

25 November 2011

PRESS RELEASE ON OPEN MARKET OPERATIONS

In its meeting on November 23, 2011, the Monetary Policy Committee decided that the impacts of the measures undertaken on credit, domestic demand, and inflation expectations would be monitored closely and the amount of Turkish lira funding via one-week repo auctions would be adjusted on both sides, if needed.

In this perspective, the Central Bank of the Republic of Turkey (CBRT) will inform the public on a regular basis regarding the planned amount of funding provided via one-week repo auctions in order to facilitate banks' liquidity management and to assist them in estimation of their total funding cost. Bi-weekly every Friday morning at 9:30, the planned lower limit of the outstanding amount of funding (one-week repo funding amount) for any day throughout the following maintenance period will be announced on Reuters "CBTF" page.

In addition to the one-week repo auctions, banks, in exchange for their collaterals that they have, will continue to meet their liquidity needs by using primary dealer's overnight repo facility and overnight borrowing facility in the Interbank Money Market within the CBRT within their limits; borrowing from the CBRT at its lending rate in the Repo and Reverse Repo Market of the Istanbul Stock Exchange without any limit.

For example as of November 24, 2011 Thursday evening, while primary dealer banks' overnight funding amount was 9.9 billion Turkish lira, banks' one-week repo funding amount was realized at 28 billion Turkish lira.

For any day during the maintenance period between November 25 – December 8, 2011, the planned lower limit for the one-week funding amount is determined to be 20 billion Turkish lira.

In case of exceptional circumstances due to a significant unexpected change in liquidity conditions, the weekly funding amount might be less than the planned amount.