

8 April 2022

## Central bank swap lines during the Covid-19 pandemic

Saleem Bahaj, Ricardo Reis

### Summary

“Facing visible strain in dollar funding markets during the Covid-19 pandemic, the Fed lowered the rate on the swap lines it had with five other central banks, and opened new ones in nine other currencies. Some of these were used, some not. We use this variation to show the impact of the swap lines on CIP deviations across currencies. The results confirm the analysis in Bahaj and Reis (2019): the swap lines put a ceiling on CIP rates only around the time of an auction.”

To view this article in its entirety please use the link provided below:

[View Full Article](#)

---

### Recommended Citation

Bahaj, Saleem, and Ricardo Reis. 2022. “Central Bank Swap Lines during the Covid-19 Pandemic.” *Covid Economics*, no. 2 (April): 12. <https://personal.lse.ac.uk/reisr/papers/20-covicbswaps.pdf>