

Press Release

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The Riksbank to change from reversed repos to repos in its system for interest rate control

On Tuesday 15th April the Riksbank will make a change in its repo arrangements. The change is purely technical, with no monetary policy implications. In the future the Riksbank will be arranging repos so as to supply liquidity to the banking system.

Up to now, the situation has been such that the banking system has had a liquidity surplus. The Riksbank has arranged reversed repos, that is, issued liquidity bills, in order to withdraw the surplus liquidity. From next Tuesday the Riksbank will instead be supplying the banking system with liquidity by arranging repos with securities as collateral. The timing of the repo announcement, 9.30 a.m. on Tuesdays, is unchanged.

In March 1995 the Riksbank decided to gradually decrease its forward foreign currency liabilities in order to reduce its balance-sheet total. As a result, the liquidity surplus in the banking system has diminished and is now turning into a deficit. This deficit will grow as the Riksbank continues to reduce its forward liabilities. The Riksbank's provision of liquidity via repos will accordingly also rise.

Further information can be obtained from the Monetary and Exchange Rate Policy Department:

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