CBRT engages in TL swap transactions against FX with Turkish banks,

I apologize for the confusion in my previous responses. I made an error in my explanation. Let me correct it:

When the CBRT engages in TL swap transactions against FX with Turkish banks, it does not inject foreign currency liquidity by purchasing foreign currency from the banks. Instead, the CBRT withdraws foreign currency liquidity from the market by selling foreign currency to the banks at the spot exchange rate.

Here's the corrected explanation:

TL Liquidity Injection: The CBRT provides Turkish Lira (TL) liquidity to Turkish banks by exchanging TL with them at an agreed-upon exchange rate.

FX Withdrawal: At the same time, the CBRT withdraws foreign currency liquidity from the market by selling foreign currency to the banks at the spot exchange rate. In other words, the CBRT sells foreign currency to the banks in exchange for Turkish Lira.

TL Liquidity Provision: Throughout the TL swap term, the CBRT continues to provide TL liquidity to the banks, allowing them to use the TL funds for their liquidity needs or lending purposes.

FX Repurchase: At the maturity of the TL swap, the process is reversed. The CBRT repurchases the foreign currency from the banks at the predetermined forward exchange rate, effectively providing foreign currency liquidity to the banks and withdrawing TL liquidity.

In summary, when the CBRT engages in TL swap transactions against FX with Turkish banks, it injects TL liquidity into the market while withdrawing foreign currency liquidity by selling foreign currency to the banks. This mechanism allows the CBRT to manage liquidity in the financial system, influence money supply, and contribute to exchange rate stability.

I apologize for any confusion caused, and I hope this clarification provides a clear understanding of the TL swap transactions with Turkish banks. As an AI language model, I don't have access to real-time data or specific CBRT policies beyond my last update in September 2021. For the latest and most accurate information on the CBRT's TL swap mechanisms, I recommend referring to official publications, statements, and publications from the CBRT itself.