

## DECISION

DATE: 26 June 2024  
DEPARTMENT: Monetary Policy Department  
DNR: 2024-00759  
DOCUMENT CLASSIFICATION: RB OPEN

# Policy rate decision

## The Riksbank's decision

1. The Riksbank sets the policy rate at 3.75 per cent, which means that it is held unchanged.
2. The Riksbank adopts the Monetary Policy Report, annex Monetary Policy Report.
3. This decision will be published at 09:30 on 27 June 2024.
4. The minutes of the monetary policy meeting on 26 June 2024 will be published at 09:30 on 3 July 2024.

## Grounds for the decision

### Legal basis

Under Chapter 2, Section 1 of the Sveriges Riksbank Act (2022:1568), the overriding objective of the Riksbank is to maintain low and stable inflation (the price stability objective). Without neglecting the inflation target, the Riksbank shall moreover contribute to a balanced development of production and employment. The Riksbank has defined the price stability objective as a target of 2 per cent for the annual increase in the consumer price index with a fixed interest rate (the CPIF).

The Riksbank's main monetary policy tool for achieving the price stability objective is the policy rate. The Riksbank shall determine the policy rate for its deposits, its credits and its repurchase agreements in financial instruments (Chapter 2, Section 4, second paragraph of the Sveriges Riksbank Act).

## **Policy rate held unchanged at 3.75 per cent**

Monetary policy has been made less contractionary in 2024, in line with the improvement in inflation prospects. In May, the Riksbank cut the policy rate from 4 per cent to 3.75 per cent and notified of two further cuts during 2024 in line with the forecast in the Monetary Policy Report published in March this year.

Inflation is close to the target, and since the Monetary Policy Update was published in May 2024, new information in the form of inflation outcomes and forward-looking indicators, such as companies' pricing plans, have largely confirmed the picture of the inflationary pressures conveyed at that time. The uncertainty surrounding the inflation prospects means that the adjustment of monetary policy needs to be gradual. As part of attaining the price stability target, the Riksbank assesses that under the prevailing circumstances and taking into account the consequences for the real economy and the functioning of the financial markets, a well-balanced decision is to hold the policy rate unchanged at 3.75 per cent.<sup>1</sup> The effects of the monetary policy decision are also considered to be in reasonable proportion to the costs and risks that it entails for the finances of the Riksbank and the State. The Riksbank therefore considers that the decision is compatible with the principle of proportionality in Chapter 1, Section 8 of the Sveriges Riksbank Act.

Given that inflation is fundamentally developing favourably, that economic activity is assessed to be a little weaker, and the krona exchange rate is stronger than in May 2024, the forecast for the policy rate has been adjusted down somewhat. If the outlook holds, the policy rate can be cut two or three more times during the second half of the year.

This decision has been taken by the Executive Board (Governor Erik Thedéen, First Deputy Governor Anna Breman and Deputy Governors Per Jansson, Aino Bunge and Anna Seim) following a presentation by Mattias Erlandsson, senior advisor at the Monetary Policy Department. Head of Department Åsa Olli Segendorf and General Counsel Ulrika Söderberg took part in the final processing work.

---

<sup>1</sup> This is developed further in the Monetary Policy Report, see enclosure.