



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

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### **RBI Announces OMO Programme for Purchases of Government Securities and Unwinding of MSS Securities**

In recent months, the Reserve Bank has been conducting purchase of government securities under its open market operations (OMO) through an auction-based mechanism in addition to operations through the NDS-OM for more effective liquidity management. The Reserve Bank also announced in its Press Release of March 4, 2009 that such operations would be conducted as warranted by the evolving monetary and financial market conditions.

In the first half of 2009-10, the expected unwinding of MSS securities would be of Rs.42,000 crore comprising Rs.33,000 crore of dated securities and Rs.9,000 crore of Treasury Bills. Keeping this and other factors in view, the Reserve Bank intends to purchase government securities under its open market operations in the amount of Rs.80,000 crore in the first half (April-September) of 2009-10. Of this, purchase of government securities of Rs.40,000 crore is envisaged for the first quarter (April-June) of 2009-10. MSS unwinding in the first quarter is expected to be of the order of Rs. 37,500 crore comprising Rs. 33,000 crore of dated securities and Rs. 4,500 crore of Treasury Bills.

OMO purchase auctions would normally be conducted every alternate week on Thursdays. The first purchase auction, however, will be conducted on Wednesday, April 8, 2009. The Reserve Bank maintains the right to alter the frequency and day of auction as may be necessary according to market conditions.

The OMO amounts are indicative and the Reserve Bank will have the flexibility to make changes in the amount of OMO depending on the evolving liquidity conditions and its other operations. The Reserve Bank on its part would continue to maintain ample liquidity in the system.

**Press Release: 2008-2009/1600**

**Alpana Killawala**  
Chief General Manager