

RBI announces steps to infuse liquidity to mitigate the impact of COVID-19

To conduct 6-month US Dollar sell/buy swap auction and additional Long Term Repo Operations

On a review of current financial market conditions and taking into consideration the requirement of US Dollars in the market, Reserve bank of India (RBI) has decided to undertake another 6-month US Dollar sell/buy swap auction to provide liquidity to the foreign exchange market. The auction will be multiple price based, i.e., successful bids will be accepted at their respective quoted premiums.

The details of the auction are as under:

Swap Amount (USD Billion)	Auction date	Auction Time	Near Leg/Spot Date	Far Leg Date
2	March 23, 2020	9.30AM-11.00AM	March 26, 2020	September 25, 2020

In addition, on review of current financial conditions and with a view to further improving monetary transmission, it has been decided to conduct additional Long Term Repo Operations (LTROs) for up to a total amount of ₹ 1,00,000 crore at the policy repo rate.

Accordingly, RBI has been decided to conduct an LTRO for ₹ 25,000 crore on March 18, 2020. The details of the operation are as under:

Sl. No.	Date	Notified Amount (₹ crore)	Tenor	Window Timing	Date of Reversal
1	March 18, 2020	25,000	3-year	11:00 am to 11:30 am	March 17, 2023

Based on further review of evolving liquidity conditions, additional tranches of the LTROs will be announced separately by the RBI.

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Warm Regards,

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