



# PRESS RELEASE

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## ■ Measures to facilitate market functioning

*Despite the recent financial turbulence, the Riksbank's assessment is that financial stability in Sweden is still satisfactory. The Riksbank is following developments very closely and has regular contact with the banks and other market agents. The Swedish National Debt Office has decided to take measures to counteract the shortage of treasury bills that has arisen in the wake of the global financial turbulence. "These measures have been taken in consultation with the Riksbank and we have regular contacts with all of the banks and government authorities involved", says First Deputy Governor Irma Rosenberg.*

The Swedish financial markets are now being visibly affected by the global financial turbulence. Lending costs are rising and some financial markets are functioning less efficiently than normal. The shortage of Swedish treasury bills, for instance, is largely a result of the international turbulence which has created a large demand for Swedish government securities, among others.

"The Swedish National Debt Office will now issue short-term treasury bills in a number of additional auctions. This is very positive and will ease the shortage in this market. Our assessment is that the unease in the Swedish financial markets does not affect financial stability", says Irma Rosenberg.

The Riksbank is closely following and analysing developments in the financial markets for the purpose of detecting at any early stage any changes that could lead to a serious crisis. The Riksbank's assessment is still that the banks' margins for unexpected costs are very good.

"The banks have made very good profits in recent years and are financially robust. If we were to judge that financial stability was threatened, our role would be to provide liquidity assistance", says Irma Rosenberg.

Measures to provide liquidity assistance are only given to banks and other financial companies that are solvent and that are under the supervision of the Swedish Financial Supervisory Authority.

Information from other authorities:

The Swedish Financial Supervisory Authority (<http://www.fi.se>)

Swedish National Debt Office (<http://www.riksгалden.se>)