

PRESS RELEASE

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Policy rate unchanged at 1.75 per cent

The Executive Board of the Riksbank has decided to leave the policy rate unchanged at 1.75 per cent and the rate is expected to remain at this level for some time to come, in line with the Riksbank's forecast in December. The current level of the policy rate is assessed to contribute to economic activity strengthening and inflation stabilising around the target in the longer term.

Geopolitical developments have been dramatic at the beginning of 2026, not least due to the US administration's foreign policy conduct. It is unclear what the concrete and more lasting consequences will be, both geopolitical and economic, and conditions can change rapidly. Despite some volatility, the financial markets have shown limited reaction, but the US dollar has continued to weaken, including against the Swedish krona.

Despite the high level of uncertainty, the Swedish economy grew at a solid pace at the end of last year. New information indicates that household consumption continued to rise and that economic developments as a whole have been somewhat stronger than expected. The labour market situation remains weak, but there are increasingly clear signs of improvement. Inflation was lower than expected in December, and is now close to the target of 2 per cent. Overall, the outlook for inflation and economic activity from December remains largely unchanged.

The Executive Board assesses that the current level of the policy rate contributes to economic activity strengthening and inflation stabilising around the target in the longer term. The Executive Board has therefore decided to leave the policy rate unchanged at 1.75 per cent. The policy rate is expected to remain at this level for some time to come, in line with the forecast in December.

However, the uncertainty regarding the outlook for inflation and economic activity has increased. Recent developments, for instance in relation to US trade

and foreign policy, have widened the range of potential outcomes for what can happen going forward. The Swedish economy has so far proved resilient to the uncertainty related to the geopolitical situation and higher tariffs, but sentiment in the household and corporate sectors can deteriorate rapidly. Further uncertainty factors include the development of the krona and its effects on inflation, as well as how more expansionary fiscal policy in Sweden and other countries affects the economy going forward. The Riksbank is vigilant with regard to developments and is prepared to adjust monetary policy if the outlook changes.

The decision on the policy rate will apply from 4 February 2026. The minutes from the Executive Board's monetary policy meeting will be published on 4 February 2026. A press conference with Governor Erik Thedéen, and Åsa Olli Segendorf, Head of the Monetary Policy Department, will be held today at 11.00 at the Riksbank. Press cards or the equivalent are required to participate. Advance registration is required, to press officer Charlotta Edler, charlotta.edler@riksbank.se, no later than 10.00 on 29 January 2026. The press conference will be broadcast live on riksbank.se.

About the Monetary Policy Update

A Monetary Policy Update is published in connection with the policy rate decision, containing the Executive Board's assessment of how new information affects economic prospects and monetary policy. The update does not contain any new forecasts. The next Monetary Policy Report containing forecasts will be published on 19 March 2026.