

**Communications**

P.O. Box, CH-8022 Zurich  
Telephone +41 1 631 31 11  
Fax +41 1 631 39 10

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## **Central bank measures to address elevated pressures in short term funding markets**

### **Statement of the G10 central banks**

Since the co-ordinated actions taken in December 2007, the G10 central banks have continued to work together closely and to consult regularly on liquidity pressures in funding markets. Pressures in some of these markets have recently increased again. We all continue to work together and will take appropriate steps to address those liquidity pressures.

To that end, today the Bank of Canada, the Bank of England, the European Central Bank (ECB), the Federal Reserve, and the Swiss National Bank are announcing specific measures.

#### **Swiss National Bank action**

The Swiss National Bank (SNB) has decided, in conjunction with the Federal Reserve, to resume the US dollar repo auctions it conducted in December 2007 and January 2008. This measure facilitates the US dollar funding of SNB counterparties in the Swiss repo system. The SNB intends to continue the provision of US dollar liquidity for as long as it deems necessary.

The SNB will conduct the next US dollar auction on 25 March 2008 with settlement on 27 March 2008. The maximum amount offered will be USD 6 billion. The US dollar repo auction against SNB-eligible collateral will be conducted in the form of a variable rate tender auction and will provide funds for 28 days. Further information about the US dollar auction and the technical requirements of the auction will be posted on the SNB website (<http://www.snb.ch>, Financial markets / Monetary operations / Repos).

The Federal Reserve will provide the SNB with US dollar funding of up to USD 6 billion through a reciprocal swap agreement (swap line).

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### **Information on related actions being taken by other central banks**

Information on the actions to be taken by other central banks is available on the following websites:

Bank of Canada (<http://www.bankofcanada.ca>)

Bank of England (<http://www.bankofengland.co.uk>)

European Central Bank (<http://www.ecb.int>)

Federal Reserve System (<http://www.federalreserve.gov>)

### **Statements by other central banks**

Bank of Japan (<http://www.boj.or.jp>)

Sveriges Riksbank (<http://www.riksbank.com>)