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RESERVE BANK OF INDIA

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**RBI to conduct longer term Variable Rate Reverse Repo
Auctions in November 2019**

The Reserve Bank monitors the system liquidity on an ongoing basis and conducts liquidity management operations based on an assessment of the evolving liquidity conditions and the requirements of the system.

The buildup of liquidity in the past few weeks has led to the movement of both durable and transient liquidity in the same direction. It is seen that the system liquidity has remained in a large surplus during October 2019. In particular, as on October 31, 2019, the Reserve Bank had absorbed on a net basis, an amount of ₹2.51 lakh crore from the system. Since the surplus liquidity conditions are expected to continue for some time, it would be necessary to absorb part of the surplus liquidity for a slightly longer duration, while continuing to meet the durable liquidity requirements for the FY 2019-20 on a consistent basis.

Based on an assessment of the current and evolving liquidity conditions, RBI has decided to conduct longer term Variable Rate Reverse Repo auctions to absorb a part of the surplus liquidity for a longer duration as under:

Sl. No.	Auction Date	Notified Amount (₹ crore)	Tenor	Window Timing	Date of Reversal
1.	November 04, 2019	25000	42 days	12:00-12:30 hrs	December 16, 2019
2.	November 07, 2019	25000	35 days	12:00-12:30 hrs	December 12, 2019

The auctions will be conducted as per the revised guidelines on Term Repo Auctions issued on [February 13, 2014](#).

It may be mentioned that the internal working group mandated to review the current liquidity management framework had recommended longer term repo operations at market related rates to augment the toolkit for liquidity management operations. The liquidity framework will be finalized shortly, after taking into account the recommendations of the Group and the public feedback received in this regard. In the meanwhile the liquidity management operations will continue under the extant guidelines.