

PRESS RELEASE



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Riksbank's USD loans extended

The Riksbank has decided, for monetary policy purposes, to continue offering its monetary policy counterparties loans in US dollars against collateral up to and including 31 March 2021.

The situation on the financial markets has improved since spring 2020, but is still assessed as fragile. It is therefore important that the central bank continues to support the economy and the supply of liquidity. If unease on the financial markets were to increase, the credit supply in the Swedish economy could rapidly deteriorate.

Given this, the Riksbank needs to continue strengthening the supply of liquidity in US dollars in the Swedish financial system in order to, if necessary, facilitate banks' funding in this currency. Although the demand for loans in US dollars from the Riksbank is currently limited, the assessment is that the possibility to borrow dollars if needed has a calming effect on banks and other market participants. For this reason, the Riksbank has decided to continue offering its monetary policy counterparties loans in US dollars against collateral up to and including 31 March 2021.

On 19 March 2020, the Riksbank decided, for monetary policy purposes, to offer its monetary policy counterparties loans of up to 60 billion US dollars against collateral. The decision applies until 18 September 2020. Its purpose was to alleviate the effects on the Swedish economy and counteract the ongoing market unease resulting from the coronavirus pandemic. This measure was also supported by the Riksbank, as a supplement to its foreign currency reserves, being offered the opportunity to enter into a swap agreement with the Federal Reserve Bank of New York. The swap agreement has been extended until 31 March 2021.