

Communications

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Measures taken by central banks to calm the money markets at quarter end

Central banks have been employing coordinated measures designed to address the pressures in global money markets. Most recently, central banks have acted together to inject U.S. dollars into the overnight markets. Using their reciprocal currency arrangements (swap lines) with the Federal Reserve, the Bank of England, the European Central Bank (ECB), and the Swiss National Bank today are announcing the introduction of operations to provide U.S. dollar liquidity with a one-week maturity. These operations are intended to address funding pressures over quarter end. Central banks continue to work together closely and are prepared to take further steps as needed to address the ongoing pressures in funding markets.

Swiss National Bank measures

With today's value date, the SNB will hold a US dollar repo auction with a term of 7 days for an amount of up to USD 9 billion. In so doing, it is providing its counterparties with additional US dollar liquidity over quarter end. At the same time, the SNB will temporarily reduce the maximum volume of the US dollar repo auctions with a term of 1 day (overnight) from USD 10 billion to USD 7 billion.

Further information on the US dollar auction and the technical requirements will be posted on the SNB website (www.snb.ch, under Financial markets / US dollar auctions).

Information on related measures taken by other central banks

Information on related measures taken by other central banks is available on the following websites:

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

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

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