



Press Release

No. 422 February 1996

THE RIKSBANK LOWERS THE DEPOSIT AND LENDING RATES AS WELL AS THE REPO RATE

The governing board of the Riksbank - the Swedish central bank - has today decided to lower the deposit and lending rates by 0.5 percentage points each. The deposit rate is set to 7.5 per cent and the lending rate to 9.0 per cent. The decision comes into effect on Wednesday 28 February 1996.

In addition, the governor, after the usual consultations with the governing board about the guidelines for monetary policy, has decided to lower the repo rate by 0.25 percentage points to 8.05 per cent at the repo auction next Tuesday.

These decisions are based on the assessment that inflationary pressures in the Swedish economy have subsided. During recent months, the signs of a downturn in the business cycle, both in Sweden and abroad, have become more marked. This reduces the risks of capacity constraints in the economy. In parallel, inflationary expectations have come down. These developments mean that the conditions for inflation in line with the price-stability target appear favourable.

A press conference will be held at the Riksbank (Malmskillnadsgatan 7) today, Thursday, at 2 p.m. Note that press ID is required.

SVERIGES RIKSBANK