



Monetary and Exchange Rate Policy Department 1997-04-01

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#### THE REFERENCE RATE - THE DISCOUNT RATE

The Riksbank - the Swedish central bank - has today determined the reference rate - the discount rate - to 2.5 per cent, effective Apr 2, 1997.

The discount rate is purely a reference rate and not in any way connected with monetary policy. The discount rate has no relevance for Riksbank lending to the banking sector.

The interest rates used for monetary policy purposes by the Riksbank are the lending rate, the deposit rate and the repo rate.

The discount rate is computed as an average of the daily market rates for six-month treasury bills and five-year government bonds (based on daily fixing) in the preceding quarter less two-and-a-half percentage points, rounded to the nearest whole or half point.

The discount rate is determined by the Governing Board of the Riksbank at its first meeting of every quarter solely on the basis of interest rate developments during the preceding quarter.

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As from	Rate of interest Per cent	Change Percentage points
1994-07-04	5.5	1.0
1994-10-04	7.0	1.5
1995-01-03	7.0	0.0
1995-04-04	7.0	0.0
1995-07-04	7.5	0.5
1995-10-06	7.0	-0.5
1996-01-03	6.0	-1.0
1996-04-02	5.5	-0.5
1996-07-02	4.5	-1.0
1996-10-02	3.5	-1.0
1997-01-03	2.5	-1.0
1997-04-02	2.5	0.0

