

MONETARY POLICY INSTRUMENTS

MONETARY POLICY INSTRUMENTS	LIQUIDITY		MATURITY	FREQUENCY	INITIATING COUNTERPARTY	RATE
	+	-				
1. OPEN MARKET OPERATIONS						
Central bank bills		₹	28 days	Weekly on Mondays	BoM	Pr
		₹	196 days	Once every 2 weeks	BoM	Variable rate tender with rate ceiling=Pr+0.5%
Repo	₹		Up to 7 days	Irregularly	BoM	Variable rate tender with floor ceiling or fixed rate=Pr+0.5%
Swap/forward	₹	₹	Up to 3 months	Irregularly	Banks	₹ supply = Pr+1% ₹ mop-up = Pr-1%
2. STANDING FACILITIES						
Overnight deposit		₹	1 working day	Open daily	Banks	Pr-1%
Repo financing	₹		Up to 90 days	Open daily	Banks	Pr+1%
3. RESERVE REQUIREMENTS						
Reserve requirements		₹	14 days	Once every 2 weeks /Starts on Wednesday/	Mandatory	Domestic currency 6%, Foreign currency 15%
4. LENDER OF LAST RESORT						
Collateralized loan	₹		Up to 90 days (One roll-up+90 days)	Irregularly	Banks	Repo financing+5%