	-
ECB	30 Apr	-	11 Jun	23 Jul	-
BoE	30 Apr	-	18 Jun	30 Jul	-
SNB	-	-	18 Jun	-	-
Swedish Riksbank	-	7 May	17 Jun	-	20 Aug

Source: National central banks, UBS

Figure 2: Key policy rates and UBS expectations for 2026/27

	Key policy rate	Current	Next meeting	UBS forecast	in 3 months (end-June)	in 6 months (end-Sep)	End 2026	End 2027
Fed	Fed funds rate	3.50-3.75%	29 Apr	no change	3.50-3.75%	3.25-3.50%	3.00-3.25%	2.75%-3.00%
ECB	Deposit rate	2.00%	30 Apr	no change	2.25%	2.50%	2.50%	2.25%
BoE	Bank Rate	3.75%	30 Apr	no change	3.75%	3.75%	3.50%	3.25%
SNB	SNB policy rate	0.00%	18 Jun	no change	0.00%	0.00%	0.00%	0.25%
Swedish Riksbank	Policy rate	1.75%	7 May	no change	1.75%	1.75%	1.75%	2.00%

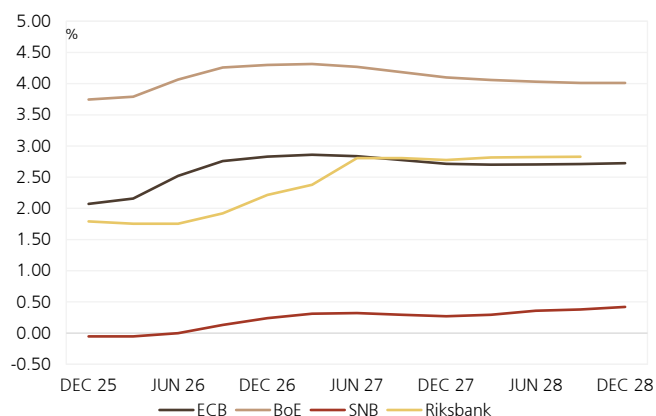
Source: National central banks, UBS estimates

Figure 3: Inflation targets and latest data points

	Inflation target	Latest
Fed	2% (PCE)	2.8% (Jan)
ECB	2% (HICP)	2.5% (Mar)
BoE	2% (CPI)	3.0% (Feb)
SNB	Below 2% (CPI)	0.3% (Mar)
Swedish Riksbank	2% (CPIF)	1.6% (Mar)

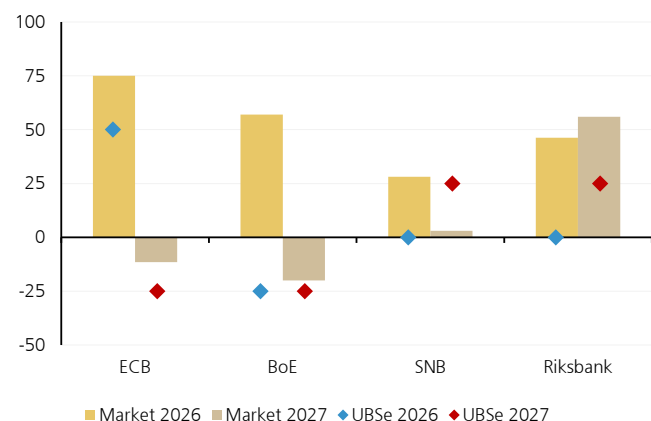
Source: National central banks, UBS

Figure 4: Market pricing for policy rates: ECB, BoE, SNB and Riksbank (as of 7 Apr 2026)



Source: Bloomberg, UBS. Note: Pricing derived from futures contracts or forwards for Riksbank.

Figure 5: Central bank rates pricing for 2026 and 2027 vs UBS forecasts (as of 7 Apr 2026)



Source: Bloomberg, UBS. Note: Pricing derived from futures contracts or forwards for Riksbank.

ECB

Next meeting: 30 April, depo rate currently at 2%

Market view: 15.1bps for April, 22.1bps for June and 77.7bps for 2026 overall

UBS view: ECB to hike rates by 25bps each in June and September, to 2.5%

We [now expect](#) the ECB to raise policy rates by 25bps in both June and September, bringing the deposit rate to 2.5%. [ECB President Christine Lagarde recently outlined the ECB's reaction function](#), specifying the conditions under which the Governing Council would (1) "look through" the current energy price shock, (2) respond in a "measured" way, or (3) act "forcefully or persistently". She stressed, however, that "it is too early to say where on this spectrum we will need to be", underscoring the need for further data before firm conclusions can be drawn. In our view, the ECB will focus in particular on: (a) timely survey indicators, including flash PMIs (especially price components), European Commission business and consumer confidence, the ECB consumer expectations survey, as well as national indicators such as Ifo (Germany), Insee (France) and Istat (Italy); (b) inflation data, notably Eurozone HICP, PPI and wage indicators; and (c) labour market developments, including short-time work numbers in Germany. We believe evidence on the emergence and strength of pro-inflationary second-round effects is likely to remain incomplete at the 30 April meeting, while greater clarity may emerge by 11 June, when the ECB will also publish updated macro projections.

Our revised call may prove too dovish. According to a [Bloomberg report](#), the ECB could already move at the meeting on 30 April, which we see as a genuine possibility. A sequence of rate hikes in June and July, rather than June and September, is also a plausible alternative. Moreover, should the Iran conflict persist for longer and evolve more in line with the ECB's "severe" scenario, the ECB might ultimately deliver more than two hikes and could even consider steps of 50bps. In contrast, if the conflict were to end very soon, the ECB might be able to limit rate hikes to less than 50bp - although this scenario appears increasingly unlikely.

Should the ECB raise rates to 2.5% over the summer, policy would turn moderately restrictive. But when would the ECB be able to reverse its hikes again? We forecast inflation to peak at 3.4% y/y in May before easing to 3.2% y/y by end-2026, 2.1% by end-2027 and 2.0% y/y by end-2028. Under this scenario, we would expect the ECB to cut rates again by 25bp each in Q4-27 and Q1-28. This would imply that the ECB would take considerable time to unwind this year's rate hikes - not least because ongoing fiscal stimulus (i.e. defence, infrastructure in Germany, but potentially also new government measures to address the energy shock) could add to inflationary pressures.

Strategy implication

Rates strategy: The reaction of European rates markets to the conflict seems in line with a more persistent inflation shock than in the US. Nonetheless, we still think that April is too early for a ECB hike. Positioning prior to the conflict could have overstated rate hike expectations so we would continue to fade the April meeting. If the ECB launches a hiking cycle, the market will likely further backload cuts so we are paying June-27 ECB vs receiving June-28 ECB. Markets take time to price in negative growth shocks; this should eventually weigh on duration on Europe so we remain long 10y bunds. We have favoured Italian bonds and spreads over the past years, but expect fiscal concerns to rise again amid a prolonged energy price shock, hence we now prefer shorting 10y Italy vs Germany.

FX strategy: We have trimmed our EURUSD Q2 target to 1.16 in light of the terms-of-trade shock from the Iran conflict. While we view the prospect of an extended conflict as a likely long-term negative for EURUSD, in line with our year-end 1.14 target, we think the hawkish repricing in ECB policy expectations is likely to provide support for EUR near-term, effectively offsetting the negative FX impact of higher energy prices. This said, in a scenario in which upside pressure on oil and gas prices were to ratchet sharply higher, we suspect that the immediate impact on EUR would likely be negative. Any pushback from the ECB pointing to less focus on inflation risks and increased concern for growth would also likely cause EUR to come under pressure near-term.

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We expect the ECB to hike rates by 25bps each in June and September

We see the risk to our ECB call as skewed towards more hawkish outcomes (i.e. earlier / faster / larger rate hikes)

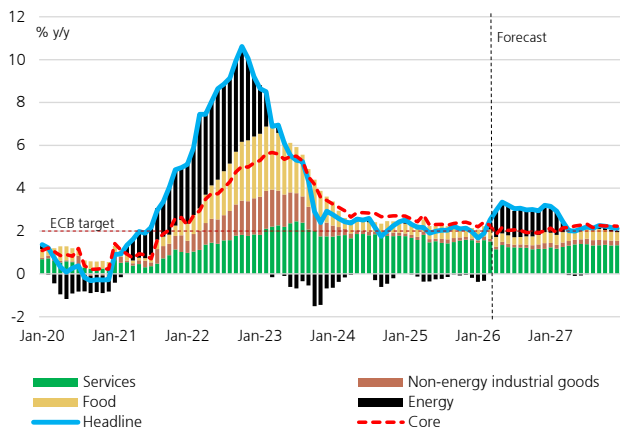
ECB might be able to cut rates again in late 2027 / early 2028

Fade tightening for April's meeting. Market will likely backload cuts if ECB starts a tightening cycle. Growth concerns should eventually favour bunds and wider BTP-bunds spreads

Terms-of-trade and hawkish ECB expectations to offset each other in EURUSD

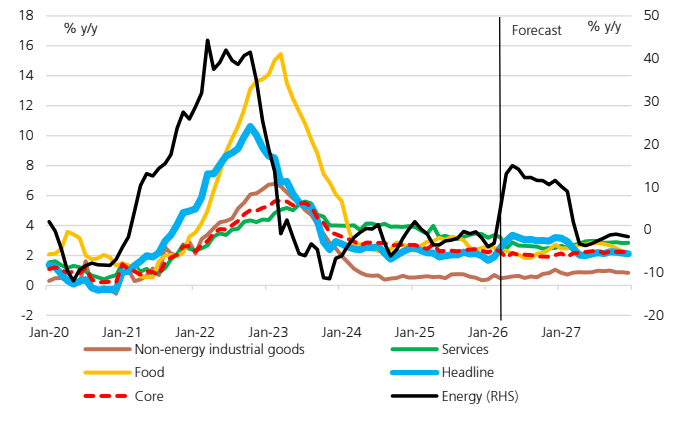


Figure 6: Eurozone inflation (% y/y) & contributions in pp



Source: Haver, UBS estimates

Figure 7: Eurozone inflation and subcomponents (% y/y)



Source: Haver, UBS estimates

Figure 8: Measures of inflation, underlying inflation and inflation expectations (red signals improvement m/m, green deterioration m/m)

	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
HICP headline inflation (% y/y)	2.2	1.9	2.0	2.0	2.0	2.2	2.1	2.1	2.0	1.7	1.9	2.5
Non-energy industrial goods (% y/y; w.:25.7%)	0.5	0.6	0.5	0.7	0.7	0.7	0.6	0.5	0.3	0.4	0.7	0.5
Services (% y/y; w.:44.9%)	4.0	3.2	3.3	3.2	3.1	3.2	3.4	3.5	3.4	3.2	3.4	3.2
Food (% y/y; w.:19.5%)	3.0	3.2	3.0	3.2	3.2	3.0	2.5	2.4	2.5	2.6	2.5	2.3
Energy (% y/y; w.:9.9%)	-3.6	-3.6	-2.6	-2.4	-2.0	-0.4	-0.9	-0.5	-1.9	-4.0	-3.1	4.9
Exclusion measures of inflation												
Core (HICP excl. energy and food) (% y/y; w.:70.6%)	2.7	2.3	2.3	2.3	2.3	2.4	2.4	2.4	2.3	2.2	2.4	2.3
Core (% 3m/3m, saar)	2.5	2.5	2.4	2.1	2.2	2.3	2.5	2.4	2.2	2.0	2.0	2.1
HICP excl. energy (% y/y)	2.8	2.5	2.5	2.5	2.5	2.5	2.4	2.4	2.4	2.3	2.4	2.3
HICP excl. energy & unprocessed food (% y/y)	2.7	2.4	2.4	2.4	2.3	2.4	2.4	2.4	2.3	2.2	2.3	2.2
HICP excl. energy, food, travel and clothing (% y/y)	2.7	2.5	2.5	2.5	2.5	2.6	2.6	2.6	2.5	2.3	2.5	
Measures of underlying inflation												
Domestic inflation	4.0	3.9	3.9	3.7	3.7	3.7	3.7	3.7	3.6	3.5	3.7	
Trimmed mean (10%, % y/y)	2.4	2.1	2.1	2.2	2.1	2.2	2.2	2.2	2.0	1.9	2.1	
Trimmed mean (30%, % y/y)	2.5	2.3	2.2	2.2	2.2	2.3	2.2	2.3	2.2	2.1	2.2	
Supercore	2.6	2.6	2.7	2.7	2.7	2.7	2.6	2.6	2.6	2.5	2.6	
PCCI (% y/y)	2.2	2.2	2.2	2.2	2.1	2.0	2.1	2.0	2.0	1.8	2.1	
PCCI excl. energy (% y/y)	2.5	2.4	2.4	2.3	2.2	2.1	2.2	2.1	2.1	2.0	2.1	
Inflation expectations												
Consumer inflation expectations 1 year ahead (median)* (% y/y)	3.1	2.8	2.6	2.6	2.8	2.7	2.8	2.8	2.8	2.6	2.5	
Consumer inflation expectations 3 years ahead (median)* (% y/y)	2.5	2.4	2.4	2.5	2.5	2.5	2.5	2.5	2.6	2.6	2.5	
SySy inflation forwards (% y/y)	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
SPF long-term inflation expectations** (% y/y)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
SMA 2026 inflation expectations*** (% y/y)	2.0	2.0	1.9	1.9	1.9	1.8	1.8	1.8	1.9	1.9	1.9	2.0
Wage growth												
UBS monthly negotiated wage tracker (% y/y)	4.6	4.5	4.3	3.9	3.7	3.7	3.5	3.4	3.3	3.2		

Source: Haver, Bloomberg, ECB, UBS. **Supercore** is constructed using only those items of core items that are deemed sensitive to slack. **Persistent and Common Component of Inflation (PCCI)** is a measure of underlying inflation that aims to capture common developments across different items in the consumption basket representing the more persistent part of inflation. *ECB Consumer Expectations Survey; **ECB Survey of Professional Forecasters. ***ECB Survey of Monetary Analysts.

Figure 9: UBS economic forecasts for the Eurozone

% y/y, unless where stated	2025				2026F				2027F				2028F				
	2025	2026F	2027F	2028F	Q1	Q2	Q3	Q4	Q1F	Q2F	Q3F	Q4F	Q1F	Q2F	Q3F	Q4F	
Real GDP, % q/q	-	-	-	-	0.6	0.1	0.3	0.2	0.2	0.2	0.2	0.3	0.3	0.4	0.3	0.2	0.2
Real GDP	1.5	0.8	1.2	1.0	1.6	1.6	1.4	1.2	0.8	0.9	0.8	0.9	1.0	1.2	1.3	1.2	1.2
Private consumption	1.5	0.9	0.9	1.1	1.6	1.7	1.4	1.3	1.2	0.9	0.9	0.6	0.7	0.9	1.0	1.1	1.1
Government consumption	1.6	1.4	1.1	1.0	1.9	1.4	1.5	1.4	1.9	1.7	1.2	1.0	1.0	1.1	1.1	1.1	1.0
Fixed Investment	3.1	1.9	3.0	1.7	2.4	3.6	3.3	3.1	0.7	2.7	2.0	2.3	2.8	3.2	3.3	2.8	2.3
Exports	2.2	0.3	1.8	1.8	2.7	0.7	2.9	2.4	-0.3	0.5	0.0	0.9	1.6	1.7	1.8	1.9	1.9
Imports	3.7	1.3	2.3	2.3	4.0	2.8	4.2	3.9	1.3	1.8	0.6	1.4	2.3	2.3	2.3	2.3	2.3
Domestic demand*	2.0	1.2	1.3	1.2	2.1	2.4	1.8	1.8	1.5	1.4	1.0	1.1	1.2	1.4	1.4	1.3	1.3
Net exports*	-0.6	-0.4	-0.2	-0.1	-0.4	-0.9	-0.4	-0.5	-0.7	-0.5	-0.3	-0.2	-0.2	-0.2	-0.1	-0.1	-0.1
Nominal GDP (y/y)	3.9	3.0	3.4	3.1	-	-	-	-	-	-	-	-	-	-	-	-	-
Employment (%)	0.7	0.6	0.4	0.4	-	-	-	-	-	-	-	-	-	-	-	-	-
Unemployment rate (%)	6.3	6.4	6.3	6.3	6.4	6.3	6.3	6.2	6.3	6.3	6.4	6.4	6.3	6.3	6.3	6.3	6.3
HICP	2.1	2.8	2.3	2.0	2.3	2.0	2.1	2.1	2.0	3.2	3.0	3.1	2.8	2.0	2.2	2.2	2.0
Core HICP	2.4	2.1	2.2	2.0	2.6	2.4	2.3	2.4	2.3	2.0	2.0	1.9	2.1	2.2	2.2	2.2	2.1
Budget balance (% GDP)	-2.9	-3.2	-3.3	-3.1	-	-	-	-	-	-	-	-	-	-	-	-	-
Primary balance (% GDP)	-0.9	-1.1	-1.3	-1.1	-	-	-	-	-	-	-	-	-	-	-	-	-
Cyclically-adjusted primary balance (% GDP)	-1.1	-1.5	-1.8	-1.8	-	-	-	-	-	-	-	-	-	-	-	-	-
Public debt (% GDP)	88.3	89.6	90.0	90.5	-	-	-	-	-	-	-	-	-	-	-	-	-
Current account (% GDP)	1.6	0.9	1.0	1.2	-	-	-	-	-	-	-	-	-	-	-	-	-
ECB deposit rate (end period)	2.00	2.50	2.25	2.00	2.50	2.00	2.00	2.00	2.00	2.25	2.50	2.50	2.50	2.50	2.50	2.25	2.00

Source: Haver, UBS estimates

BoE

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Next meeting: 30 April; Bank Rate currently at 3.75%

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Market view: Markets are pricing +8.1bp for April; total hikes of 60.5bp by end-26

UBS view: Rates on hold with the next move being a cut (Nov-26 and Feb-27), not a hike

The market's reading of the March BoE meeting, particularly the unanimous vote to keep Bank Rate on hold, was clearly hawkish. Across the major European central banks, the shift in market pricing for the policy rate path during 2026 has been most dramatic for the BoE, moving from 53.5bps of cuts at the end of February to 60.5bps of hikes by the time of writing. While we acknowledge the significant uncertainty around the duration of the conflict, the outlook for energy prices, and the risk of second-round effects, we maintain the view that the next policy move is more likely to be a cut than a hike, in contrast to current market pricing. With Bank Rate at 3.75%, we think the majority of the MPC would still view this level as restrictive. In addition, as acknowledged by the MPC, the starting point relative to the 2022 energy shock is different. The current shock comes at a time when growth is below potential and the labour market is weakening. As a result, we think the risk of second-round effects, particularly via wages, is lower than in 2022. Hence, the MPC could address the risk of pro-inflationary second-round effects by keeping rates at their current level, without hiking further.

Our baseline remains that the Bank is likely to stay on hold over the coming months, before delivering two interest rate cuts, in November 2026 and February 2027. The risks are two-sided: On the one hand, a larger-than-expected growth (and labour market) fallout caused by higher energy prices could bring rate cuts forward. On the other hand, any signs of second-round effects are likely to delay interest rate cuts further.

That said, we acknowledge that still-fresh memories of the 2022 inflation shock, when inflation peaked at 11.1% in October 2022, may influence the BoE's reaction function. First, the 2022 experience could raise concerns that companies and households will respond more quickly to the energy shock this time, through faster price resets and higher wage demands. Second, criticism of having reacted too slowly in 2022 may make the MPC more inclined to hike rates quickly this time. In fact, in our [global scenario report](#), we pencilled in two BoE hikes in 2026 (July and November) in a scenario where the conflict lasts two months and oil prices average \$130/bbl in Q2 2026. But given the weaker starting point for the economy, including the labour market, we would expect the BoE to cut rates relatively quickly thereafter. Overall, while we do not rule out BoE rate hikes, we continue to view them as a risk rather than the base case.

What to watch: February GDP (16 April), labour market data (21 April), March CPI (22 April) and April PMIs (23 April)

Strategy implication

Rates strategy: The majority of the re-pricing in Gilts markets following the energy shock is related to higher rate expectations rather than broader uncertainty according to our model decompositions. Structurally, this has less to do with the BoE's messaging at the March meeting but more about higher rate expectations tied to the Fed and the ECB. We find that [spillovers](#) from US and Eurozone rate expectations have surged near historical highs. Gilt yields could reverse course if either the Fed or the ECB strike a dovish tone in the coming weeks and ease expectations of a BoE hike. Lower volatility in energy markets would also help. However, we would also flag that spillovers from the US on the UK have been the most persistent across the G10 rates space.

FX strategy: We continue to target EURGBP 0.89 for end-Q2. Sterling has been relatively resilient since the start of the ME-conflict, primarily due to support from front-end rates repricing. However, we think GBP is vulnerable here given the terms-of-trade shock from energy prices, increased fiscal challenges due to lower growth and higher gilt yields. Also, the political risks surrounding the 7 May local council elections in England and devolved parliament elections in Scotland and Wales remain. We think the BoE being less likely to deliver on market pricing of hikes than the ECB also adds to the expectation of GBP weakness against the euro from here.

We maintain the view that the next policy move is more likely to be a cut than a hike

BoE likely to stay on hold over the coming months, before cutting in Nov-26 and Feb-27

While we do not see hikes as impossible, we continue to view them as a risk rather than our base case

Rate expectations towards the Fed and the ECB weighing on the BoE

We target EURGBP 0.89 for end-Q2

Figure 10: Measures of inflation, underlying inflation and inflation expectations (red signals increase m/m & y/y, green decline m/m & y/y)

	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26
CPI headline inflation (% y/y)	3.5	3.4	3.6	3.8	3.8	3.8	3.6	3.2	3.4	3.0	3.0
Core (% y/y; w.: 77.6%)	3.8	3.5	3.7	3.8	3.6	3.5	3.4	3.2	3.2	3.1	3.2
Non-energy industrial goods (% y/y; w.: 28.6%)	1.1	1.6	1.8	1.6	1.6	1.5	1.5	1.1	1.0	0.8	1.3
Services (% y/y; w.: 49%)	5.4	4.7	4.7	5.0	4.7	4.7	4.5	4.4	4.5	4.4	4.3
Food (% y/y; w.: 15.2%)	4.0	4.7	5.0	5.1	5.3	4.9	5.2	4.2	4.7	3.8	3.4
Energy (% y/y; w.: 7.2%)	-0.9	-1.7	-0.7	1.4	2.5	4.3	1.8	1.9	1.7	0.2	-1.0
CPI headline inflation (% m/m, SA)	0.5	0.0	0.4	0.5	0.3	0.1	0.2	0.1	0.3	0.2	0.2
Core (% m/m, SA)	0.8	0.0	0.4	0.3	0.2	0.0	0.2	0.2	0.2	0.4	0.3
Non-energy industrial goods (% m/m, SA)	0.0	0.3	0.2	0.1	0.1	0.0	0.2	0.0	0.2	0.1	0.1
Services (% m/m, SA)	1.2	-0.2	0.5	0.4	0.3	0.1	0.2	0.3	0.4	0.4	0.4
Food (% m/m, SA)	0.2	0.6	0.6	0.4	0.3	0.1	0.5	-0.2	0.6	0.0	0.0
Energy (% m/m, SA)	0.9	-1.6	-0.1	0.7	1.7	-0.5	-0.8	0.2	0.9	-1.4	-1.3
Inflation expectations											
BoE Decision Maker Panel: 1y ahead CPI	3.1	3.0	3.3	3.2	3.4	3.4	3.4	3.4	3.2	2.9	3.0
BoE Decision Maker Panel: 3y ahead CPI	2.7	2.7	2.9	2.8	3.0	3.0	2.9	3.0	2.9	2.7	2.7
BoE Survey of External Forecasters: 1y ahead CPI	2.1	2.1	2.1	2.3	2.3	2.3	2.4	2.4	2.4	2.1	2.1
BoE Survey of External Forecasters: 2y ahead CPI	2.0	2.0	2.0	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
BoE Survey of External Forecasters: 3y ahead CPI	2.1	2.1	2.1	2.0	2.0	2.0	2.1	2.1	2.1	2.0	2.0
BoE/ipsos inflation attitudes survey: 5y ahead CPI	3.6	3.6	3.6	3.8	3.8	3.8	3.8	3.8	3.8	3.7	3.7
5y inflation forwards (% y/y)	3.0	3.0	3.0	3.1	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Wage growth											
Average weekly earnings - total pay (incl. bonuses)	5.4	5.0	4.6	4.8	5.0	4.9	4.8	4.6	4.2	3.9	
Average weekly earnings - regular pay (excl. bonuses)	5.3	5.0	5.0	4.8	4.7	4.7	4.6	4.4	4.1	3.8	
BoE Decision Maker Panel: expected wage growth over the next year	3.8	3.7	3.6	3.6	3.6	3.6	3.7	3.8	3.7	3.6	3.6

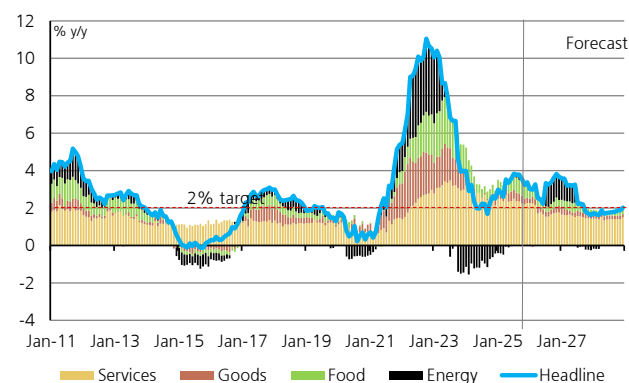
Source: Haver, Bloomberg, BoE and UBS

Figure 11: UBS economic forecasts for the UK

% y/y, unless otherwise indicated	2025	2026F	2027F	2028F	2025F				2026F				2027F				2028F			
					Q1	Q2	Q3	Q4	Q1F	Q2F	Q3F	Q4F	Q1F	Q2F	Q3F	Q4F	Q1F	Q2F	Q3F	Q4F
Real GDP, q/q%	-	-	-	-	0.7	0.2	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Real GDP	1.4	0.6	1.1	1.3	1.8	1.4	1.3	1.0	0.5	0.5	0.6	0.8	0.9	1.1	1.2	1.3	1.3	1.3	1.3	1.3
Private consumption	1.0	1.0	1.6	1.8	1.2	1.4	0.8	0.6	0.6	0.8	1.1	1.4	1.4	1.5	1.6	1.7	1.8	1.8	1.8	1.8
Government consumption	1.7	1.0	0.6	0.4	2.1	1.9	1.8	1.1	1.6	0.9	0.7	0.8	0.7	0.6	0.5	0.4	0.4	0.4	0.4	0.4
Fixed Investment	4.3	1.2	1.3	1.7	4.3	4.6	3.9	4.2	1.3	1.7	0.8	0.9	1.0	1.2	1.4	1.6	1.7	1.7	1.7	1.7
Exports	2.1	0.8	1.7	1.9	4.2	0.9	2.0	1.2	-0.1	1.9	0.2	1.3	1.5	1.6	1.8	1.9	1.9	1.9	1.9	1.9
Imports	4.1	2.0	2.2	2.2	7.7	2.0	4.9	1.9	1.3	2.2	2.3	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Domestic demand*	2.1	1.1	1.3	1.5	3.0	1.8	2.2	1.3	1.0	0.7	1.4	1.2	1.2	1.3	1.4	1.4	1.5	1.5	1.5	1.5
Net exports*	-0.7	-0.4	-0.2	-0.2	-1.2	-0.4	-1.0	-0.3	-0.5	-0.1	-0.7	-0.3	-0.3	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2
Nominal GDP	5.1	3.8	3.7	3.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unemployment rate (%)	4.9	5.3	5.1	4.5	4.5	4.7	5.0	5.2	5.2	5.2	5.3	5.4	5.3	5.2	5.0	4.9	4.7	4.5	4.4	4.4
CPI	3.4	3.1	2.6	1.8	2.8	3.5	3.8	3.4	3.1	2.4	3.3	3.7	3.4	3.2	2.2	1.7	1.7	1.8	1.8	1.9
Average Earnings	4.8	3.1	2.4	2.4	5.7	4.7	4.8	4.2	3.5	3.5	2.8	2.5	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Govt deficit (% GDP)	-4.3	-3.6	-3.0	-2.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Primary balance (% GDP)	-1.4	-0.8	-0.1	0.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cyclically-adjusted primary balance (% GDP)	-1.1	-0.6	0.0	0.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Govt debt, (% GDP)	94.1	94.6	95.3	96.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current account (% GDP)	-2.4	-2.7	-2.5	-2.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BoE Bank Rate (end period)	3.75	3.50	3.25	3.25	4.50	4.25	4.00	3.75	3.75	3.75	3.75	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25

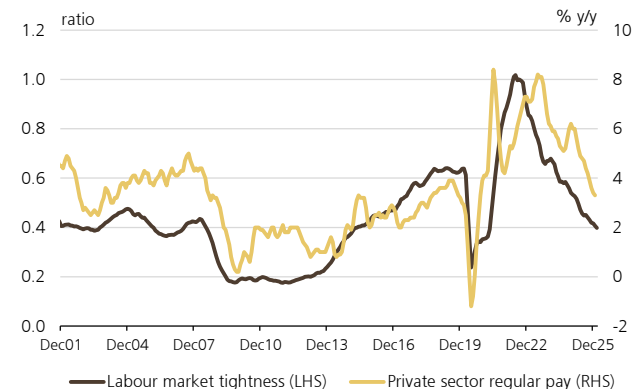
Source: Haver, UBS estimates

Figure 12: Contributions to CPI inflation, ppt



Source: Haver, UBS estimates

Figure 13: Labour market tightness* and wage growth



Source: Haver, UBS *Ratio of vacancies to unemployment

SNB

Next meeting: 18 June 2026; SNB policy rate currently at 0%

Market view: +6bp priced for March and cumulative 32.7bp of hikes by end-2026

UBS view: No further rate cuts, one rate hike in 2027

In [March](#), the SNB kept the policy rate at 0%. Two aspects stood out to us. First, the SNB strengthened its language on FX interventions by saying: "Given the conflict in the Middle East, the SNB's willingness to intervene in the foreign exchange market has increased. The SNB thereby counters a rapid and excessive appreciation of the Swiss franc, which would jeopardise price stability in Switzerland." This follows the SNB's [verbal intervention](#) right after the Iran conflict started. Second, the inflation forecast was raised for the near-term, but slightly lowered for the medium-term. The message from both the FX intervention language and the inflation forecast, in our view, is that the SNB seems more worried about low inflation (triggered by a strong CHF) than about high inflation (triggered by high oil prices). This seems very different from the SNB's response to the 2022 energy shock, when - together with rates hike - it was actively seeking to strengthen the CHF (via FX sales) to counter high inflation.

The impact of the Middle East conflict on the SNB hence differs from other central banks. First, inflation is low (0.3% in [March](#)) and well below the mid-point of the target range. Second, the weight of energy in the Swiss CPI is half of that in the Eurozone and electricity pricing is regulated, implying less upward pressure from higher energy prices. Third, the SNB faces not just an energy price shock but also disinflationary pressures from CHF strength, with labour market slack leaving the economy vulnerable to downside growth risks. The SNB, in our view, has made it clear that it is primarily concerned about disinflation due to CHF strength rather than higher inflation.

We do not necessarily see the outlook tilted towards rate hikes. That said, the SNB will likely take into account any ECB rate hikes (which we now expect in June and September 2026). After all, the ECB-SNB rate differential would widen starting this summer, potentially weaken CHF and thereby raising Swiss inflation. This could ultimately open a window for the SNB to normalize policy somewhat and move away from its 0% policy rate (not least to lower the risk of having to introduce negative rates when the next shock hits). Hence we now expect the SNB to raise its policy rate in June 2027 (previous baseline was December 2027). We see two-sided risks to this call: should the CHF weaken along with higher ECB rates, the SNB may decide to raise its policy rate much earlier. At the same time, should appreciation pressure on the CHF continue even as the ECB hikes rates, the SNB may decide not to hike at all.

What to watch: ECB meeting (30 April); April inflation (5 May).

Strategy implication

FX: The SNB's pushback against pricing for hikes and the threat of FX intervention suggests to us that CHF gains will be capped at EURCHF 0.90 for now. With markets pricing in hikes by both the ECB and the SNB, and the arguably limited likelihood of the latter materialising, we think it is premature to fade EURCHF strength; we would rather wait until closer to the ECB's meeting on 30 April. Recent USDCHF strength has seen Swiss corporate selling accelerate, helping to keep the pair capped at around 0.80. The rally has also seen asset managers increase hedge ratios. This highlights ongoing domestic flows that we think will keep CHF supported medium-term.

Rates: Front-end Swiss rates continue to offer the best asymmetry to receive in Europe from dual-sided risks to inflation. The SNB's focus on disinflationary pressures suggests to us that Swiss rates should reverse their sell-off if energy prices stabilise in the near-term. The 2-year and 5-year parts of the Swiss curve are areas most sensitive to spillovers from the Eurozone but the global nature of the energy price shock has also brought back the influence of the US into Swiss rates. We expect this to continue until volatility in energy markets subsides and until there is more clarity around policymakers' reaction function to inflationary pressures and eventual downside risks to growth.

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SNB focussed on CHF strength

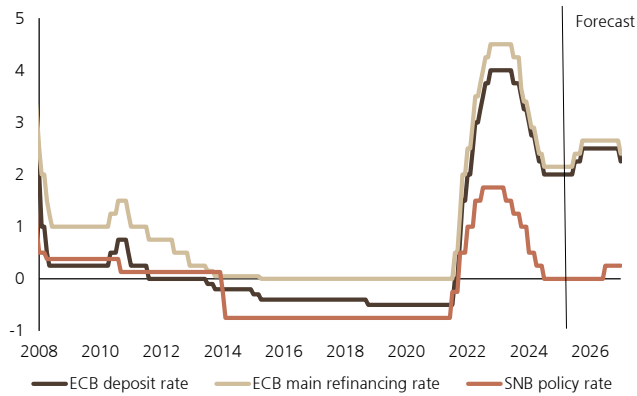
Impact of Middle East conflict on SNB differs from other central banks

SNB to follow ECB with rate hikes only with delay

Flows remain franc-supportive over the medium-term

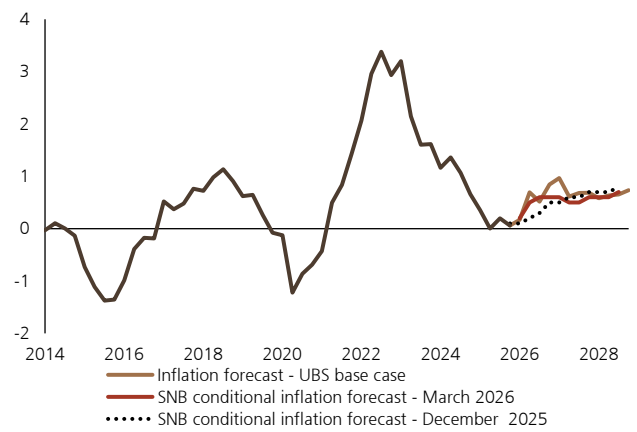
Dual-sided risks to inflation suggest pricing of hikes for the SNB is more related to spillovers and volatile energy prices

Figure 14: SNB and ECB policy rates, %



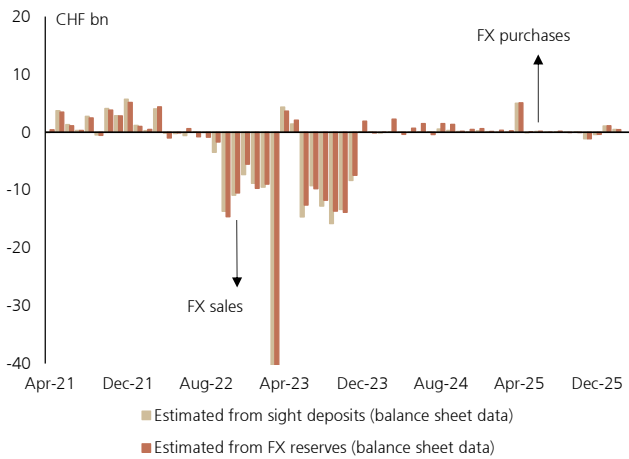
Source: Haver, UBS projections

Figure 15: Inflation, % y/y



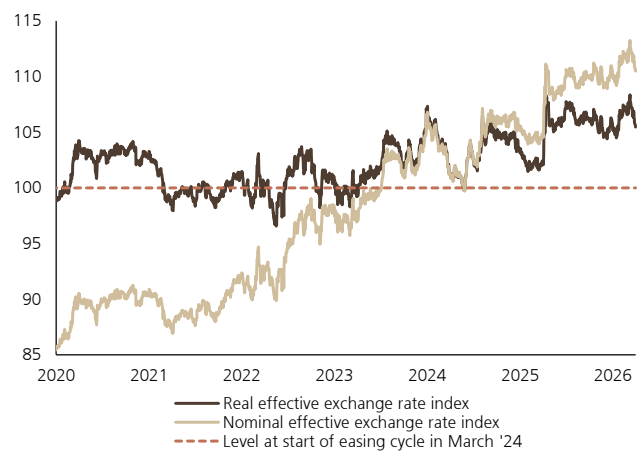
Source: Haver, UBS

Figure 16: SNB FX interventions – monthly estimates from balance sheet data, CHFbn



Source: Haver, UBS. Details on our methodology [here](#).

Figure 17: Nominal and real trade-weighted exchange rate



Source: Haver, SNB, UBS

Figure 18: UBS economic forecasts for Switzerland

% y/y, unless otherwise stated	2025	2026F	2027F	2028F	2025				2026F				2027F			
					Q1	Q2	Q3	Q4	Q1F	Q2F	Q3F	Q4F	Q1F	Q2F	Q3F	Q4F
Real GDP, % q/q	-	-	-	-	0.7	0.1	-0.4	0.1	0.6	0.7	0.0	0.1	0.2	0.5	0.4	0.4
Real GDP	1.3	1.1	1.1	1.8	2.4	1.5	0.6	0.5	0.4	1.1	1.5	1.5	1.0	0.8	1.1	1.4
Real GDP, % q/q (sports-event adjusted)	-	-	-	-	0.8	0.1	-0.4	0.2	0.3	0.4	0.3	0.4	0.3	0.5	0.4	0.4
Real GDP (sports-event adjusted)	1.4	0.7	1.4	1.5	2.4	1.7	1.0	0.6	0.1	0.4	1.1	1.3	1.3	1.4	1.5	1.5
Private consumption	1.5	1.4	1.4	1.6	1.9	1.5	1.3	1.5	1.7	1.4	1.2	1.1	1.2	1.4	1.5	1.6
Government consumption	1.0	0.5	0.8	1.1	1.1	0.9	0.2	0.5	0.1	0.5	0.8	0.8	0.8	0.8	0.8	0.8
Fixed investment	-0.5	0.8	1.0	1.8	-0.3	-1.3	-0.7	0.2	0.2	1.2	1.2	0.6	0.6	1.0	1.2	1.4
Exports of gds & services	1.2	-0.6	1.0	2.1	7.8	-2.1	2.3	-2.8	-4.9	0.1	0.9	1.8	1.1	0.5	1.0	1.5
Imports of gds & services	3.3	1.5	1.1	1.5	6.3	-0.7	3.9	3.8	-1.2	4.5	1.9	0.8	0.9	1.0	1.2	1.3
Stocks*	1.4	1.2	0.0	0.0	0.1	1.9	0.6	3.1	1.8	2.0	0.9	0.0	0.0	0.0	0.0	0.0
Domestic demand	2.2	2.1	1.0	1.4	1.1	2.8	1.3	4.4	3.0	3.4	2.0	0.8	0.9	1.0	1.2	1.3
Net exports*	-0.9	-1.1	0.0	0.4	1.4	-0.9	-0.5	-3.4	-2.3	-2.1	-0.4	0.6	0.2	-0.2	0.0	0.2
Nominal GDP	1.6	1.7	1.8	2.4	3.4	2.2	0.6	0.1	0.6	1.8	2.1	2.3	2.0	1.4	1.8	2.1
Employment (FTE)	0.3	0.6	1.2	1.3	0.5	0.4	0.1	0.2	0.3	0.5	0.7	0.9	1.1	1.2	1.3	1.3
Unemployment rate (%)	2.8	3.1	3.1	2.9	2.7	2.8	2.9	3.0	3.0	3.1	3.1	3.1	3.1	3.1	3.1	3.0
CPI	0.2	0.6	0.7	0.7	0.4	0.0	0.2	0.1	0.2	0.7	0.5	0.8	1.0	0.6	0.7	0.7
Current account (% of GDP, end of period)	6.0	6.5	6.6	6.9	-	-	-	-	-	-	-	-	-	-	-	-
Budget balance (% of GDP)	0.3	0.1	0.2	0.2	-	-	-	-	-	-	-	-	-	-	-	-
Government debt (% of GDP)	36.9	36.1	35.3	34.3	-	-	-	-	-	-	-	-	-	-	-	-
SNB policy rate (% end of period)	0.00	0.00	0.25	0.25	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.25	0.25

Source: Haver, UBS estimates. * Percentage-point contribution to growth.

Riksbank

Next meeting: 7 May; policy rate currently at 1.75%

Market view: +8bp priced for May, +75bp by year-end

UBS view: On hold at 1.75% in 2026

The Riksbank kept the policy rate unchanged at 1.75% [in March](#) and reiterated its guidance that "the rate is expected to remain at this level for some time to come." The Riksbank's rate forecast is for unchanged rates throughout most of this year, with a small likelihood of a policy-normalising rate hike from Q4 2026 onwards to an end-point of just above 2% by Q1 2029 (we think neutral is around 2.25%). However, the Riksbank explicitly stated that "the war in the Middle East makes the forecast very uncertain". In two alternative scenarios for the macro fallout of the Middle East conflict, it presented potential avenues to both rate hikes and rate cuts, depending on the oil price trajectory, SEK developments, the extent of supply chain disruptions, and sentiment effects.

In its [communication](#) since the March decision, the Executive Board remained non-committal, emphasizing vigilance regarding price pressures but arguing that the best action for now is to wait until more clarity about the growth and inflation impact of the energy shock emerges. After all, despite rising energy prices, Swedish inflation [is currently falling](#) and will likely run below 2% in 2026 due to food and energy tax cuts as well as subdued underlying price pressures (UBSe: 1.7%). This should allow the Riksbank to wait and see. Governor Thedéen in the March meeting minutes pointed out that "[o]ur starting point with low inflation gives us some respite until we have a clearer picture of the economic consequences of the war." In our view, this makes a rate change in the next meeting on 7 May unlikely.

Our baseline remains that the Riksbank will remain on hold at 1.75% in 2026. That said, the probability that this baseline scenario plays out is unusually low. The market appears to be focused on upside risks, with 75bp of hikes priced by year-end. For this to be realized, we believe sharp SEK depreciation amid a global risk-off episode would be necessary. Currency weakness would amplify the inflationary impact of rising energy prices and evoke the memories of 2022, leading the Riksbank to hike in a similar magnitude as the ECB. While not impossible, we also see risks in the other direction. First, in response to rising market interest rates, [Swedish banks have increased mortgage rates](#), which is already tightening households' financial conditions - even absent any Riksbank rate hike - due to Sweden's high share of variable rate mortgages. Second, the Swedish consumer has been particularly cautious over the past years, and the labour market remains weak, making the economy vulnerable. If growth disappoints, underlying inflation may fail to pick up despite higher headline so that the Riksbank could even lower rates - a risk that is not reflected in market pricing.

To assess whether we need to change our mind in either direction, we will closely watch (i) energy prices, (ii) inflation expectations, (iii) the breadth of inflation pressures, (iv) hard and soft growth data with a particular focus on consumption-related indicators, and (v) SEK developments.

What to watch: Inflation expectations (15 April), March unemployment (22 April), April ETS (29 April), Q1 flash GDP (29 April), April flash inflation (6 May)

Strategy implication

FX: We think SEK has become more vulnerable recently. Earlier this year, we were bullish on the krona assuming that the loose fiscal stance and associated net issuance would attract portfolio inflows. This positive view was also predicated on the domestic economic recovery continuing. However, survey data has been more mixed recently, consumer and business sentiment may be sensitive to geopolitical uncertainty, and we see potential for broad risk-off moves due to the Middle East conflict. At the same time, despite persistent inflation undershoots, markets are pricing three Riksbank hikes by year-end - which we think are unlikely to be delivered, adding to the krona's vulnerability. Although we still like the longer-term structural flow case for SEK, our conviction in this playing out over an investable time horizon has declined.

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Economist

Benjamin Jarrett

Strategist

Riksbank kept rates and guidance unchanged in March, but stressed uncertainty

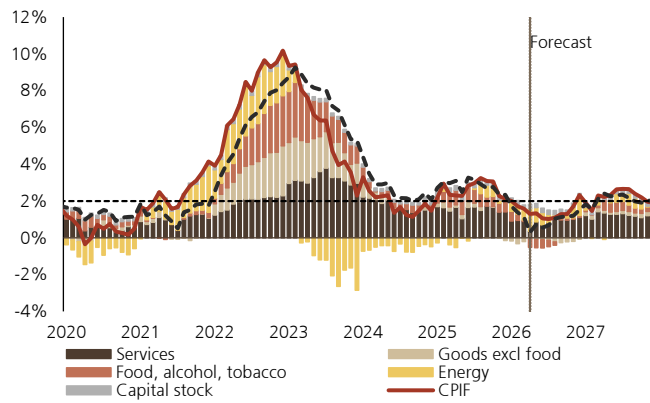
The low starting point of Swedish inflation allows the Riksbank to be more patient than the ECB

Our baseline forecast is for unchanged rates at 1.75% in 2026. We see risks in both directions but believe market pricing is too focused on upside risks

Incoming data ahead of May/June meeting will be crucial for Riksbank response

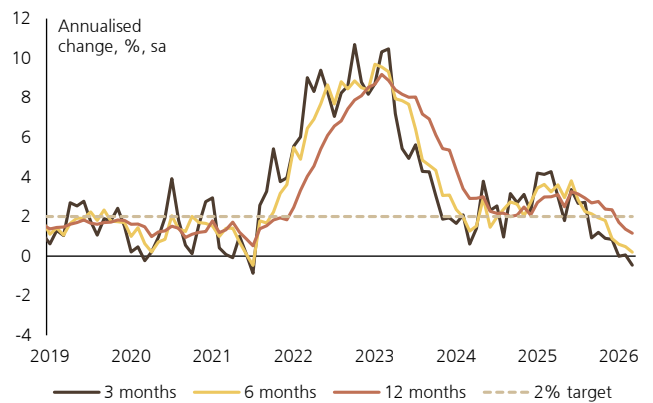
We think SEK has become more vulnerable recently

Figure 19: Swedish inflation (%/y) & contribution in pp



Source: Haver, UBS estimates

Figure 20: Swedish CPIF ex energy inflation at different horizons



Source: Haver, UBS

Figure 21: Measures of inflation, underlying inflation and inflation expectations (red: increase m/m, green: decline m/m)

	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
Headline inflation												
CPIF inflation (% y/y)	2.3	2.3	2.8	3.0	3.3	3.1	3.1	2.3	2.1	2.0	1.7	1.6
CPIF ex energy (% y/y)	3.1	2.5	3.3	3.2	2.9	2.7	2.8	2.4	2.3	1.7	1.4	1.1
Goods ex food and energy (% y/y)	0.5	0.9	1.3	0.9	0.9	-0.1	0.1	-0.1	-0.6	-0.7	-1.3	-0.8
Services (% y/y)	3.8	2.3	3.7	3.8	3.4	3.9	3.8	3.2	3.2	2.1	2.1	2.0
Food (% y/y)	4.7	4.5	4.5	4.3	4.1	2.9	3.3	2.9	3.4	3.1	2.0	0.5
Energy (% y/y)	-9.2	-0.8	-4.1	0.2	9.2	10.1	8.5	1.2	-1.0	5.9	6.3	8.7
Inflation momentum												
CPIF inflation (% 3m annualised, SA)	1.7	0.0	2.2	3.4	3.4	2.6	2.3	0.5	-1.3	0.5	2.8	2.9
CPIF ex energy (% 3m annualised, SA)	3.0	1.8	3.4	2.7	2.7	0.9	1.2	0.9	0.8	0.0	0.1	-0.5
Underlying inflation*												
CPIF ex energy/unprocessed Food (% y/y)	3.1	2.5	3.3	3.2	2.9	2.8	2.9	2.4	2.3	1.7	1.3	
CPIF at constant taxes	2.3	2.5	3.1	3.2	3.5	3.4	3.3	2.5	2.4	2.3	2.0	
Trimmed mean (15%, % y/y)	2.4	2.3	2.5	2.6	2.5	2.3	2.4	2.2	2.2	2.0	1.7	
Median (% y/y)	2.6	3.0	3.1	3.1	3.5	2.8	3.3	3.2	3.5	2.4	1.8	
UND24 (% y/y)	2.7	2.5	2.9	2.9	2.9	2.6	2.7	2.6	2.5	1.6	1.4	
KPIFPC (% y/y)	2.8	2.7	2.9	2.7	3.0	2.6	2.8	2.5	2.2	2.3	2.1	
Inflation expectations												
Origo inflation expectations: Money market participants: 1 year	1.8	1.5	1.3	1.2	1.6	1.4	1.2	1.2	1.3	1.1	1.1	1.4
Origo inflation expectations: 2 year	2.1	1.9	1.9	1.8	2.0	1.9	1.9	1.9	2.0	2.1	2.0	2.3
Origo inflation expectations: 5 year	2.2	2.0	1.9	1.8	2.1	2.1	2.1	2.0	2.1	2.1	2.1	2.1
Households inflation expectations: 1 year	9.5	8.9	8.6	7.9	7.8	6.9	6.7	7.1	7.0	6.5	6.6	7.3
Business Tendency Survey, Companies inflation expectations: 1 year	1.6	1.6	1.6	1.7	1.7	1.7	1.7	1.7	1.7			
Wage growth												
Short term wage stats: Hourly wages (y/y%)	3.4	3.9	3.5	3.5	3.6	3.6	3.6	3.7	3.7			

Source: Haver, Riksbank, UBS. *In UND24, components whose inflation has varied substantially over 24 months are given a lower weighting. KPIFPV is calculated such that the more prolonged a component's price change is, the higher its weight. KPIFPC is a "static factor" estimated using principal component analysis.

Figure 22: UBS economic forecasts for Sweden

% yov. unless where stated	2025	2026F	2027F	2028F	2025				2026F				2027F			
					Q1	Q2	Q3	Q4	Q1F	Q2F	Q3F	Q4F	Q1F	Q2F	Q3F	Q4F
Real GDP, %q/q	-	-	-	-	-0.3	1.0	0.8	0.5	0.4	0.4	0.5	0.5	0.5	0.6	0.6	0.5
Real GDP, %/y	1.8	2.0	2.1	1.7	0.6	2.3	2.5	2.0	2.6	2.0	1.8	1.8	1.9	2.1	2.1	2.1
Private consumption	1.7	2.1	1.8	1.8	0.8	1.7	2.1	2.5	2.5	2.4	1.9	1.4	1.6	1.8	1.9	2.0
Government consumption	1.1	3.1	1.1	0.8	0.3	0.8	0.6	2.7	3.3	3.5	3.8	1.8	1.5	1.2	0.9	0.8
Fixed Investment	2.0	4.9	2.6	2.3	-1.1	4.1	1.0	4.0	7.0	5.2	4.9	2.7	2.4	2.6	2.7	2.7
Exports	4.4	0.8	2.3	1.8	5.3	4.6	5.6	2.1	1.3	0.4	-0.2	1.7	2.1	2.3	2.4	2.2
Imports	4.6	1.9	1.8	1.7	3.7	7.0	4.4	3.4	3.4	1.0	1.4	1.9	1.8	1.9	1.9	1.8
Domestic demand*	1.8	2.6	1.8	1.6	-0.3	3.3	1.7	2.6	3.7	2.3	2.6	1.8	1.8	1.8	1.8	1.8
Net exports*	0.0	-0.6	0.3	0.1	0.9	-1.0	0.8	-0.6	-1.1	-0.3	-0.8	0.0	0.2	0.3	0.3	0.3
Nominal GDP (%/y)	3.0	3.3	4.2	4.3	2.6	3.2	3.6	2.8	4.2	2.9	3.0	3.4	3.9	4.4	4.3	4.1
Employment (%/y)	0.4	0.9	1.0	1.0	-0.1	0.2	0.5	0.8	0.9	0.9	0.9	0.8	0.8	0.8	1.0	1.2
Unemployment rate (avg) (%)	8.7	8.5	8.1	7.7	8.7	8.7	8.8	8.8	8.7	8.5	8.4	8.3	8.2	8.1	8.0	7.9
CPIF (%/y)	2.6	1.7	2.3	2.4	2.5	2.5	3.1	2.5	1.9	1.5	1.4	2.1	2.1	2.4	2.6	2.0
CPIF ex energy (%/y)	2.8	1.3	2.1	2.5	2.9	2.9	2.9	2.5	1.6	0.8	1.2	1.6	2.0	2.3	2.2	2.0
Budget balance (% GDP)	-1.4	-1.8	-0.7	-0.2	-	-	-	-	-	-	-	-	-	-	-	-
Primary balance (% GDP)	-1.4	-1.8	0.0	0.4	-	-	-	-	-	-	-	-	-	-	-	-
Cyclically-adjusted primary balance (% GDP)	-0.6	-1.4	-0.6	-0.3	-	-	-	-	-	-	-	-	-	-	-	-
Govt debt (% GDP)	34.2	35.6	35.8	35.3	-	-	-	-	-	-	-	-	-	-	-	-
Current account (% GDP)	6.5	5.8	5.7	5.5	-	-	-	-	-	-	-	-	-	-	-	-
Riksbank policy rate (end period)	1.75	1.75	2.00	2.00	2.25	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75	2.00	2.00	2.00

Source: Haver, UBS estimates. * Percentage-point contribution to growth.

ANNEX**Figure 23: UBS G10 FX forecasts**

	Spot	End-2026	End-2027
EUR/USD	1.16	1.14	1.14
USD/JPY	159	160	160
EUR/JPY	184	182	182
GBP/USD	1.32	1.34	1.34
EUR/GBP	0.87	0.85	0.85
EUR/CHF	0.92	0.90	0.88
USD/CHF	0.80	0.79	0.77
EUR/SEK	10.87	10.50	10.50
EUR/NOK	11.22	11.50	11.50
AUD/USD	0.69	0.70	0.70
NZD/USD	0.57	0.61	0.61
USD/CAD	1.39	1.40	1.40
XAUUSD	4739	5600	5000

Source: Bloomberg, UBS

Figure 25: UK heatmap

		Latest Release	Long-term average	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
Hard data															
Industrial production, yf	% yf	0.3 (Jan-26)	0.4	0.6	-0.8	0.2	0.5	-0.6	-2.1	0.1	2.2	0.4	0.3		
Capacity utilisation (services)	%	41.0 (Mar-26)	39.1	40.0	40.0	40.0	39.0	39.0	39.0	40.0	40.0	40.0	41.0	41.0	41.0
Retail sales, yf	% yf	2.4 (Feb-26)	1.8	3.4	-0.9	1.2	1.8	0.8	2.1	1.9	1.5	1.7	4.7	2.4	
Index of services, yf	% yf	0.9 (Jan-26)	2.1	1.4	1.3	1.8	1.6	1.2	1.7	1.2	1.1	0.8	0.9		
Index of construction, yf	% yf	-0.1 (Jan-26)	0.8	4.3	1.9	1.2	3.1	2.4	3.1	1.2	-0.3	-0.2	-0.1		
Monthly GDP	%3mBm	0.2 (Jan-26)	0.4	0.7	0.4	0.2	0.1	0.1	0.1	-0.1	0.0	0.1	0.2		
GDP qf	%qf	0.1 (Dec-25)	0.4	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1		
Exports yf	%yf	5.3 (Jan-26)	1.7	-1.9	5.3	-10.9	5.1	-9.9	-7.6	-6.1	-2.5	-5.0	5.3		
Survey Indicators															
Composite PMI, Index	Index	51.0 (Mar-26)	53.5	48.5	50.3	52.0	51.5	53.5	50.1	52.2	51.2	51.4	53.7	53.7	51.0
Services PMI, Index	Index	51.2 (Mar-26)	53.9	49.0	50.9	52.8	51.8	54.2	50.8	52.3	51.3	51.4	54.0	53.9	51.2
Manufacturing PMI, Index	Index	51.0 (Mar-26)	51.5	45.4	46.4	47.7	48.0	47.0	46.2	49.7	50.2	50.6	51.8	51.7	51.0
- New orders, Index	Index	51.7 (Mar-26)	51.8	43.1	44.8	48.2	47.8	43.9	43.8	47.4	50.0	50.2	53.2	52.5	51.0
- New export orders, Index	Index	51.0 (Mar-26)	50.1	37.9	43.2	46.2	45.3	41.8	40.9	41.6	46.9	49.1	51.9	52.4	51.7
- Orders-inventory Ratio	Index	1.1 (Mar-26)	1.09	1.01	0.98	1.07	1.01	0.92	0.85	0.93	1.05	0.98	1.08	1.06	1.08
Capacity utilisation (manufacturing)	%	33.0 (Dec-25)	37.5	38.0	38.0	38.0	36.0	36.0	36.0	33.0	33.0	33.0	36.0	36.0	36.0
Consumer confidence	Index	-21.0 (Mar-26)	-12.8	-23.0	-20.0	-18.0	-19.0	-19.0	-17.0	-17.0	-19.0	-17.0	-16.0	-19.0	-21.0
Household economic situation expectations	Index	-37.0 (Mar-26)	-20.2	-37.0	-33.0	-28.0	-29.0	-30.0	-32.0	-30.0	-32.0	-29.0	-31.0	-31.0	-37.0
Household unemployment expectations	Index	39.0 (Mar-26)	27.7	40.0	34.0	34.0	38.0	38.0	38.0	40.0	39.0	38.0	39.0	38.0	39.0
Labour market and Wages															
Unemployment rate	%	5.2 (Dec-25)	5.4	4.7	4.7	4.7	4.8	5.0	5.1	5.1	5.2	5.2			
Claimant count rate	%	4.4 (Feb-26)	3.6	4.4	4.5	4.4	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.4	
Jobless claims, change	000s	24.7 (Feb-26)	1.2	-22.1	15.3	-15.5	-33.3	-2.0	0.4	-3.9	-3.3	2.7	4.7	24.7	
Employment	%yf	1.3 (Dec-25)	0.9	2.1	2.1	2.1	1.8	1.5	1.3	1.4	1.3	1.3			
Average weekly earnings	%yf	4.1 (Jan-26)	3.5	4.6	4.6	4.8	5.0	5.3	4.3	4.9	4.6	3.1	4.1		
Average weekly earnings ex. bonus	%yf	3.5 (Jan-26)	3.4	5.1	5.0	4.8	4.7	4.7	4.6	4.5	4.1	3.9	3.5		
Inflation															
Headline CPI	% yf	3.0 (Feb-26)	2.5	3.5	3.4	3.6	3.8	3.8	3.8	3.6	3.2	3.4	3.0	3.0	
Core CPI	% yf	3.2 (Feb-26)	2.1	3.8	3.5	3.7	3.8	3.6	3.5	3.4	3.2	3.2	3.1	3.2	
CPIH	% yf	3.2 (Feb-26)	2.5	4.1	4.0	4.1	4.2	4.1	4.1	3.8	3.5	3.6	3.2	3.2	
RPI	% yf	3.6 (Feb-26)	3.4	4.5	4.3	4.4	4.8	4.6	4.5	4.3	3.8	4.2	3.8	3.6	
Market based inflation expectations (5y5y forwards)	%	3.1 (Mar-26)	3.4	3.0	3.0	3.0	3.1	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.1
Monetary Dynamics															
M4, yf	% yf	3.6 (Feb-26)	5.3	3.2	3.5	3.3	2.9	3.4	3.6	3.4	4.2	4.7	3.0	3.6	
M4 households, yf	% yf	3.8 (Feb-26)	5.5	4.8	4.6	4.6	4.6	4.4	4.4	3.7	4.1	4.1	3.8	3.8	
M4 PNFCs, yf	% yf	1.3 (Feb-26)	6.2	0.8	-0.1	0.4	0.4	0.8	2.0	2.2	2.4	2.7	0.4	1.3	
FX															
EURGBP	FX rate	1.15 (Mar-26)	1.29	1.17	1.19	1.18	1.16	1.16	1.15	1.15	1.14	1.14	1.15	1.15	1.15
EURGBP, m/m	% m/m	0.5 (Mar-26)	-0.1	-1.9	1.2	-0.7	-1.8	-0.1	-0.4	-0.3	-0.9	0.5	0.8	-0.3	0.5
EURGBP, yf	% yf	-3.3 (Mar-26)	-0.8	0.3	1.4	-0.4	-2.5	-1.6	-3.3	-4.2	-5.3	-5.4	-3.3	-4.6	-3.3
NEER	Index	84.5 (Mar-26)	88.2	84.7	85.7	86.0	85.0	85.0	84.9	84.4	83.5	84.4	85.1	84.8	84.5
NEER, m/m	% m/m	-0.3 (Mar-26)	0.0	-0.3	1.2	0.3	-1.1	0.0	-0.1	-0.6	-1.1	1.1	0.8	-0.3	-0.3
NEER, yf	% yf	-0.4 (Mar-26)	-0.4	2.8	3.5	3.0	1.0	1.7	0.1	-0.4	-0.9	-0.1	2.3	1.0	-0.4
Commodity Prices															
Brent Oil Prices, USD	\$bbl	102.0 (Mar-26)	65.1	68.1	64.5	71.4	71.0	67.9	68.0	64.5	63.8	62.5	66.6	70.9	102.0
Brent Oil Prices, USD	%yf	40.3 (Mar-26)	13.6	-24.2	-21.2	-13.1	-16.6	-15.5	-8.1	-14.7	-14.2	-15.3	-16.0	-6.0	40.3
Non-oil Commodity prices	% yf	19.5 (Mar-26)	5.3	5.3	4.2	7.7	10.7	14.6	14.3	14.0	14.1	16.7	20.7	18.1	19.5
Food Prices	% yf	-1.0 (Feb-26)	4.7	7.5	5.5	5.9	7.4	6.9	3.2	-0.4	-2.0	-2.2	-0.3	-1.0	
Credit conditions															
Consumer credit, change	£ bn	1.9 (Feb-26)	0.9	2.0	1.0	1.5	1.7	1.8	1.5	1.7	2.1	1.7	1.8	1.9	
Consumer credit, yf	% yf	8.5 (Feb-26)	7.0	6.8	6.5	6.8	7.0	7.2	7.3	7.5	8.1	8.3	8.3	8.5	
Mortgages, change	£ bn	4.8 (Feb-26)	4.0	-0.8	2.0	5.1	4.4	4.3	5.3	4.3	4.6	4.6	4.2	4.8	
Mortgages, yf	% yf	3.4 (Feb-26)	5.2	2.6	2.6	2.8	2.9	3.0	3.2	3.2	3.4	3.4	3.3	3.4	
Credit to PNFCs, change	£ bn	3.7 (Feb-26)	0.5	1.9	9.2	-1.8	5.8	4.5	0.2	-0.4	6.5	1.3	8.0	3.7	
Credit to PNFCs, yf	% yf	7.6 (Feb-26)	1.1	3.4	5.3	4.3	5.5	6.0	5.8	5.0	5.3	5.7	6.8	7.6	
Debt securities issued by PNFCs, change	£ bn	2.5 (Feb-26)	0.9	-0.8	-1.1	-1.5	0.5	-1.1	2.1	-1.3	-0.1	-2.5	0.9	2.5	
Debt securities issued by MFI, change	£ bn	10.0 (Feb-26)	2.4	3.0	10.1	6.9	4.1	-0.7	0.9	4.4	5.4	-8.0	1.3	10.0	
Interest rate consumer credit	%	9.1 (Feb-26)	7.27	8.7	8.7	8.4	8.3	8.3	8.3	8.4	8.7	8.8	9.0	9.1	
Interest rate mortgages	%	4.1 (Feb-26)	2.84	4.5	4.5	4.3	4.3	4.3	4.2	4.2	4.2	4.2	4.1	4.1	
Interest rate PNFCs	%	5.7 (Feb-26)	3.89	6.4	5.6	5.9	5.8	5.7	5.5	5.8	5.6	5.6	5.7	5.7	
IG credit	%	5.6 (Mar-26)	4.5	5.6	5.5	5.4	5.3	5.3	5.4	5.2	5.2	5.2	5.1	5.1	5.6
HY credit	%	9.6 (Mar-26)	7.6	9.5	9.2	9.3	9.2	8.9	9.1	9.1	9.0	8.8	8.7	8.8	9.6
Financial Markets															
Bloomberg Financial conditions index	Index	0.7 (Mar-26)	-0.2	0.4	0.8	1.0	1.0	1.1	1.0	0.9	0.8	1.1	1.2	1.1	0.7
FTSE 100, Index	Index	10242 (Mar-26)	6305	8240	8658	8807	8971	9183	9235	9525	9688	9766	10138	10538	10242
FTSE 100, m/m	% m/m	-2.8 (Mar-26)	0.2	-4.9	5.1	1.7	1.9	2.4	0.6	3.1	1.7	0.8	3.8	3.9	-2.8
FTSE 100, yf	% yf	18.2 (Mar-26)	2.8	3.3	3.9	7.2	9.3	11.2	11.7	15.2	18.8	18.6	20.5	21.0	18.2
Option implied volatility	Index	23.7 (Mar-26)	18.1	22.1	13.7	13.4	12.3	11.7	11.8	12.5	15.1	12.3	13.8	15.9	23.7
10 year Gilt Yield	%	4.92 (Mar-26)	2.92	4.44	4.65	4.49	4.57	4.72	4.70	4.41	4.44	4.48	4.52	4.23	4.92
				-2 sd	-1.5 sd	-1.0 sd	-0.5 sd	+0.5 sd	+1 sd	+1.5 sd	+2 sd	+2.5 sd	+3 sd	+3.5 sd	+4 sd
				-1.5 sd	-1 sd	-0.5 sd	+0.5 sd	+1 sd	+1.5 sd	+2 sd	+2.5 sd	+3 sd	+3.5 sd	+4 sd	+4.5 sd
				-1 sd	-0.5 sd	+0.5 sd	+1 sd	+1.5 sd	+2 sd	+2.5 sd	+3 sd	+3.5 sd	+4 sd	+4.5 sd	+5 sd

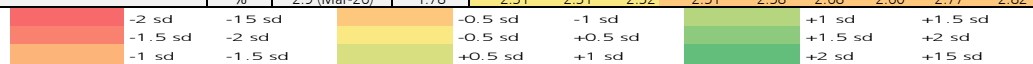
Source: Haver, Bloomberg, UBS. Copyright © 2026, UBS, S&P GlobalTM. All rights reserved. To see the shading in the colour code clearly, please adjust printer settings to high-quality printing.

Figure 26: Switzerland heatmap

		Latest release	Long-term average	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
Hard data															
Nominal GDP (quarterly)	% q/q	-0.1 (Dec-25)	0.6	0.0	0.0	0.0	-0.8	-0.8	-0.8	-0.1	-0.1	-0.1			
Real GDP (quarterly)	% q/q	0.1 (Dec-25)	0.5	0.1	0.1	0.1	-0.4	-0.4	-0.4	0.1	0.1	0.1			
Industrial production	% y/y	-10.0 (Dec-25)	2.6	7.0	-0.4	0.1	-2.9	0.8	8.1	2.4	5.4	-10.0			
Capacity utilisation (quarterly)	%	75.2 (Mar-26)	78.9	74.3	74.3	74.3	75.2	75.2	75.2	75.3	75.3	75.3	75.2	75.2	75.2
Construction production (quarterly)	% y/y	2.0 (Dec-25)	0.5	-0.9	-0.9	-0.9	-2.3	-2.3	-2.3	2.0	2.0	2.0			
Retail sales, real	% y/y	0.8 (Feb-26)	1.5	1.1	0.3	4.1	0.9	-0.1	2.3	2.2	1.7	2.5	-0.6	0.8	
Retail sales, real	% m/m	0.4 (Feb-26)	0.2	0.4	-0.7	2.2	-0.7	-0.1	0.7	0.1	-0.3	1.1	-1.6	0.4	
Goods exports (excl. precious metals)	% y/y	-13.0 (Feb-26)	4.0	7.4	-5.8	-1.5	-3.8	-3.7	1.3	-10.4	0.6	-11.4	-4.9	-13.0	
Goods exports (excl. precious metals)	% m/m	-2.7 (Feb-26)	0.3	-11.2	-11.6	7.3	-4.2	-1.2	3.5	-2.7	2.2	-3.8	1.5	-2.7	
Survey indicators															
Manufacturing PMI	Index	53.3 (Mar-26)	53.5	46.5	42.4	48.7	49.5	48.2	46.1	48.1	49.6	46.4	48.8	47.4	53.3
Services PMI	Index	57.2 (Mar-26)	54.2	51.9	55.3	48.9	45.0	45.1	51.4	48.3	46.1	51.4	53.8	54.2	57.2
KOF leading indicator	Index	96.1 (Mar-26)	100.1	95.3	97.6	95.4	100.8	97.3	97.9	101.4	101.6	103.6	103.3	103.8	96.1
SECO index of weekly activity	Index	0.1 (Feb-26)	1.9	3.9	0.6	0.1	0.2	0.4	1.4	0.7	0.8	0.2	1.0	0.1	
Economic Confidence	Index	0.1 (Feb-26)	0.0	-0.8	-0.5	-0.4	-0.3	-0.8	-0.8	-0.4	-0.2	-0.1	0.1	0.1	
Consumer confidence	Index	-32.3 (Mar-26)	-16.4	-43.6	-43.6	-43.6	-32.4	-32.4	-32.4	-34.0	-34.0	-34.0	-32.3	-32.3	-32.3
Household fin. situation expectations	Index	-27.7 (Mar-26)	-13.2	-34.3	-34.3	-34.3	-27.2	-27.2	-27.2	-29.5	-29.5	-29.5	-27.7	-27.7	-27.7
Household job security	Index	-60.1 (Mar-26)	-58.3	-46.0	-46.0	-46.0	-48.1	-48.1	-48.1	-50.5	-50.5	-50.5	-60.1	-60.1	-60.1
Labour market and wages															
Unemployment rate	%	3.0 (Feb-26)	2.9	2.7	2.8	2.9	2.9	2.9	3.0	3.0	3.0	3.0	2.9	3.0	
Employment (quarterly)	% y/y	0.1 (Dec-25)	1.2	0.6	0.6	0.6	0.4	0.4	0.4	0.1	0.1	0.1			
Manufacturing PMI employment	Index	47.5 (Mar-26)	51.8	44.3	43.7	47.3	48.5	46.5	43.8	47.2	50.9	46.9	46.9	48.6	47.5
Services PMI employment	Index	52.2 (Mar-26)	50.4	52.9	49.4	48.7	48.0	44.1	44.7	44.0	46.2	46.3	45.6	49.6	52.2
Nominal Wages (quarterly)	% y/y	2.0 (Sep-25)	1.1	2.3	2.3	2.3	2.0	2.0	2.0						
Real Wages (quarterly)	% y/y	1.8 (Sep-25)	0.5	2.3	2.4	2.2	1.8	1.8	1.8						
Inflation															
Headline CPI	% y/y	0.3 (Mar-26)	0.6	0.0	-0.1	0.1	0.2	0.2	0.2	0.1	0.0	0.1	0.1	0.1	0.3
Core CPI	% y/y	0.4 (Mar-26)	0.5	0.8	0.7	0.8	0.8	0.6	0.6	0.5	0.4	0.5	0.5	0.4	0.4
Inflation expectation 6-12m	%	0.7 (Dec-25)	0.7	0.8	0.8	0.8	0.7	0.7	0.7	0.7	0.7	0.7			
Inflation expectation 3-5yrs	%	1.0 (Dec-25)	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.0	1.0	1.0			
PPI	% y/y	-2.3 (Feb-26)	0.1	0.0	0.4	0.3	0.0	-1.3	-1.4	-1.2	-1.2	-1.3	-1.6	-2.3	
PPI domestic	% y/y	-0.9 (Feb-26)	0.4	0.5	0.4	0.4	0.1	0.6	0.4	0.3	0.3	0.1	-0.4	-0.9	
PPI export	% y/y	-2.9 (Feb-26)	-0.7	-0.5	1.2	1.1	0.7	-2.2	-2.1	-1.8	-1.9	-1.9	-2.1	-2.9	
Import price index	% y/y	-3.6 (Feb-26)	-0.4	-1.8	-2.8	-2.8	-2.9	-2.7	-2.8	-2.7	-2.4	-2.8	-3.5	-3.6	
Single-family home prices	% y/y	3.8 (Dec-25)	2.5	2.9	2.9	2.9	3.4	3.4	3.4	3.8	3.8	3.8			
Apartment prices	% y/y	4.4 (Dec-25)	2.4	2.2	2.2	2.2	3.4	3.4	3.4	4.4	4.4	4.4			
Manufacturing PMI purchase price	Index	71.3 (Mar-26)	56.2	49.1	48.9	47.9	50.5	53.2	51.8	52.9	54.5	52.8	51.5	55.8	71.3
Services PMI purchase price	Index	69.4 (Mar-26)	57.7	58.9	55.8	52.8	57.0	57.0	56.9	59.8	59.8	58.7	60.2	55.5	69.4
Services PMI sales price	Index	58.0 (Mar-26)	51.9	47.3	49.1	48.7	48.7	49.7	49.7	51.1	53.7	52.8	55.0	49.5	58.0
Monetary dynamics															
M1, y/y	% y/y	19.4 (Feb-26)	5.6	11.4	13.0	17.8	21.2	21.8	20.6	21.5	21.2	18.1	19.2	19.4	
M2, y/y	% y/y	13.6 (Feb-26)	4.1	10.9	11.8	14.8	16.5	16.6	15.8	16.2	15.8	13.5	13.9	13.6	
M3, y/y	% y/y	4.9 (Feb-26)	3.4	3.1	3.5	4.3	4.6	4.5	4.0	4.8	4.9	4.5	5.3	4.9	
FX															
EUR/CHF	FX rate	0.9094 (Mar-26)	1.2864	0.9364	0.9357	0.9380	0.9325	0.9387	0.9350	0.9289	0.9290	0.9328	0.9273	0.9140	0.9094
EUR/CHF	% m/m	-0.5 (Mar-26)	-0.2	-1.9	-0.1	0.3	-0.6	0.7	-0.4	-0.6	0.0	0.4	-0.6	-1.4	-0.5
EUR/CHF	% y/y	-4.7 (Mar-26)	-1.9	-4.1	-4.8	-2.4	-3.6	-0.7	-0.7	-1.0	-0.7	-0.2	-1.5	-2.9	-4.7
USD/CHF	FX rate	0.7867 (Mar-26)	1.1163	0.8344	0.8293	0.8134	0.7985	0.8056	0.7963	0.7976	0.8036	0.7961	0.7894	0.7726	0.7867
USD/CHF	% m/m	1.8 (Mar-26)	-0.1	-5.5	-0.6	-1.9	-1.8	0.9	-1.2	0.2	0.8	-0.9	-0.8	-2.1	1.8
USD/CHF	% y/y	-10.9 (Mar-26)	-1.8	-8.3	-8.8	-8.9	-10.5	-6.0	-6.0	-7.4	-8.8	-10.8	-13.2	-14.4	-10.9
NEER	Index	209.7 (Feb-26)	137.3	200.9	200.9	202.2	205.1	203.6	205.1	206.0	205.5	205.6	206.4	209.7	
NEER	% m/m	1.6 (Feb-26)	0.2	3.8	0.0	0.7	1.4	-0.7	0.8	0.4	-0.2	0.0	0.4	1.6	
NEER	% y/y	8.7 (Feb-26)	2.7	6.9	7.4	5.9	7.6	3.9	4.1	4.9	5.0	5.3	6.9	8.7	
REER	Index	120.7 (Feb-26)	107.5	117.8	117.6	118.2	119.7	118.5	119.2	119.3	118.8	118.6	119.0	120.7	
REER	% m/m	1.4 (Feb-26)	0.1	3.6	-0.2	0.5	1.3	-1.0	0.6	0.1	-0.5	-0.1	0.3	1.4	
REER	% y/y	6.1 (Feb-26)	0.7	3.8	4.2	2.9	4.8	1.1	1.3	2.0	2.1	2.6	4.4	6.1	
Commodity prices															
Brent Oil Prices	\$/bbl	102.0 (Mar-26)	63.4	68.1	64.5	71.4	71.0	67.9	68.0	64.5	63.8	62.5	66.6	70.9	102.0
Brent Oil Prices	% y/y	40.3 (Mar-26)	12.1	-24.2	-21.2	-13.1	-16.6	-15.5	-8.1	-14.7	-14.2	-15.3	-16.0	-6.0	40.3
Rhine freight rates	EUR/mt	34.8 (Mar-26)	29.0	107.3	39.0	37.9	30.5	24.0	19.0	28.0	21.0	35.5	45.5	24.9	34.8
Non-oil Commodity prices	% y/y	19.5 (Mar-26)	4.6	5.3	4.2	7.7	10.7	14.6	14.3	14.0	14.1	16.7	20.7	18.1	19.5
Credit conditions															
Credit to households	% m/m	0.5 (Jan-26)	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.3	0.2	0.5			
Credit to households	% y/y	3.5 (Jan-26)	4.1	2.5	2.6	2.7	2.8	2.9	3.0	3.2	3.2	3.2	3.5		
Credit to NFCs	% m/m	0.3 (Jan-26)	0.2	-0.2	0.5	0.0	0.2	0.3	-0.1	0.3	-0.2	-0.8	0.3		
Credit to NFCs	% y/y	1.0 (Jan-26)	2.3	1.4	1.4	2.2	2.9	3.1	2.7	2.4	2.0	1.6	1.0		
Financial markets															
SMI	Index	12,887 (Mar-26)	8,250	11,744	12,236	12,093	11,963	12,050	12,135	12,506	12,576	13,021	13,276	13,681	12,887
SMI	% m/m	-5.8 (Mar-26)	0.3	-9.4	4.2	-1.2	-1.1	0.7	0.7	3.1	0.6	3.5	2.0	3.1	-5.8
SMI	% y/y	-0.6 (Mar-26)	4.5	3.0	3.9	0.1	-1.8	-0.4	0.5	3.1	7.2	11.6	10.0	6.9	-0.6
SPI	Index	17,911 (Mar-26)	8,379	15,809	16,774	16,714	16,666	16,767	16,832	17,243	17,322	17,892	18,332	18,853	17,911
SPI	% m/m	-5.0 (Mar-26)	0.5	-7.9	6.1	-0.4	-0.3	0.6	0.4	2.4	0.5	3.3	2.5	2.8	-5.0
SPI	% y/y	4.4 (Mar-26)	7.4	4.6	6.7	4.1	2.9	4.3	4.8	6.7	10.8	15.0	14.1	11.2	4.4
VSMI	Index	22.6 (Mar-26)	18.2	18.6	16.2	14.6	14.1	13.3	12.9	14.5	12.7	12.3	15.8	14.7	22.6
10y Eidgenossen Yield	%	0.39 (Mar-26)	1.46	0.41	0.32	0.32	0.43	0.30	0.25	0.20	0.18	0.29	0.30	0.29	0.39
10y Eidgenossen - Bund yield differential	bps	-253 (Mar-26)	-104	-215	-224	-221	-221	-240	-247	-244	-251	-255	-255	-249	-253
SNB balance sheet, money markets															
SNB balance sheet	bn CHF	877.7 (Feb-26)	456.0	843.4	836.7	852.2	855.5	852.3	886.6	890.5	896.7	893.9	886.5	877.7	
SNB balance sheet	m/m	-8.9 (Feb-26)	2.4	-23.1	-6.7	15.4	3.3	-3.2	34.2	3.9	6.2	-2.9	-7.3	-8.9	
FX interventions (UBS estimate)	bn CHF	0.5 (Feb-26)	2.2	5.0	-0.1	0.1	0.0	0.1	0.0	0.0	-1.1	-0.4	1.1	0.5	
SNB policy rate	%	0.00 (Mar-26)	0.54	0.25	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SARON	%	-0.05 (Feb-26)	0.38	0.20	0.20	0.12	-0.04	-0.04	-0.04	-0.04	-0.04	-0.04	-0.06	-0.05	
Spread SNB ECB policy rate	bps	-200 (Mar-26)	-97	-200	-200	-200	-200	-200	-200	-200	-200	-200	-200	-200	-200
				-2 sd	-1.5 sd	-1 sd	-0.5 sd	+0.5 sd	+1 sd	+1.5 sd	+2 sd	+2.5 sd	+3 sd	+3.5 sd	+4 sd

Figure 27: Sweden heatmap

		Latest Release	long-term average	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26
Hi Tulika															
Hard data															
Industrial production, y/y	% y/y	3.2 (Jan-26)	1.0	5.1	3.6	15.2	4.6	8.0	13.9	5.5	2.9	3.8	3.2		
Retail sales, y/y	% y/y	2.5 (Feb-26)	3.1	4.9	-1.0	2.9	3.1	4.4	4.8	4.6	7.4	2.2	3.8	2.5	
Index of services, y/y	% y/y	2.4 (Jan-26)	4.6	2.8	1.5	7.1	6.0	2.8	4.7	5.3	2.8	6.7	2.4		
Monthly GDP	%y/y	0.2 (Jan-26)	1.9	1.6	1.6	3.5	2.1	2.7	2.6	2.3	2.3	1.1	0.2		
GDP q/q	%q/q	0.5 (Dec-25)	0.5	1.0	1.0	1.0	0.8	0.8	0.8	0.5	0.5	0.5			
Exports y/y	%y/y	1.6 (Dec-25)	3.4	3.6	3.6	3.6	6.4	6.4	6.4	1.6	1.6	1.6			
Survey Indicators															
Composite PMI, Index	Index	55.9 (Mar-26)	55.1	50.5	51.9	54.2	50.9	54.3	57.0	55.5	57.8	56.0	54.8	50.8	55.9
Services PMI, Index	Index	55.7 (Mar-26)	55.6	49.1	51.2	55.1	49.5	54.0	57.6	55.6	58.9	56.1	54.3	48.7	55.7
Manufacturing PMI, Index	Index	56.3 (Mar-26)	54.3	54.1	53.7	51.9	54.5	55.3	55.6	55.1	54.8	55.5	56.1	56.0	56.3
- New orders, Index	Index	54.6 (Mar-26)	55.0	56.0	52.3	48.8	57.3	57.2	57.8	55.8	56.6	57.2	59.2	59.0	54.6
- New export orders, Index	Index	52.2 (Mar-26)	54.2	50.1	49.5	50.5	51.2	52.4	51.0	51.6	53.3	55.2	53.7	52.7	52.2
- Orders-inventory Ratio	Index	1.1 (Mar-26)	1.12	1.10	1.04	1.03	1.23	1.18	1.22	1.11	1.12	1.18	1.14	1.10	1.06
Capacity utilisation (manufacturing)	%	88.2 (Dec-25)	88.6	89.1	89.1	89.1	88.8	88.8	88.8	88.2	88.2	88.2			
Consumer confidence	Index	95.0 (Jan-26)	100.2	82.3	85.2	86.5	90.7	91.4	92.9	96.4	95.9	95.8	95.0	96.3	95.2
Household economic situation expectations	Index	-21.0 (Mar-26)	-11.7	-35.0	-23.0	-18.0	-16.0	-18.0	-8.0	-9.0	-6.0	-7.0	2.0	-4.0	-21.0
Household unemployment expectations	Index	22.0 (Mar-26)	22.7	49.0	44.0	40.0	34.0	32.0	33.0	28.0	23.0	23.0	14.0	14.0	22.0
Labour market and Wages															
Unemployment rate	%	8.5 (Feb-26)	7.5	8.7	8.7	8.8	8.8	8.8	8.8	8.8	8.7	8.7	8.6	8.5	
Employment	%y/y	1.2 (Feb-26)	0.8	0.1	0.2	0.3	0.4	0.5	0.6	0.8	0.9	1.0	1.1	1.2	
Short term wage stats: Central Agreements (y/y%)	%y/y	3.2 (Dec-25)	2.5	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2			
Inflation															
CPIF	% y/y	1.6 (Mar-26)	2.0	2.3	2.3	2.8	3.0	3.3	3.1	3.1	2.3	2.1	2.0	1.7	1.6
CPIF ex energy	% y/y	1.1 (Mar-26)	1.9	3.1	2.5	3.3	3.2	2.9	2.7	2.8	2.4	2.3	1.7	1.4	1.1
House prices	% y/y	5.7 (Mar-26)	6.2	7.0	6.6	0.8	4.2	3.4	3.5	2.7	0.7	2.9	2.3	5.3	5.7
Monetary Dynamics															
M3, y/y	% y/y	4.9 (Feb-26)	6.2	4.2	5.0	4.2	4.4	4.7	4.0	4.3	3.4	3.2	5.1	4.9	
M1, y/y	% y/y	4.3 (Feb-26)	6.7	7.0	7.0	5.6	6.2	5.9	5.2	5.4	3.8	3.2	4.9	4.3	
FX															
EURSEK (a higher value is a weaker exchange rate)	FX rate	10.8 (Mar-26)	9.69	10.97	10.88	11.01	11.20	11.16	11.00	10.97	10.99	10.90	10.68	10.64	10.76
EURSEK,m/m	% m/m	1.2 (Mar-26)	0.06	0.06	-0.84	1.14	1.75	-0.33	-1.44	-0.28	0.20	-0.79	-2.08	-0.40	1.19
EURSEK,y/y	% y/y	-1.9 (Mar-26)	0.97	-5.32	-6.30	-2.49	-2.90	-2.57	-3.15	-3.81	-5.10	-5.22	-7.00	-5.44	-1.88
KIX Index (a higher value is a weaker exchange rate)	Index	116.0 (Mar-26)	114.92	118.61	117.91	118.58	119.92	119.55	117.71	117.57	117.86	116.54	114.34	114.08	116.02
KIX Index, m/m	% m/m	1.7 (Mar-26)	0.01	-1.33	-0.59	0.56	1.13	-0.30	-1.54	-0.12	0.25	-1.12	-1.89	-0.23	1.71
KIX Index, y/y	% y/y	-3.5 (Mar-26)	0.29	-7.31	-7.91	-4.73	-5.31	-4.74	-5.40	-6.19	-7.74	-8.35	-10.05	-8.54	-3.48
Commodity Prices															
Brent Oil Prices, USD	\$/bbl	103.1 (Mar-26)	65.1	68.1	64.5	71.4	71.0	67.9	68.0	64.5	63.8	62.5	66.6	70.9	103.1
Brent Oil Prices, USD	%y/y	41.8 (Mar-26)	13.6	-24.2	-21.2	-13.1	-16.6	-15.5	-8.1	-14.7	-14.2	-15.3	-16.0	-6.0	41.8
Non-oil Commodity prices	% y/y	19.5 (Mar-26)	5.3	5.3	4.2	7.7	10.7	14.6	14.3	14.0	14.1	16.7	20.7	18.1	19.5
Food Prices	% y/y	-1.0 (Feb-26)	5.1	7.5	5.5	5.9	7.4	6.9	3.2	-0.4	-2.0	-2.2	-0.3	-1.0	
Credit conditions															
Loans to households for consumption, m/m	% m/m	0.3 (Feb-26)	0.5	-0.2	0.8	0.6	-0.2	0.2	-0.5	0.0	1.8	-0.5	-0.1	0.3	
Loans to households for consumption, y/y	% y/y	3.1 (Feb-26)	6.5	4.9	4.7	4.4	4.6	4.9	3.9	4.0	3.0	3.1	2.8	3.1	
Mortgages, m/m	% m/m	0.2 (Feb-26)	0.6	0.2	0.2	0.3	0.2	0.2	0.3	0.3	0.3	0.3	0.2	0.2	
Mortgages, y/y	% y/y	2.8 (Feb-26)	6.9	2.0	2.1	2.2	2.3	2.4	2.5	2.6	2.7	2.8	2.8	2.8	
Credit to PNFCs, m/m	% m/m	0.7 (Feb-26)	0.4	1.0	0.7	-0.2	0.7	-0.2	-0.2	0.2	0.5	-0.4	0.1	0.7	
Credit to PNFCs, y/y	% y/y	3.8 (Feb-26)	4.6	1.5	1.9	1.6	2.6	2.7	2.4	2.9	3.4	3.5	3.7	3.8	
Debt securities issued by PNFCs, change	SEK bn	4.4 (Feb-26)	4.9	0.6	20.5	15.6	14.8	7.3	7.0	-22.0	-5.9	-21.7	3.0	4.4	
Debt securities issued by MFIs, change	SEK bn	64.8 (Feb-26)	7.8	32.4	37.4	25.1	-51.1	37.4	-10.4	55.3	-20.9	-129.2	146.2	64.8	
Interest rate loans for consumption	%	8.1 (Feb-26)	6.60	7.9	7.8	7.7	7.8	7.8	7.9	7.7	7.6	7.9	7.8	8.1	
Interest rate mortgages	%	2.8 (Feb-26)	2.89	3.2	3.1	3.1	2.9	2.9	2.9	2.8	2.8	2.8	2.8	2.8	
Interest rate PNFCs	%	3.6 (Feb-26)	2.83	4.0	3.9	3.8	3.8	3.8	3.7	3.6	3.6	3.5	3.6	3.6	
Swedish Krone Aggregate: Corporate Index	Index	224.3 (Mar-26)	180.1	217.8	219.1	220.6	221.4	222.0	222.7	223.4	223.4	223.3	224.5	226.3	224.3
Financial Markets															
OMX Stockholm 30 Index	Index	3002.0 (Mar-26)	1364	2355	2489	2478	2541	2616	2630	2735	2748	2821	2970	3144	3002
OMX Stockholm 30 Index, m/m	% m/m	-4.5 (Mar-26)	0.6	-11.6	5.7	-0.5	2.5	3.0	0.5	4.0	0.5	2.7	5.3	5.9	-4.5
OMX Stockholm 30 Index, y/y	% y/y	12.7 (Mar-26)	7.8	-6.4	-4.2	-4.1	-1.5	3.8	3.0	5.5	8.3	11.0	15.1	16.5	12.7
10 year bond Yield	%	2.9 (Mar-26)	1.78	2.31	2.31	2.32	2.51	2.58	2.68	2.60	2.77	2.82	2.82	2.61	2.86



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Valuation Method and Risk Statement

Risks include macroeconomic variables (such as GDP growth rates and inflation), economic slowdown, a weakening currency, global economic events, and government policy changes.

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