

# Liquidity measures by RBI on 23- Jan -2026

	Particulars	Rs. Lakh Cr
1	Liquidity position as on Jan 22	-0.10
2	90 day VRR on Jan 30	0.25
3	OMO on Feb 5 and Feb 12	1.00
4	Buy/sell swap of \$10bn-3 yrs	0.91
5	Deposit growth @1.5%/mo till March	7.55
	<b>Total inflows till March</b>	<b>9.61</b>
6	FX intervention @\$6bn	0.45
7	Advance tax outflows	3.00
8	Credit growth @1.5% growth monthly	6.23
9	CIC leakage till March @20KCr/month	0.40
	<b>Total outflows</b>	<b>10.08</b>
	<b>Net deficit in the system</b>	<b>-0.47</b>

- VRR offers more certainty and durability when it is for 90 days

Additional liquidity would be required in March to avoid year end pressure

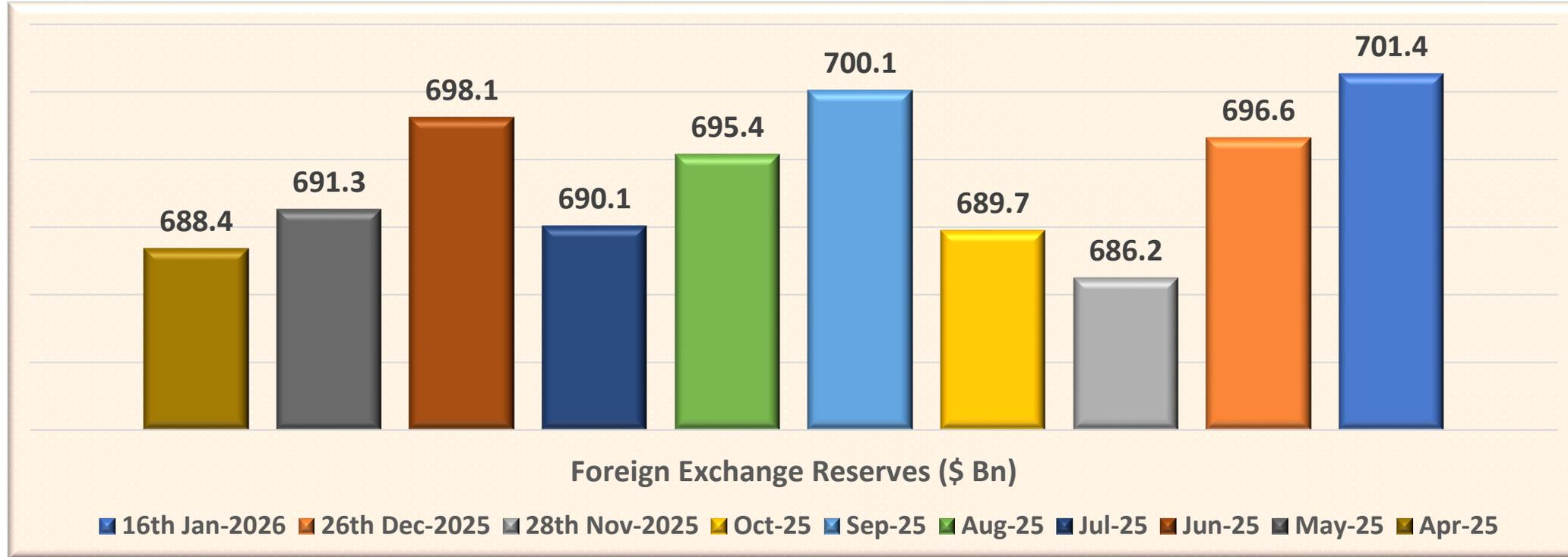
Ut off	amount	Tenor	Cut off premium	Implied yield (swap cost) %
Mar 8, 2022	\$5 bn	3 Yr	5.90	2.6%
Apr 26, 2022	\$5 bn	3 yr	6.50	2.8%
Feb 28, 2025	\$10 bn	3 yr	6.55	2.6%
Mar 24, 2025	\$10 bn	3 yr	5.92	2.3%
Dec 16, 2025	\$10 bn	3 yr	7.65	2.8
Jan 13, 2026	\$10 bn	3 yr	7.28	2.7
<b>Feb 4, 2026 (etd)</b>	<b>\$10bn</b>	<b>3 yr</b>	<b>7.2-7.5</b>	<b>2.6-2.8%</b>

- At a swap cost of 2.8% and spot rate of 91 swap reversal should happen at 98.86/USD
- This implies an annual INR depreciation of almost 3% annually

## Who benefits?

- Those with a 3 yr dollar liability can benefit if dollar cost is reasonable. They receive cheap INR funding at 3%.
- Banks with FCNR deposits by deploying rupees received in rupee balance sheets.
- Corporates with adequate balance sheet capacity.
- Risk takers-Arbitrage opportunity-deploy in 3 yr G Sec @6% for 3 yrs. ROI increases if INR depreciates more than 2.8%. Arbitrage may not happen if dollar sourced from mkt for swap as rupee spent for this transaction gets funded by RBI in the 1<sup>st</sup> leg of swap.

# Foreign Exchange Reserves (\$ Bn)



- Swaps help to increase forex reserves by \$10 bn.
- However this may be used for FX intervention to stabilize rupee and net impact would not be much.

- The above measures may not be adequate and more liquidity could be needed in March.
- If speculators participate more by buying USD from market then rupee weakens.
- In that case it leads to more intervention and more swaps.
- Not much respite expected in bond yields due to other factors-global scenario and demand-supply.
- Some respite to short term rates until March 15.

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