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Central Banks Address Pressures in Global Money Markets

Federal Reserve System: Board of Governors

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Board of Governors of the Federal Reserve System

[About the Fed](#) |
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 [Monetary Policy](#) |
 [Banking Information & Regulation](#) |
 [Payment Systems](#) |
 [Economic Research & Data](#) |
 [Consumer Information](#) |
 [Community Development](#) |
 [Reporting Forms](#) |
 [Publications](#)

[+ Testimony and Speeches](#)

[+ Press Releases](#)

[Regulatory Reform](#)

[Conferences](#)

[Other Public Communication](#)

[Home](#) > [News & Events](#) > [2008 Monetary Policy Releases](#)

Press Release



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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 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 designed 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.

Federal Reserve Actions

To assist in the expansion of these operations, the Federal Open Market Committee has authorized a \$10 billion increase in its temporary swap facility with the ECB and a \$3 billion increase in its facility with the Swiss National Bank. These expanded facilities will now support the provision of U.S. dollar liquidity in amounts of up to \$120 billion by the ECB and up to \$30 billion by the Swiss National Bank.

In sum, these changes represent a \$13 billion addition to the \$277 billion previously authorized temporary reciprocal currency arrangements with other central banks. In addition to the swap lines with ECB and the Swiss National Bank, temporary swap lines previously have been authorized with: the Bank of Japan (\$60 billion), the Bank of England (\$40 billion), the Reserve Bank of Australia (\$10 billion), the Bank of Canada (\$10 billion), the Bank of Sweden (\$10 billion), the National Bank of Denmark (\$5 billion), and the Bank of Norway (\$5 billion).

These arrangements have been authorized through January 30, 2009.

Information on Related Actions Being Taken by Other Central Banks

Information on the actions that will be taken by the other central banks is available at the following websites:

[Bank of England](#)

[European Central Bank](#)

[Swiss National Bank](#)

Related Federal Reserve Announcements

September 18, 2008

[Coordinated measures with Bank of Canada, Bank of England, ECB, Bank of Japan, and Swiss National Bank](#)

September 24, 2008

[Arrangements with Reserve Bank of Australia, Danmarks Nationalbank, Norges Bank, and Sveriges Riksbank](#)

[2008 Monetary Policy Releases](#)

Last update: September 26, 2008

[Home](#) | [News & Events](#)

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