

Bank of Canada Announces New Schedules for Term Liquidity Operations Commencing the Week of 27 July 2009

NOTICE – 21 July 2009, 09:00 (ET)

As indicated in the [25 June announcement](#), the Bank of Canada today releases the following new schedules for its term liquidity operations commencing the week of 27 July 2009 and running through to the October fixed announcement date:

- Term Purchase and Resale Agreement (PRA) Facility
- Term PRA Facility for Private Sector Instruments
- Term Loan Facility (TLF)

Conditions in funding markets have continued to improve. [Indicative measures of bank funding costs](#) – such as CDOR-OIS spreads – have declined steadily from the September 2008 peak to stabilize at their lowest levels since the onset of the financial crisis. The results of the most recent Term PRA operations and the lack of coverage in other term liquidity operations are consistent with this assessment. Against this background, the minimum amounts to be auctioned in the Term PRA and the TLF facilities have been reduced, as has the auction amount for the Term PRA Facility for Private Sector Instruments.

To reinforce the Bank's [conditional commitment](#) to maintain the overnight rate at 1/4 per cent until the end of the second quarter of 2010, the minimum and maximum bid rates for all regular Term PRA operations will continue to be at the target rate and the Bank Rate, respectively. The maturity of the longest Term PRA is being reduced from 12 months to 9 months, so that there will be maturities through the end of the second quarter of 2010. There will be an increased emphasis on this longest maturity, with the one-month maturity replaced by an additional nine-month maturity in every four-week cycle.

With respect to the Term PRA for Private Sector Instruments, the Bank has modified the maximum allocation available to any bidder. Effective 27 July 2009, each individual bidder will have a bidding limit that is the greater of either: (i) 25 per cent of the announced auctioned amounts, or (ii) \$250 million.

As indicated in the 25 June announcement, Term PRA auctions will continue through to at least the end of January 2010. Auctions of the TLF and of Term PRA for Private Sector Instruments will continue through to at least the end of October 2009.

The Bank of Canada remains committed to providing liquidity, as required, to support the stability of the Canadian financial system and the functioning of financial markets.

Further details on the Bank of Canada term liquidity facilities are available in the [Terms and Conditions for the Term PRA Facility](#), the [Terms and Conditions for the Term PRA Facility for Private Sector Instruments](#), and the [Terms and Conditions for the Term Loan Facility](#).

The new schedules are as follows:

Term PRA Facility

Auction (settlement) date	New amount (millions)	Amount maturing (millions)	Term (days)	Maturity date
July 2009				
27 (29)	minimum \$1,000		273	28 Apr. 2010
August 2009				
4 (6)	minimum \$1,000		167	20 Jan. 2010
10 (12)	minimum \$1,000	\$3,000	273	12 May 2010
17 (19)	minimum \$1,000	\$4,000	85	12 Nov. 2009
24 (26)	minimum \$1,000		274	27 May 2010
31 (2 Sept.)	minimum \$1,000		169	18 Feb. 2010
September 2009				
8 (10)	minimum \$1,000	\$3,000	272	9 June 2010
14 (16)	minimum \$1,000		84	9 Dec. 2009
21 (23)	minimum \$1,000		273	23 June 2010
28 (30)	minimum \$1,000		168	17 Mar. 2010
October 2009				
5 (7)	minimum \$1,000	\$2,250	273	7 July 2010
13 (15)	minimum \$1,000		84	7 Jan. 2010
19 (21)	minimum \$1,000		273	21 July 2010

Term PRA Facility for Private Sector Instruments

Auction (settlement) date	New amount (millions)	Amount maturing (millions)	Term (days)	Maturity date
July 2009				
28 (30)	\$500	\$500	84	22 Oct. 2009
August 2009				
5 (7)	\$500	\$500	27	3 Sept. 2009
11 (13)	\$500	\$700	29	11 Sept. 2009
18 (20)	\$500	maximum \$1,000	28	17 Sept. 2009
25 (27)	\$500	\$495	84	19 Nov. 2009
September 2009				
1 (3)	\$500	maximum \$500	28	1 Oct. 2009
9 (11)	\$500	maximum \$500	27	8 Oct. 2009
15 (17)	\$500	maximum \$500	29	16 Oct. 2009
22 (24)	\$500	\$500	84	17 Dec. 2009
29 (1 Oct.)	\$500	maximum \$500	28	29 Oct. 2009
October 2009				
6 (8)	\$500	maximum \$500	28	5 Nov. 2009
14 (16)	\$500	maximum \$500	28	13 Nov. 2009
20 (22)	\$500	maximum \$500	84	14 Jan. 2010

Term Loan Facility

Auction (Settlement) Date	New Amount (millions)	Term (Days)	Maturity Date
July 2009			
29 (30)	minimum \$1,000	28	27 Aug. 2009
August 2009			
6 (7)	minimum \$1,000	27	3 Sept. 2009
12 (13)	minimum \$1,000	29	11 Sept. 2009
19 (20)	minimum \$1,000	28	17 Sept. 2009
26 (27)	minimum \$1,000	28	24 Sept. 2009
September 2009			
2 (3)	minimum \$1,000	28	1 Oct. 2009
10 (11)	minimum \$1,000	27	8 Oct. 2009
16 (17)	minimum \$1,000	29	16 Oct. 2009
23 (24)	minimum \$1,000	28	22 Oct. 2009
30 (1 Oct.)	minimum \$1,000	28	29 Oct. 2009
October 2009			
7 (8)	minimum \$1,000	28	5 Nov. 2009
15 (16)	minimum \$1,000	28	13 Nov. 2009
21 (22)	minimum \$1,000	28	19 Nov. 2009

Substitution Schedule

Notice Date¹	Substitution Date
22 July ²	24 July
5 August	7 August
19 August	21 August
2 September	4 September
16 September	18 September
30 September	2 October
14 October	16 October

¹ The notice to substitute must be submitted to the Bank of Canada by noon, at the latest, on the notice date.

² Previously announced on 21 April.