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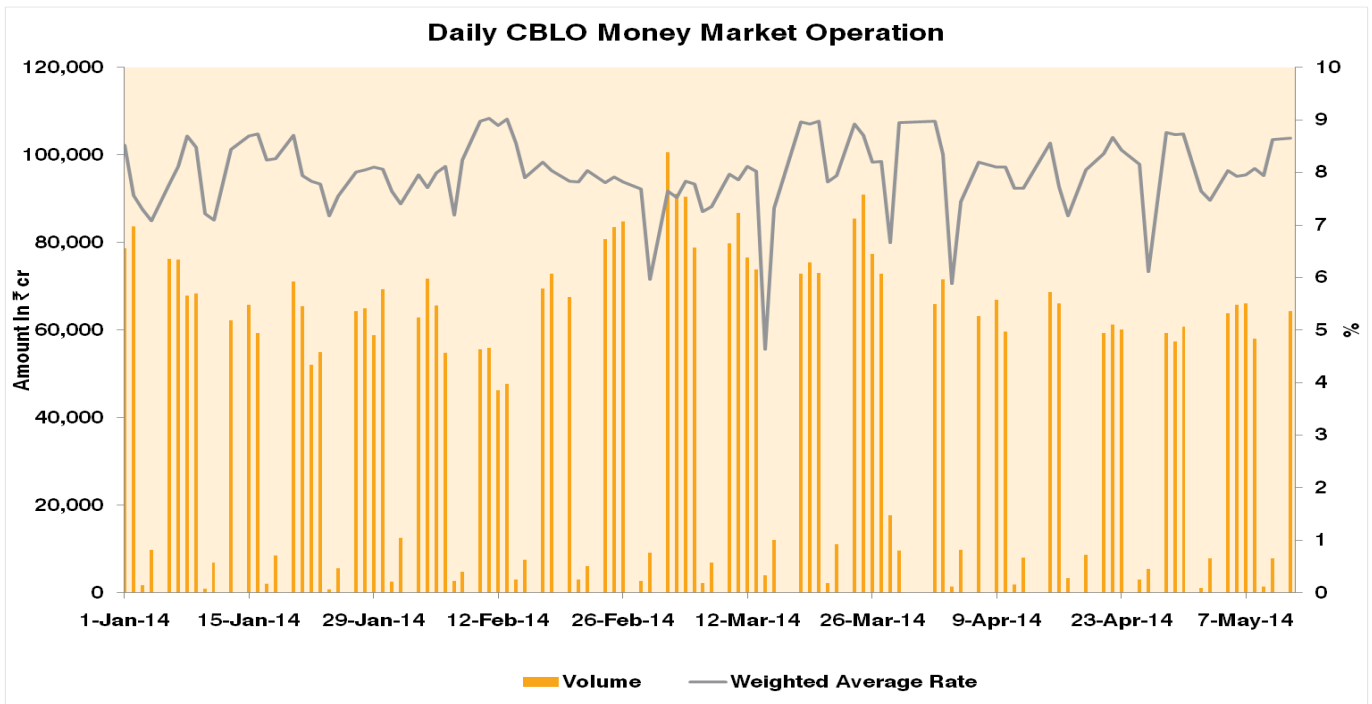
## CBLO Money Market

- With effect from August 2005, non banks are not allowed to participate in call money market and to facilitate non banks participation in money market Collateralised Borrowing and Lending Obligation (CBLO) money market was created.
- As the name suggests, in CBLO money market borrowing/lending takes place on collateralised basis.
- CBLO was created and is operated by Clearing Corporation of India Ltd (CCIL).

## CBLO Money Market snap shot

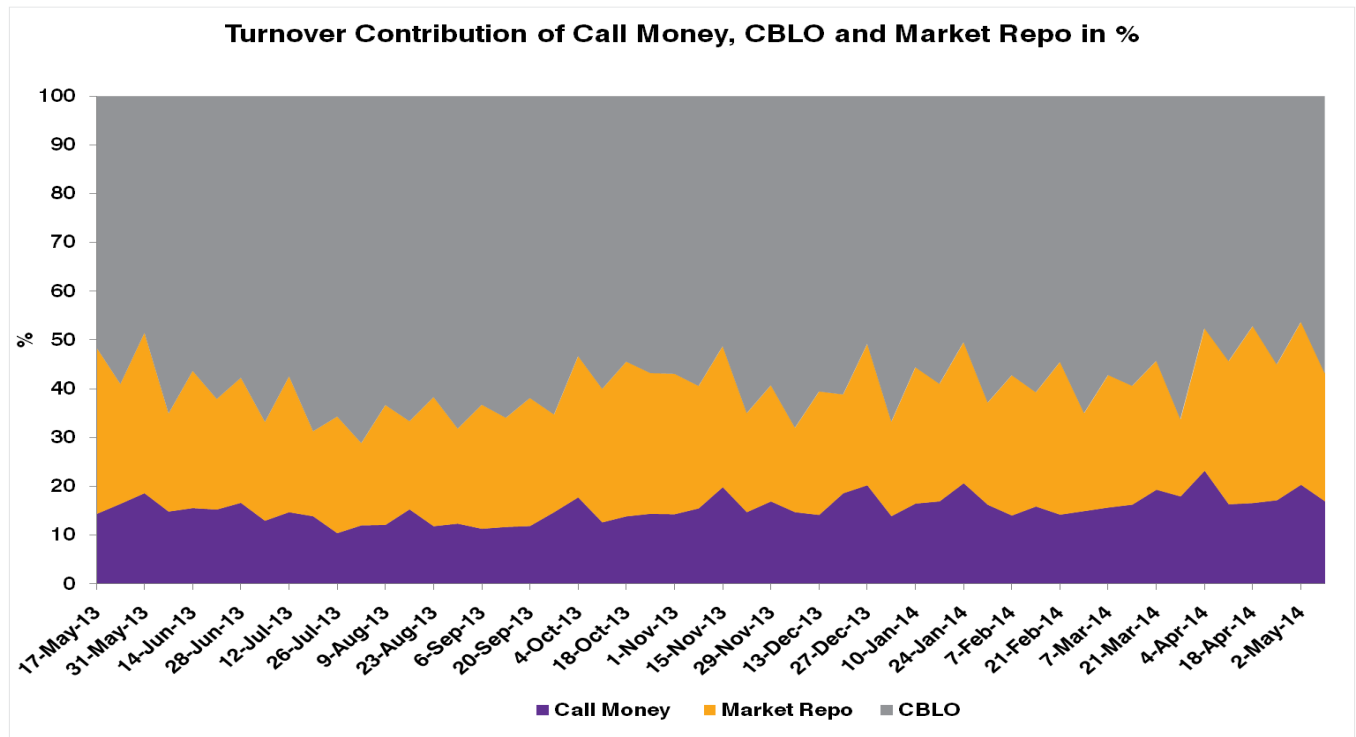
What is CBLO	Participants	Eligible Securities	Why CBLO was created
<ul style="list-style-type: none"> <li>• CBLO is a money market for collateralized and secured instrument for borrowing and lending</li> <li>• RBI approved money market</li> <li>• Developed and operated by CCIL</li> <li>• Trading done on securities with maturity of next 7 business days or 3 month end date</li> </ul>	<ul style="list-style-type: none"> <li>• Nationalized , Private, Foreign , Co-operative banks</li> <li>• Primary dealers</li> <li>• Insurance Companies</li> <li>• Mutual Funds</li> <li>• Financial Institutions</li> <li>• NBFC etc</li> </ul>	<ul style="list-style-type: none"> <li>• Eligible securities which can be used as collateral are central government securities including Tbills</li> </ul>	<ul style="list-style-type: none"> <li>• To benefit participation of entities phased out from call money market</li> <li>• To benefit participation of entities who have restrictions in terms of ceiling on lending or borrowing of funds in call money market</li> </ul>

- Chart below shows daily CBLO money market operations in terms of volume and weighted average rate from 1<sup>st</sup> January 2014 till 12<sup>th</sup> May 2014.



Source: RBI

- Chart below shows that in the overnight money market, CBLO has highest turnover followed by market repo reflecting higher trading in collateralised market segment.



Source: RBI, Data is weekly turnover contribution in % from 17<sup>th</sup> May 2013 till 9<sup>th</sup> May 2014

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