



RBI receives aggressive bids, infuses Rs.34,500 cr. liquidity

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Bids for swap auction thrice as much as what was on offer

- The first dollar-rupee buy/sell swap auction by Reserve Bank of India (RBI), which was aimed at infusing primary liquidity, saw aggressive bidding by banks, data released by the central bank showed.
- The RBI received \$16.31 billion in bids for the auction for a notified amount of \$5 billion.
- In turn, RBI infused Rs.34,561 crore rupee liquidity.
- Market participants said the auction was successful as RBI got bids three times more than what it had intended to purchase, adding that both domestic and foreign banks participated in the auction.

Fewer OMOs

- There is expectation that RBI would conduct more such auctions as there is an appetite in the market, and reduce dependence on open market purchases of bonds.
- RBI has infused a significant amount of liquidity in the current fiscal through open market operations (OMOs).

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