
[Banco de la República provides liquidity to the economy](#)

Management of the resources of the Nation's Treasury commonly involves changes in its deposits at the Central Bank. Increases in these deposits drain liquidity from the economy.

Since the end of last year, there has been an increase in the deposits of the Nation's Treasury at *Banco de la República*. In order to prevent pressures on the short-term liquidity, the Central Bank made 90 day-REPO auctions for \$2 trillion pesos, and 14 day-REPO auctions for \$3 trillion pesos. The auctions were oversubscribed, and the cutting rates for these auctions were the Central Bank's policy rate plus 5 bp and 1 bp, respectively. The supply of the remaining short-term liquidity, approximately \$14 trillion in the last weeks, will continue to be auctioned at a one-day term.

The Bank will make use of the different instruments at its disposal to ensure that the short-term interest rate is kept in line with the policy interest rate, and that the terms for the liquidity supply respond to market needs.

Bogotá

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