Nordic Outlook reports

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Our macroeconomic flagship report Nordic Outlook contains our economists' views on economic developments in the world. You will find key forecasts as well as an analysis of trends and political decisions that affect the world economy.

Hope rises amid autumn uncertainty

Uncertainty is high, but growth and markets continue to show resilience and strong adaptability. The rise in oil prices is being contained by factors including new transport routes, that the Strait of Hormuz ‘’leaks” and lower Chinese oil imports. At the same time, the wider price gap between crude oil and different distillates shows that the market remains under strain. The growth outlook is broadly intact; if anything, revisions are on the upside. We see limited second-round inflation effects from higher energy prices, but central banks are under pressure and choosing somewhat different paths: the Fed remains on hold this year, while the ECB raises rates. Swedish growth is gaining momentum, and we revise our already optimistic GDP forecast for this year up by one tenth to 2.7 per cent, followed by 2.9 and 2.0 per cent in 2027 and 2028, respectively. The Riksbank will remain on hold for now but raise the policy rate in March next year.

The global economy in a race against time

Geopolitical uncertainty – primarily the conflict in the Middle East and rising energy prices – is weighing on growth prospects. Downside risks to the global economy are increasing as energy prices rise and the conflict continues; the Strait of Hormuz needs to be reopened to prevent an escalation of the adverse effects. Although inflation is rising, the effects on core inflation and growth are uncertain. Growth is supported by rising investments in AI, defence and energy transition, as well as by stable labour markets and robust risk appetite. Limited fiscal space implies targeted and temporary energy price support measures. Central banks are looking through the supply shock; the Fed cuts its rate in December, and the ECB makes a precautionary hike this summer.

Growth and markets withstand challenges

Growth in 2025 showed surprising resilience to tariffs and political uncertainty, but outlook is challenged by constant new moves and threats from the White House. We believe that growth will hold up and that global GDP will grow by just over 3 per cent in 2026 and 2027, as rising household income and investment – in defence and AI – lend support. Rapid structural shifts in the economy and political tensions both within and between countries are placing heightened demands on policy-makers. Fiscal policy is supportive despite high debt. The Fed continues to cut rates while several central banks such as the ECB and the Riksbank stay on hold.

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