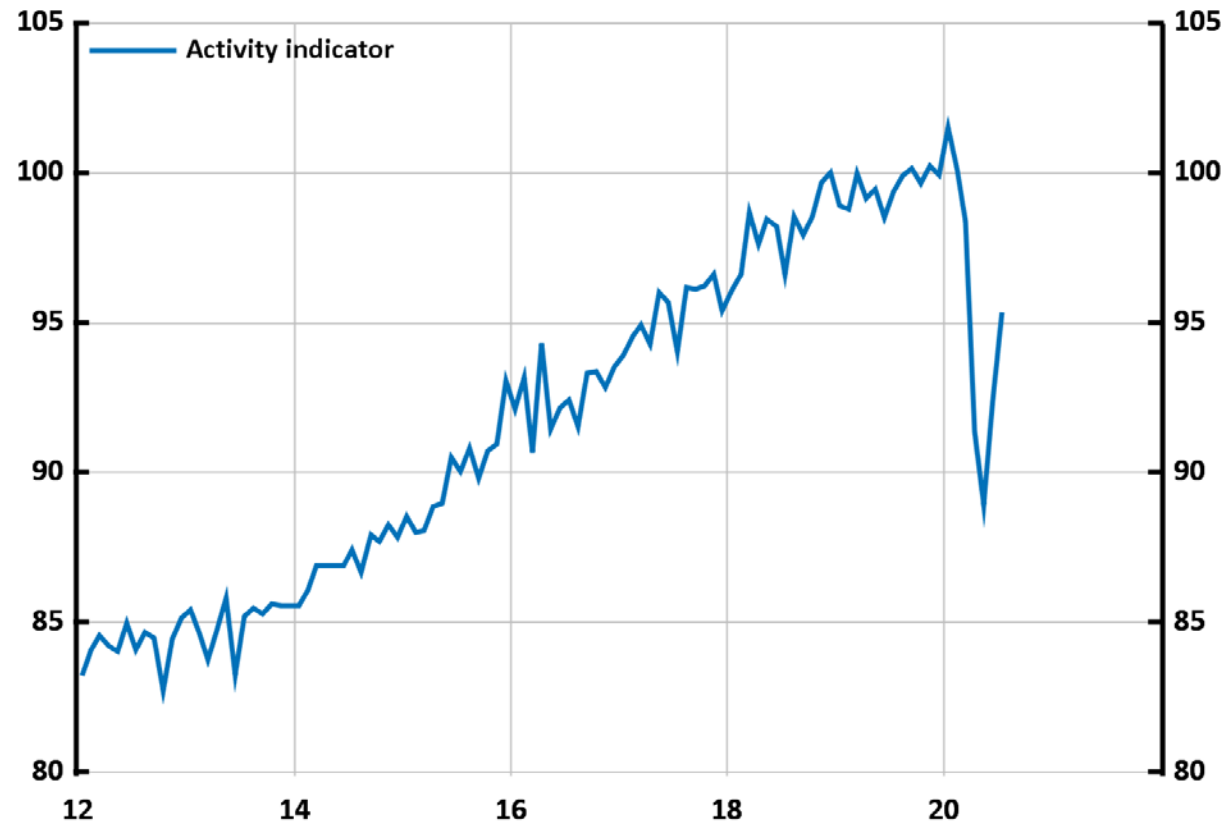


# The Riksbank's monetary policy

22 September 2020

Recovery fraught with great uncertainty  
The Riksbank's measures programme and zero repo rate  
provide support

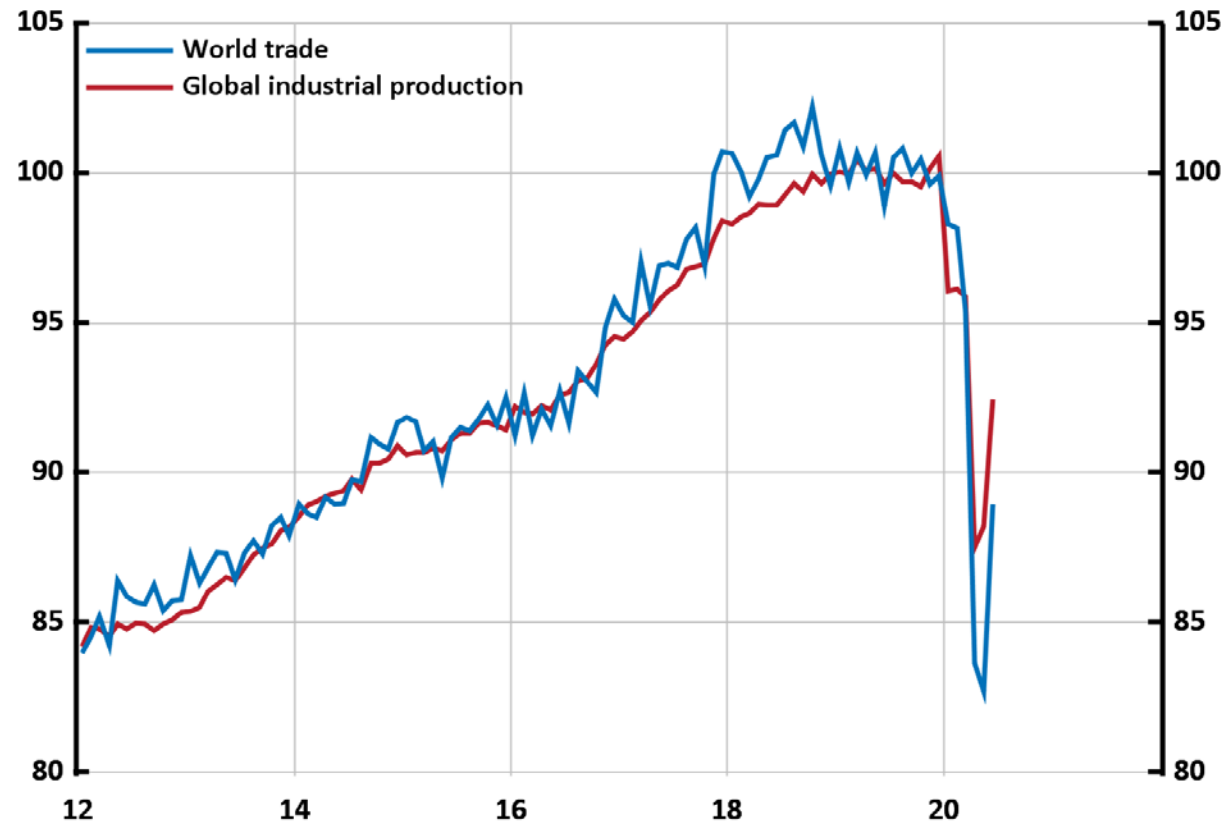
# The Swedish economy has begun to recover



Index, 2019 Q4 = 100.

Sources: Statistics Sweden and the Riksbank.

# Long road back for the global economy



World trade refers to trade in goods. Index, 2019 Q4 = 100.

Sources: CPB Netherlands Bureau for Economic Policy Analysis.

# Great uncertainty and risk of setbacks

COVID-19 infections are rising again in several parts of the world

It has not been possible to ease restrictions further

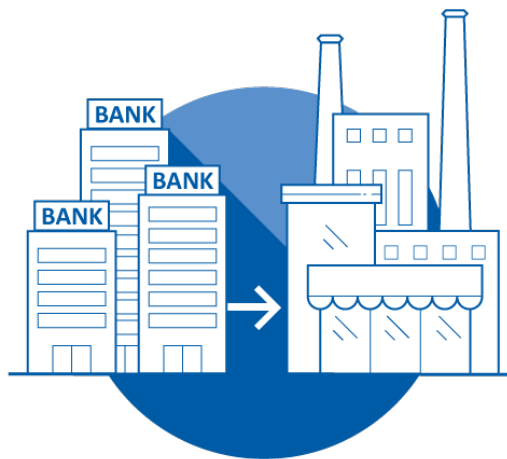
Financial markets function with the support of central banks

High debt levels and large budget deficits in many countries

Longer term effects of the crisis?



# A combination of measures most effective to keep interest rates to households and companies low



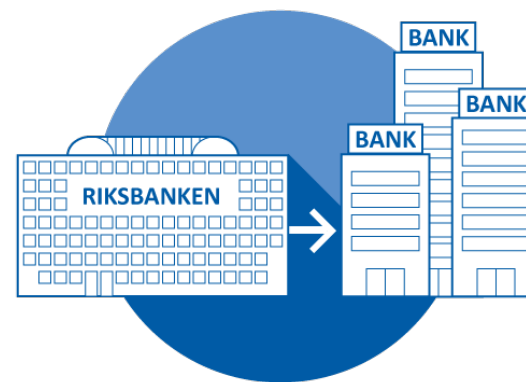
Loans to companies  
via banks

**Decided**  
(Utilised)      **500 billion**  
(165 billion)



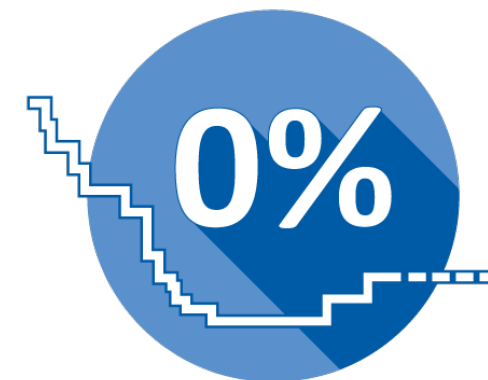
Purchases of interest-  
bearing securities

**500 billion**  
(190 billion)



Increased access  
to safe and liquid assets

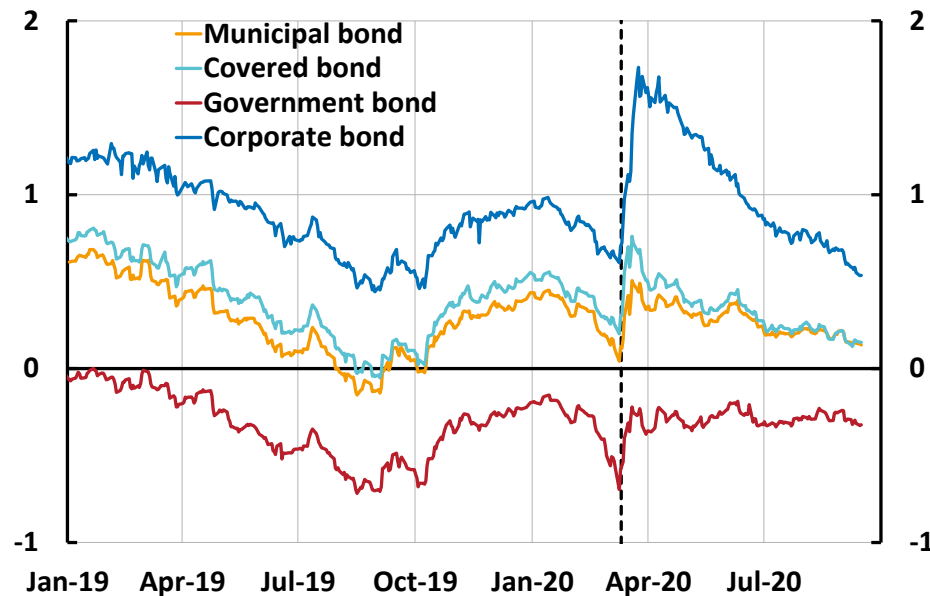
**Unlimited SEK, USD 60 billion**  
(29 billion, 2 billion)



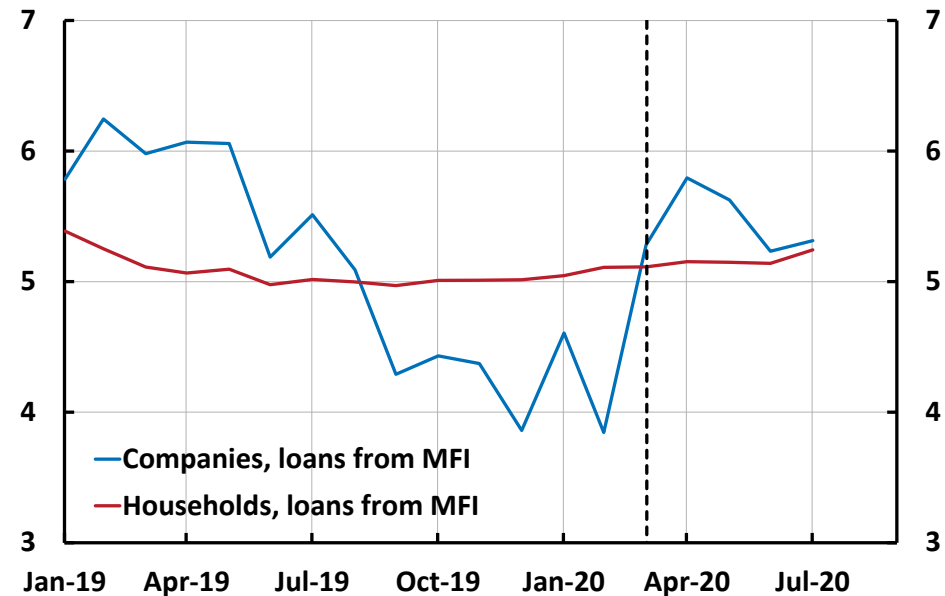
Repo rate 0%

# The Riksbank's measures have helped keep interest rates low and maintain the credit supply

## Market rates have come down



## Lending has been maintained

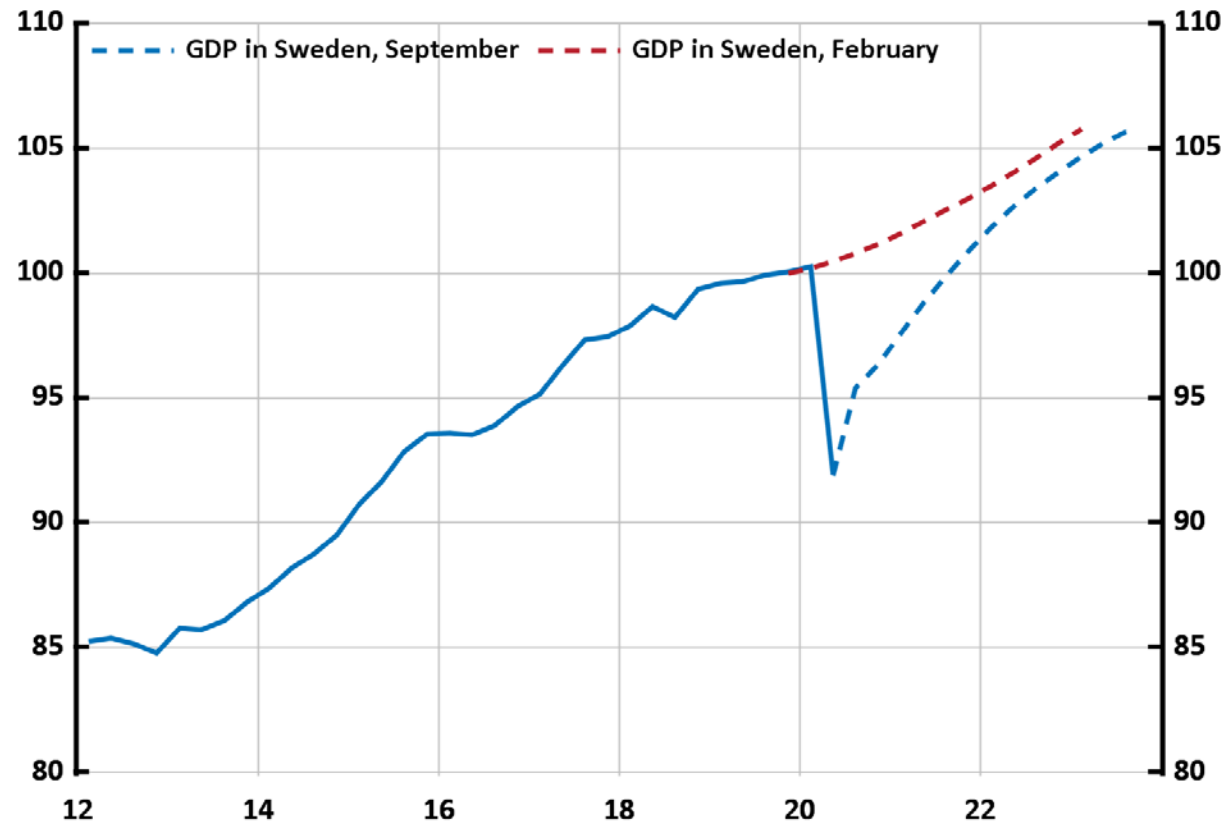


Interest-bearing securities with 5-year maturity, percentage points. Loans to companies and households in annual percentage change. The dashed line refers to 11 March, when the WHO declared COVID-19 a pandemic.

Sources: Bloomberg, Refinitiv and the Riksbank.



# It will take time for the economy to recover



Index, 2019 Q4 = 100.

Sources: Statistics Sweden and the Riksbank.



# Some stabilisation but still a tough situation on the labour market



Per cent of labour force.

Sources: Statistics Sweden and the Riksbank.

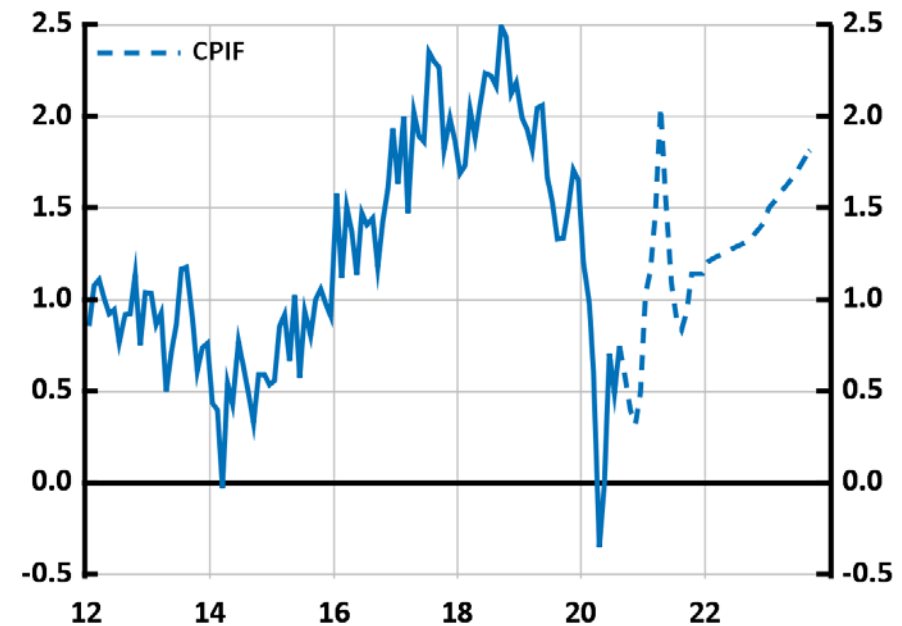
# The crisis and temporary effects are keeping inflation down

Clear impact of the crisis and falling energy prices

Statistics difficult to assess for the coming months

Inflation rising slowly towards the target

Long-term effects of the pandemic are uncertain



Annual percentage change.

Sources: Statistics Sweden and the Riksbank.

# Important interaction between different policy areas

- The Riksbank's measures effective in keeping interest rates low
- Fiscal policy more effective support for impacted sectors
- Fiscal policy important factor for recovery 2021



Recovery fraught with great uncertainty  
The Riksbank's measures programme and zero repo rate  
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