

	<b>प्रेस प्रकाशनी PRESS RELEASE</b>
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October 20, 2008

### **RBI cuts Repo Rate**

The Reserve Bank of India has been continuously monitoring the monetary and liquidity conditions with a view to maintaining domestic macroeconomic and financial stability in the context of the global financial crisis. The Reserve Bank has taken a number of measures over the last one month to augment domestic and forex liquidity.

The global financial situation continues to be uncertain and unsettled. Even as countries directly affected by the turmoil have taken aggressive action to manage the crisis, confidence and calm is yet to be fully restored in the financial markets. Due to financial integration, this uncertainty is transmitting also to countries outside the epicenter of the crisis.

India too is experiencing the indirect impact of the global liquidity constraint as reflected by some signs of strain in our credit markets in recent weeks. In order to alleviate the pressures and, in particular, to maintain financial stability, the Reserve Bank has decided to reduce the repo rate under the Liquidity Adjustment Facility (LAF) by 100 basis points to 8.0 per cent with immediate effect.

The Reserve Bank has been and will continue to monitor the impact of global developments on our financial markets and on our liquidity conditions and will take action as appropriate.

**Alpana Killawala**  
Chief General Manager

**Press Release: 2008-2009/526**