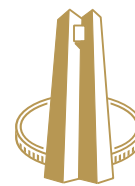


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SOUTH AFRICAN RESERVE BANK

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Financial Markets Department

Notice: Suspension of the weekly repo auction

12 October 2026

The South African Reserve Bank (SARB) implements monetary policy through a tiered-floor system. Before adopting this framework, the SARB operated a classical cash reserve system and conducted weekly repo auctions of R56 billion to refinance the market's liquidity shortfall. After the transition to a surplus framework, the SARB retained the weekly repo auction, albeit at progressively lower levels, to fund the shortfall and support the allocation of quotas during the transition phase. The SARB continued to offer these auctions after the transition, mainly to ensure that the system had sufficient liquidity without providing more than the market needed or could absorb.

During the transition, the SARB also recognised that using repo auctions to provide liquidity in a surplus framework could weaken the intended effect of quotas, as banks may rely on repos instead of sourcing liquidity in the interbank market. However, this risk has not materialised, as repo uptake has remained minimal or absent for a considerable period. Nonetheless, the SARB is seeking to future-proof the framework against this potential risk and ensure that it remains fit for purpose across a broad range of market conditions.

The SARB has therefore decided to suspend the weekly main repo auction indefinitely. This will take effect from 30 October 2026. Suspending the weekly repo is consistent with the SARB's preference for a monetary policy implementation framework (MPIF) that is simple and transparent, yet robust enough to respond to changing liquidity conditions, shocks and market structures. In this regard, it entails phasing out a tool that no longer plays a meaningful role as the market has sufficient liquidity and does not need additional liquidity support.

Repos will remain part of the SARB's liquidity toolkit and may still be used in future, at the SARB's discretion, as a liquidity backstop, including during periods of market dysfunction. Banks are therefore

strongly encouraged to conduct testing regularly with the SARB to ensure operational readiness should repo transactions with the SARB be required.

For more information, please contact the market operations desk at 012 313 4952 or via email at FMD-InterestRate@resbank.co.za.