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CONTACT Press service, +46 8 787 02 00

SVERIGES RIKSBANK
SE-103 37 Stockholm
(Brunkebergstorg 11)

Tel +46 8 787 00 00
Fax +46 8 21 05 31
registratorn@riksbank.se
www.riksbank.se

■ Financial turbulence, monetary policy and inflation

"The turbulence in the global financial markets has escalated in recent weeks. Financial markets and market participants in Sweden are now being more tangibly affected by the financial crisis in the United States. We and other authorities have taken measures to improve market functioning and to ensure we are prepared to take further measures if it should prove necessary. Our assessment is still that the Swedish banks are financially strong and that financial stability is satisfactory. Sweden is also well equipped to meet the global economic downturn this time," says Riksbank Governor Stefan Ingves in a speech held at the Swedish Confederation of Professional Associations today.

"The Swedish financial system has functioned well ever since the start of the financial turbulence. The banks have been able to find funding both on the Swedish and international capital markets. But some of the US problems have now spread to Sweden. Although the Swedish banks still have a strong financial position and good earnings, it has become more difficult also for them to find financing. Both the Riksbank and the Swedish National Debt Office have taken measures to improve the efficiency of the financial markets. The Swedish National Debt Office is issuing treasury bills in a number of additional auctions and the Riksbank has increased the opportunity to obtain credit for participants in the RIX payment system."

"The Riksbank and the central banks of Denmark and Norway have also entered into an agreement together with the US central bank, the Federal Reserve, for the purpose of increasing access to dollars in the Scandinavian financial markets, if necessary."

"What is happening now has not come as a bolt from the blue. The financial turbulence has now been under way for more than a year. We have constantly monitored developments and made the assessment that financial stability has been satisfactory. This is also the assessment we make today. If it should prove necessary, we are prepared to take further measures."