

DECISION

DATE: 16 June 2026
DEPARTMENT: Monetary Policy Department
DNR: 2026-00946
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Policy rate decision (notified on 17 June 2026 at 09:30)

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 24 June 2026.
2. The Riksbank adopts the Monetary Policy Report, annex Monetary Policy Report.

As the Riksbank decided earlier (ref.no. 2025-01134), the minutes from the monetary policy meeting on 16 June 2026 shall be published on 24 June 2026 at 09:30.

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 held unchanged at 1.75 per cent

The Riksbank has held the policy rate unchanged at 1.75 per cent since September 2025. At the end of 2025 and at the beginning of 2026, inflation was approaching 2 per cent at the same time as the Swedish economy was assessed to be growing at a relatively solid pace. But since the end of February, the war in the Middle East has substantially increased uncertainty in the global economy. At the monetary policy meetings in March and May, the Riksbank assessed that there was scope to await a clearer picture of how supply shocks from the war affect inflation and economic activity.

The global economy is still being affected to a large degree by the war in the Middle East.¹ The tense situation around the Strait of Hormuz has reduced the supply of, among other things, oil products and pushed up prices on energy and fuel. Inflation abroad has risen and cost pressures have increased in the Swedish business sector. The Riksbank bases its forecasts on oil futures prices, which indicate that supply will begin to normalise in the near term and that oil prices will fall. If this occurs, the upturn in import prices and pass-through of the higher costs to consumer prices are expected to be limited. But there is still considerable uncertainty surrounding the forecast. The supply disruptions have now lasted for almost four months and the longer they continue, the greater the risk of inflation effects, and they may be reinforced by changes in pricing behaviour.

Inflation in Sweden is still low, largely due to the dampening effects of fiscal policy measures. Economic activity is somewhat weaker than normal and growth was lower than expected in the first quarter. Moreover, the recovery in the labour market is tentative. However, household consumption has continued to increase at a solid pace, while purchasing power has strengthened. The supply shocks caused by the war in the Middle East are subduing developments somewhat, but, in the forecast, growth is expected to be higher this year than last year and economic activity strengthens.

¹ The forecasts and reasoning in the Monetary Policy Report are based on the information that was available 11 June, but figures have been updated with outcomes and closing data up until the morning of 16 June 2026. The developments in the Middle East since 11 June 2026, and in particular the Memorandum of Understanding announced by the United States and Iran, have thus not been taken into account in the forecasts and reasoning in the Monetary Policy Report. There is still considerable uncertainty regarding developments and the Riksbank assesses that the report still provides a good basis for monetary policy.

The Riksbank decides to leave the policy rate unchanged at 1.75 per cent. Underlying inflation is low and economic activity is somewhat weaker than normal, but at the same time the supply disruptions have led to a rise in inflationary pressures and increased the risk of inflation being too high. Against this backdrop, the Riksbank is raising the policy-rate forecast somewhat, but assesses that it is well-balanced to leave the policy rate unchanged at present.

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.² 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.

The policy-rate forecast means that the probability of the rate being raised later this year has increased compared to the assessment in March.

This decision has been taken by the Executive Board (Governor Erik Thedéen, First Deputy Governor Aino Bunge and Deputy Governors Per Jansson, Anna Seim and Göran Hjelm) following a presentation by Adviser Peter Gustafsson. The Head of the Monetary Policy Department Åsa Olli Segendorf took part in the final processing work.

² This is developed further in the Monetary Policy Report, see enclosure.