

PRESS RELEASE

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Continued purchases of municipal bonds

The Executive Board of the Riksbank has today decided that the Riksbank will purchase municipal bonds for SEK 15 billion between 1 July and 30 September. The municipal bond purchases are part of the Riksbank's earlier announced programme for purchasing bonds in an amount of up to SEK 300 billion in 2020. The purpose of these measures is to alleviate the economic consequences of the coronavirus pandemic.

In light of the serious decline in the economy and major uncertainty over economic developments, the Executive Board has decided, between 1 July and 30 September 2020, the Riksbank will purchase bonds issued by Swedish municipalities and regions and by Kommuninvest i Sverige AB for a total nominal amount of SEK 15 billion. These purchases are part of the Riksbank's programme for purchasing bonds to an amount of up to SEK 300 billion, which runs to December 2020. They will be made on the secondary market and will include both bonds with fixed coupons and bonds with variable coupons.

By purchasing municipal bonds, the Riksbank is helping to support the credit supply in the Swedish economy as a whole, and keep interest rates at a low level, which ultimately safeguards the impact of monetary policy on the economy and thus supports the economy and safeguard price stability.

Within the scope of the SEK 300 billion, the Riksbank has so far purchased government bonds, mortgage bonds and municipal bonds, as well as commercial paper, for SEK 97 billion. These purchases have contributed to stabilising the situation on the markets and to keeping interest rates down. This decision means there is a purchase plan for all of these securities up to and including 30 September.

The Riksbank is prepared to take further measures and to supply the necessary liquidity.

Background

To keep monetary policy expansionary and provide support to the economy, the Executive Board decided on 16 March to purchase government, municipal and mortgage bonds. On 19 March, the Executive Board also decided to purchase bonds and certificates issued by Swedish non-financial companies. The first purchases of municipal bonds were made on 28 April. The Riksbank has so far purchased municipal bonds issued



by Kommuninvest for a total nominal amount of SEK 10 billion. The purchases decided now, of municipal bonds in an amount of SEK 15 billion shall be made in addition to the purchases of municipal bonds to a nominal amount of SEK 15 billion that are being made up to 30 June 2020 in accordance with an earlier decision.