



CBUAE Raises the Base Rate by 5 Basis Points

Abu Dhabi (17 June 2021): The Central Bank of the UAE (CBUAE) has decided to raise the Base Rate applicable to the Overnight Deposit Facility (ODF) by 5 basis points, effective from Thursday, 17 June 2021. This decision was taken following the US Federal Reserve Board's yesterday's announcement to increase the Interest on Excess Reserves (IOER) by 5 basis points. The new Base Rate set by the CBUAE is 15 basis points.

The CBUAE also has decided to maintain the rate applicable to borrowing short-term liquidity from the CBUAE through all standing credit facilities at 50 basis points above the Base Rate.

The Base Rate, which is anchored to the US Federal Reserve's IOER, signals the general stance of the CBUAE's monetary policy. It also provides an effective interest rate floor for overnight money market rates.

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