

## DECISION

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DEPARTMENT: Monetary Policy Department  
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# Policy rate decision (notified on 29 January 2026 at 9.30 am)

## The Riksbank's decision

1. The Riksbank sets the policy rate at 1.75 per cent, which means that it is held unchanged. The policy rate decided on shall apply as from 4 February 2026.
2. The Riksbank adopts the Monetary Policy Update, annex Monetary Policy Update.

As the Riksbank decided earlier (ref.no. 2025–01134), the minutes from the monetary policy meeting on 28 January 2026 shall be published on 4 February 2026 at 9.30 am.

## 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 sustainably low and stable inflation (the price stability objective). Without prejudice to the price stability objective, the Riksbank shall also contribute to a balanced development of production and employment (consideration of the real economy).

According to Chapter 2, Section 3 of the Sveriges Riksbank Act, the Riksbank shall, with the approval of the Riksdag, decide on the specification of the price stability target. In September 2017, the Riksbank decided that the target is an annual increase in the consumer price index with a fixed interest rate (CPIF) of 2 per cent (ref. no. 2017–00691).

The Riksbank's main monetary policy tool for achieving the price stability objective is the policy rate. By setting the policy rate, the Riksbank also determines the interest rate for its deposits, credits and repurchase agreements in financial instruments (Chapter 2, Section 4, paragraph 2 of the Sveriges Riksbank Act) and for certificates issued by the Riksbank (i.e. debt instruments pursuant to Chapter 2, Section 5, paragraph 2 of the Sveriges Riksbank Act).

### **Policy rate left unchanged at 1.75 per cent**

To stabilise inflation close to the target, in May 2024 the Riksbank began a series of policy rate cuts, from 4 per cent to 1.75 per cent in September 2025. At its monetary policy meetings in November and December 2025, the Riksbank decided to hold the policy rate unchanged at 1.75 per cent and at the same time communicated that it was assessed to remain at this level for some time to come.

Geopolitical developments have been dramatic at the beginning of the year, 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.

The Swedish economy grew at a solid pace at the end of 2025. 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 remains largely unchanged from December, and the Riksbank assesses that the current level of the policy rate contributes to economic activity strengthening and inflation stabilising around the target in the medium term.

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 1.75 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 the decision 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.

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

The policy rate is expected to remain at 1.75 per cent for some time to come, in line with the forecast in December.

This decision has been taken by the Executive Board (Governor Erik Thedéen, First Deputy Governor Aino Bunge and Deputy Governors Per Jansson and Anna Seim) following a presentation by Senior Economist Irina Andone Rosén. The Head of the Monetary Policy Department Åsa Olli Segendorf and General Counsel Annica Sandberg took part in the final processing work.