



# BANCO DE MÉXICO

April 21st, 2009

Today, Banco de México auctioned US dollar loans to domestic commercial and development banks for an amount of USD4 billion with a maturity of 264 days and interest rate reset dates every 88 days. The USD funds come from the temporary reciprocal currency arrangement (swap line) established with the Federal Reserve.

## Auction's general results<sup>1</sup>

Total USD amount demanded:	<b>3,212 million USD</b>
Total USD amount allocated:	<b>3,212 million USD</b>
Weighted average interest rate:	<b>0.7384%</b>
Minimum interest rate allocated (stop-out-rate):	<b>0.7063%</b>
Maximum interest rate allocated:	<b>1.4563%</b>
Number of participating institutions:	<b>10</b>
Number of participating institution that received loans:	<b>10</b>

The results from the auction suggest that the USD funding pressures faced by the private sector in Mexico have eased in the last few weeks. This, in turn, reflects the increased stability of the global financial markets as well as the recent decrease in the peso exchange rate volatility. In addition, the contraction in global economic activity and the decline in international trade have contributed to a reduction in foreign currency financing needs.

Banco de México will continue to monitor the evolution of USD financing terms faced by the private sector to determine whether or not it is warranted to use this mechanism in the future.

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<sup>1</sup> For further details please refer to:

[http://www.banxico.org.mx/sitioingles/portalesEspecializados/tiposCambio/US\\_dollar\\_auctions\\_results.html](http://www.banxico.org.mx/sitioingles/portalesEspecializados/tiposCambio/US_dollar_auctions_results.html)