



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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July 23, 2013

RBI announces Additional measures to address Exchange Market Volatility

Over the last two months, the Reserve Bank of India (RBI) has undertaken several measures to contain the volatility in the foreign exchange market. Among them, some measures intended to check excessive speculation adding to undue volatility in market conditions were instituted vide the [RBI's Press Release No.2013-2014/100 dated July 15, 2013](#). These measures have had a restraining effect on volatility with a concomitant stabilising effect on the exchange rate. Based on a review of the measures, and an assessment of the liquidity and overall market conditions going forward, it has been decided to modify the liquidity tightening measures as follows:

- The overall limit for access to LAF by each individual bank is set at 0.5 per cent of its own NDTL outstanding as on the last Friday of the second preceding fortnight. This measure will come into effect immediately, i.e., from July 24, 2013 and will remain in force until further notice.
- Currently, banks are allowed to maintain their Cash Reserve Ratio (CRR) prescribed by the RBI on an average daily basis during a reporting fortnight, with a minimum of 70 per cent of the required CRR on a daily basis. Effective from the first day of the next reporting fortnight i.e., from July 27, 2013, banks will be required to maintain a minimum daily CRR balance of 99 per cent of the requirement.

Detailed guidelines regarding these measures are being issued separately.

Press Release : 2013-2014/154

Alpana Killawala
Chief General Manager

Related Notification	
July 23, 2013	Liquidity Adjustment Facility
July 23, 2013	Section 42(1) of the Reserve Bank of India Act, 1934 - Change in Daily Minimum Cash Reserve Maintenance Requirement