EUROPEAN CENTRAL BANK
EUROSYSTEM

Money Market Statistical Reporting

OMCG Presentation

Frankfurt 9 June 2015

Overview

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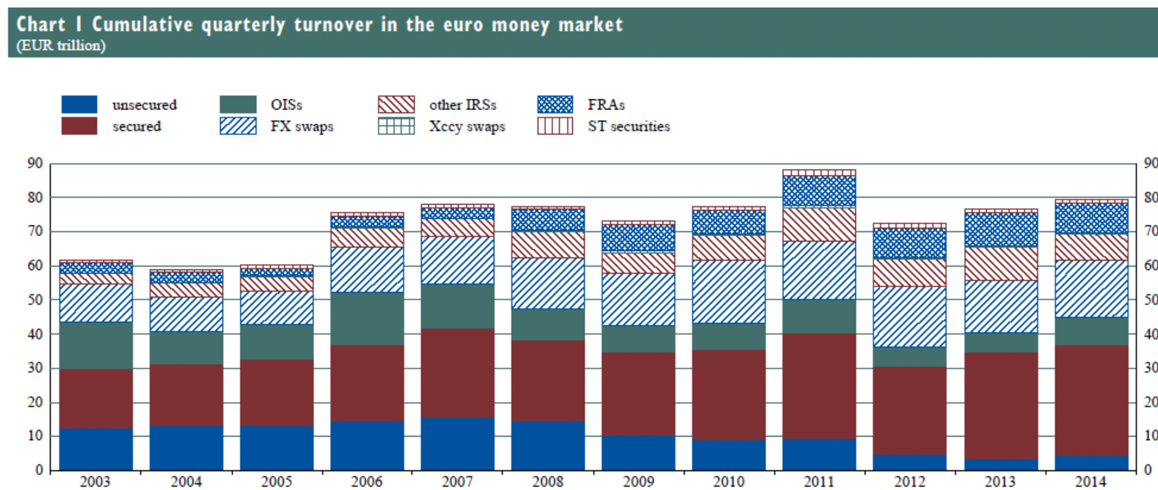
MMS (Money Market Survey)

- Annual publication with graphs and tables based on voluntary data relating to secured, unsecured, short-term securities and OTC instruments
- Analysing the turnover, maturities and market structure



Note: The panel comprised 101 credit institutions.

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- **The ESCB requires high-quality, granular and timely data** on euro money market segments, secured, unsecured and derivatives-trade, so as to:
  - provide relevant and timely data on the monetary policy transmission mechanism
  - closely monitor monetary policy and financial developments
  - inform market participants on market functioning to allow informed choice amongst reference rates

- **Regulation ECB/2014/48** was adopted on 26.11.2014 and published in the OJ on 16.12.2014
  - (53) large credit institutions in the euro area will report daily transaction-by-transaction data to Eurosystem from 1 April 2016 ***first wave***
  - other relevant market participants will start reporting from early 2017 ***second wave***

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MMSR – Background (2/2)

- **Reporting on a (solo) legal entity basis**
    - including EU and EFTA-located branches
    - no group reporting

- **Timeliness** of the reporting
    - **Daily reporting** at least once on the trade date or before **7:00** a.m. on the first TARGET2 business day following the trade date

- The **first reporting** start with data from **1 April 2016**
    - from 1 April 2016 (for all Q2) **testing period**
    - from 1 July 2016, the full dataset needs to be reported daily on time *full automation expected (due to high volumes and timeliness)*

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MMSR – Regulation Timeline

Step	Date
MOC letter to STC	18 Oct 2013
Fact Finding Exercise	6 Dec 2013 - 22 Jan 2014
Cost Questionnaire	19 Feb 2014 - 30 Apr 2014
Merits Questionnaire	20 May 2014 -13 June 2014
Finalisation of matching of Merits and Costs exercise	20 Jun 2014
Completion of draft Regulation	14 Jul 2014
EB endorses draft Regulation (in English)	5 Nov 2014
Adoption of draft Regulation by the GovC	26 Nov 2014
Regulation published in the OJ	16 Dec 2014

From the concept to the Regulation is just over one year!

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- **Meetings with the Banking Industry**

Meetings with	Location	Date
6 largest EU credit institutions	Frankfurt	4 Dec 2014
Austrian, Greek, Finnish, Irish and Dutch credit institutions	Frankfurt	21 Jan 2015
Italian credit institutions	Rome	26 Jan 2015
Spanish credit institutions	Madrid	11 Feb 2015
French and Belgian credit institutions	Paris	13 Feb 2015
German credit institutions	Frankfurt	16 Feb 2015

- **ISO 20022 alignment**
  - Following three **Workshops** with SWIFT (on 7 & 15 Jan and 24 Feb) Reporting Instructions have been **aligned with ISO 20022 standards**
  - Variables not yet ISO 20022-compliant will be registered by ISO

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MMSR – Reporting Instructions (1/2)

- Reporting Instructions will set up **a standardised/highly automated reporting framework** in terms of:
  - Variables/attributes
  - Formats
  - Validation rules and plausibility checks
  - Data flows
- Reporting Instructions will serve as **key reference manual** for credit institutions, NCBs and the ECB, and will include concrete examples
- The data to be provided will be related to **four market segments:**
  - Secured
  - Unsecured
  - Foreign Exchange Swaps
  - Euro Overnight Index Swaps

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- The **reporting instructions will be**:
  - aligned with ISO 20022 standards, or standards will expand where appropriate, to help implementing by the banking industry
  - showing the taxonomy of the variables across the different market segments as unique reference for credit institutions (and NCBs/ECB)
  - complemented with illustrations/examples to further specify data to be sent
  - binding to ensure full automation of the process – and put on ECB web site

- **A Q&A document** will be circulated for reference, in order to clarify any remaining issues regarding:
  - implementation of Regulation ECB/2014/48
  - data attributes as required within the Reporting Instructions
  - data transmission: schema and technical solution

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Overview of the market structure

Unsecured market - lending side		T	T-1	Δ	T-1W	Δ
Lending volumes	Total lending	153,094	132,986	20,108	179,854	-26,760
	O/N lending	141,056	129,856	11,200	168,002	-26,946
	Interbank lending	138,902	119,856	19,046	152,104	-13,202
	Interbank O/N lending	111,242	110,010	1,232	148,225	-36,983
Interest rates	Average	0.076	0.079	-0.003	0.084	-0.008
	of which O/N	0.014	0.015	-0.001	0.019	-0.005
	of which Interbank	0.009	0.008	0.001	0.011	-0.002
	Interbank O/N	0.008	0.006	0.002	0.009	-0.001
Activity	Transactions	92,069	91,801	268	93,107	-1,038
	Contributors	48	49	-1	50	-2
	Average transaction size	4,928	5,099	-171	4,804	124

Volume developments

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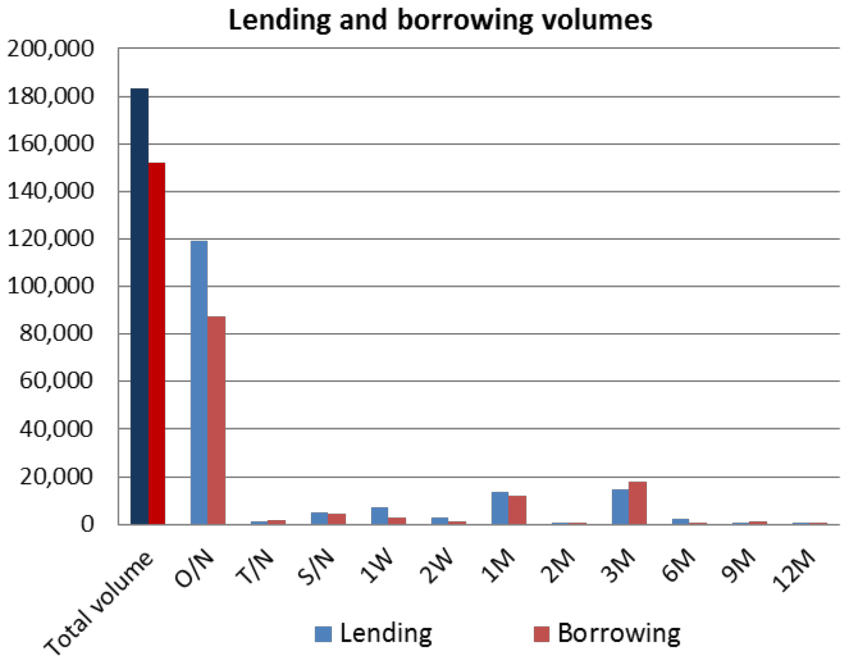
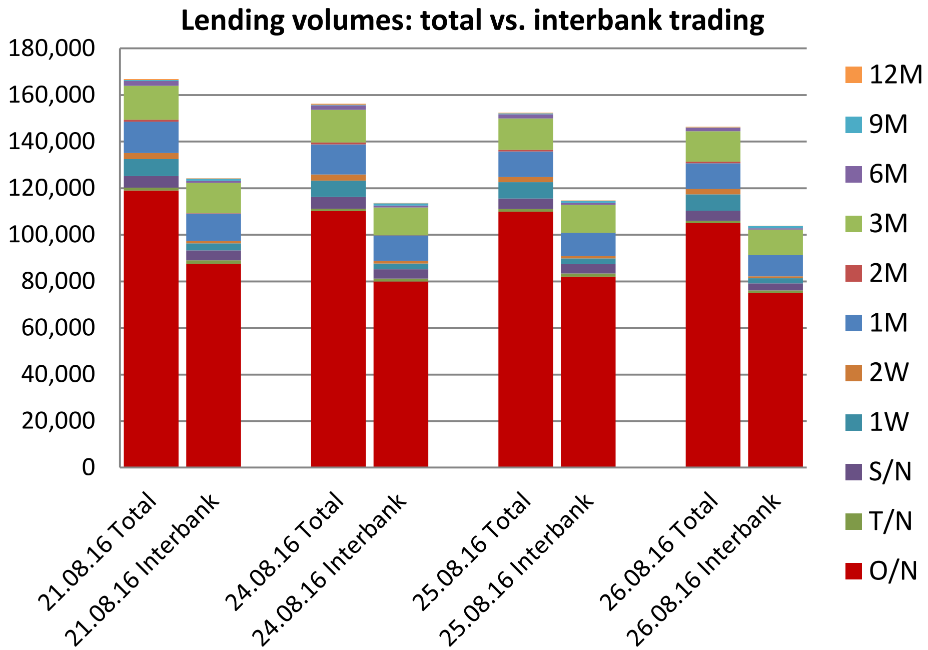




Interbank exposures

SECURED MARKET - MATRIX OF INTERBANK EXPOSURES FOR WEEK #32 (08-12.08.2016)

Borrowing \ Lending	Bank 1	Bank 2	Bank 3	Bank 4	Bank 5	Total lending
Bank 1		3,354	809	1,998	3,155	9,316
Bank 2	301		1,001	2,900	13,994	18,196
Bank 3	193	1,202		604	1,376	3,375
Bank 4	1,985	98	1,704		15,415	19,202
Bank 5	9,201	785	1,098	908		11,992
Total borrowing	11,680	5,439	4,612	6,410	33,940	124,162

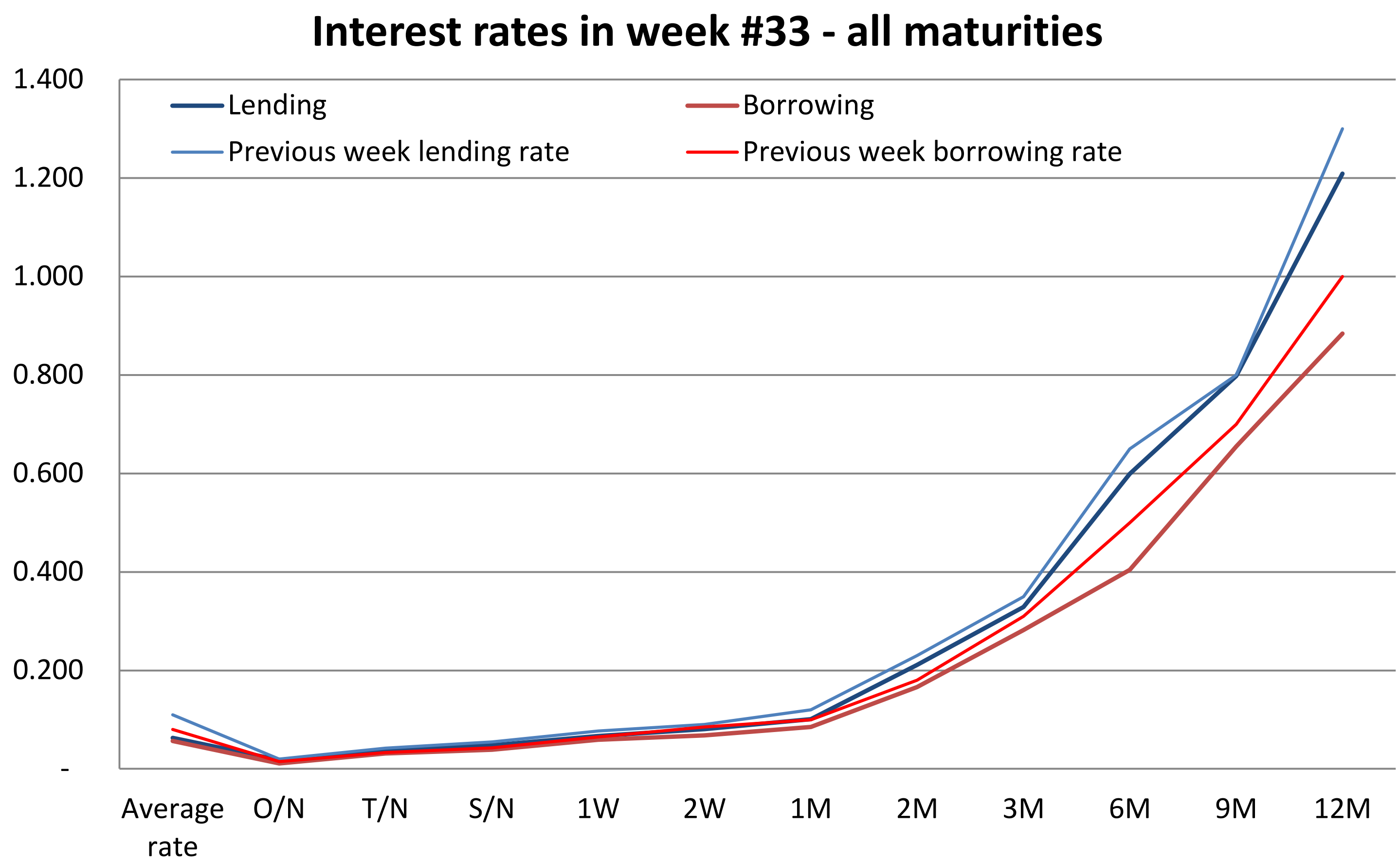
WEEK #33 (15-19.08.2016)

Borrowing \ Lending	Bank 1	Bank 2	Bank 3	Bank 4	Bank 5	Total lending
Bank 1		5,423	609	2,013	3,358	11,403
Bank 2	301		1,058	2,515	15,444	19,318
Bank 3	115	986		554	1,541	3,196
Bank 4	2,248	24	1,859		15,415	19,546
Bank 5	9,001	501	1,125	515		11,142
Total borrowing	11,665	6,934	4,651	5,597	35,758	129,210

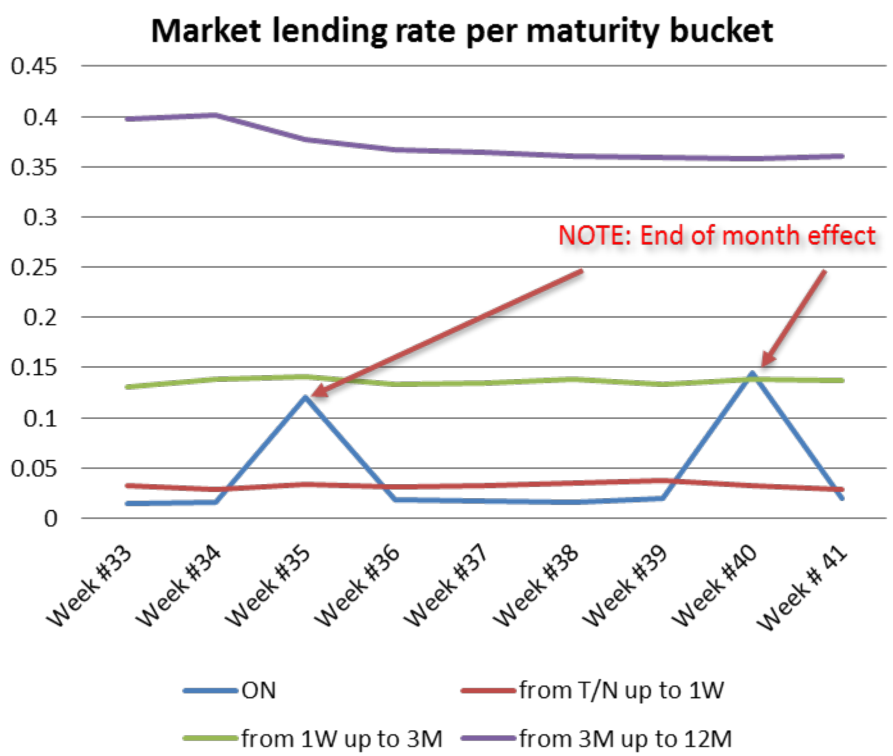
WEEK #34 (22-26.08.2016)

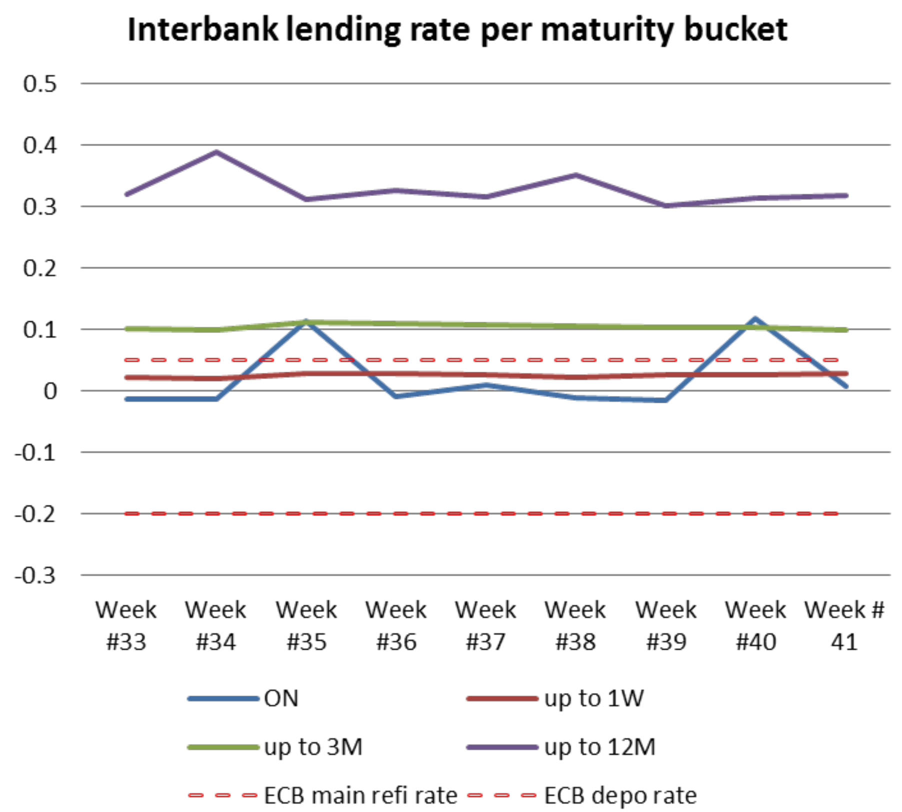
Borrowing \ Lending	Bank 1	Bank 2	Bank 3	Bank 4	Bank 5	Total lending
Bank 1		6,008	404	3,015	2,998	12,425
Bank 2	210		1,801	2,590	2,005	6,606
Bank 3	5,086	1,051		609	2,004	8,750
Bank 4	11,520	49	2,026		13,201	26,796
Bank 5	8,557	691	55	447		9,750
Total borrowing	25,373	7,799	4,286	6,661	20,208	128,654

Interest rates development 1/2



Interest rates development 2/2



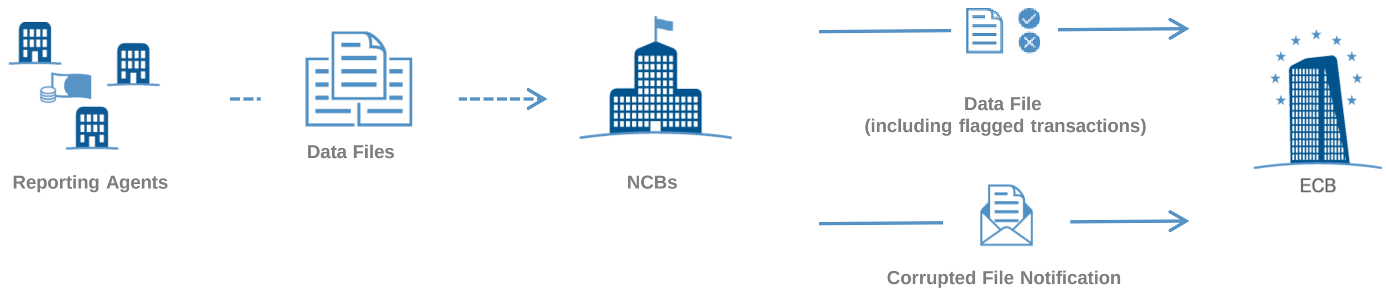


IT infrastructure (1/2)

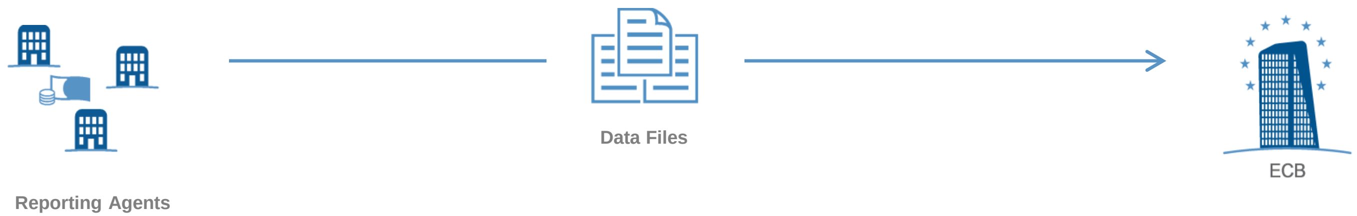
- Reporting agents report data on a **transaction basis** on **secured**, **unsecured** and **derivative markets** (FX swaps and OIS)

  to NCB of the Member State or to the ECB

Data transmitted to the ECB via NCB



Data transmitted directly to the ECB.



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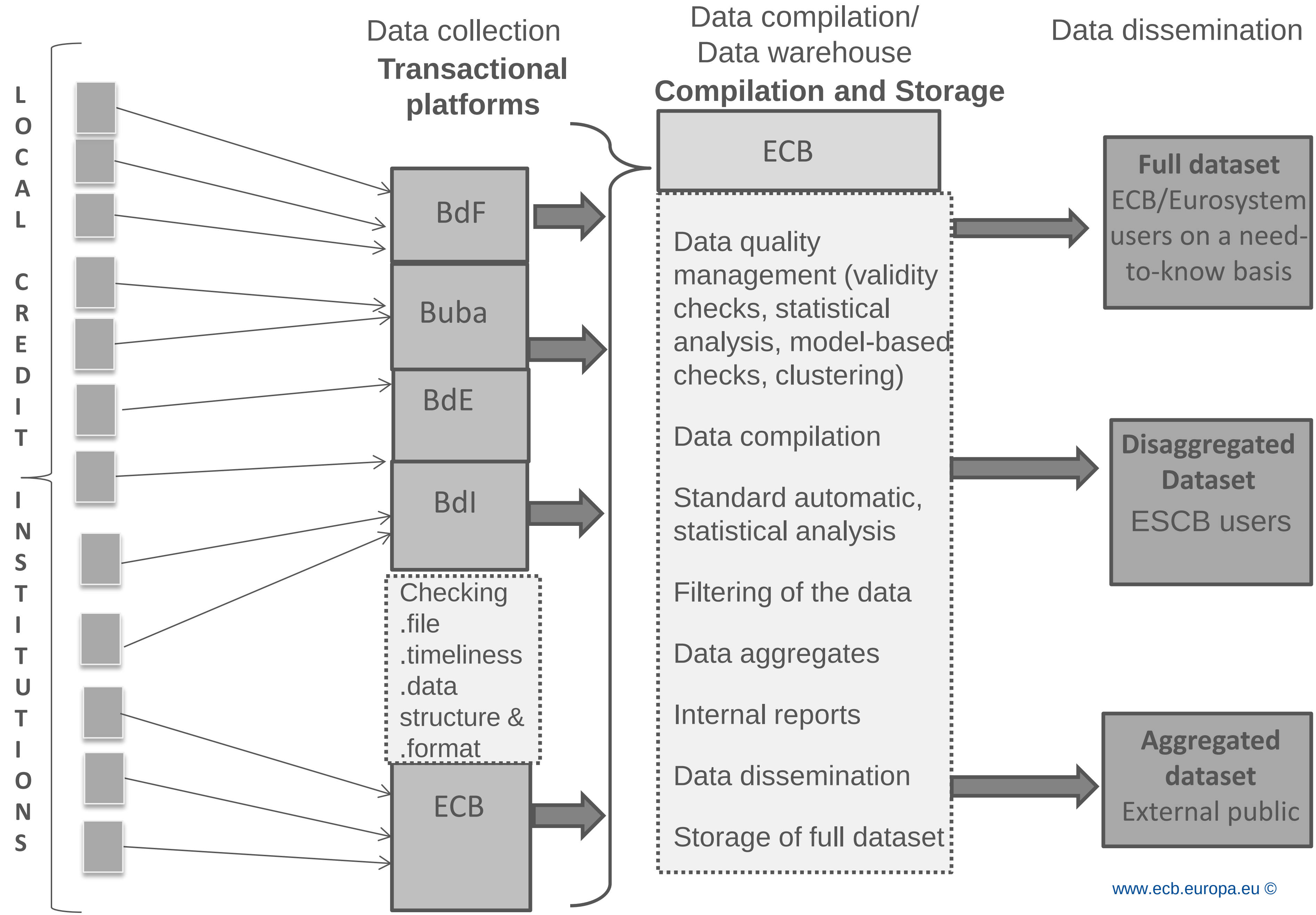
IT infrastructure (2/2)



MMSR and EMIR (1/2)

- Data on all **derivatives** are already **collected by TRs under EMIR**
  - 6 TRs cover trades in which at least one euro area counterpart is involved

- Usage of EMIR data for the purposes of MMSR was considered

- **Currently EMIR data cannot be used for MMSR** due to
  - **different timeliness**
    - For MMSR data need to be reported **until 7.00 a.m.** on **T+1** and for EMIR data are only available at **T+2**
  - problems with **identifying FX Swaps and OIS trades** from EMIR data
  - the **level of standardisation** of data transmitted to the TRs makes them hardly usable as yet; question is open on when will this improve sufficiently

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MMSR and EMIR (2/2)

- Data to be collected for MMSR on FX Swaps and OIS will contain the following variables:
    - Reported Transaction status
    - Unique Transaction Identifier, Proprietary transaction identifier, Counterparty Proprietary transaction identifier
    - Counterparty identifier, sector, and location
    - Trade date, Maturity date
    - Transaction nominal amount
    - *For FX Swaps only*: Value Date, FX Transaction Type, Foreign currency code, Foreign exchange Spot rate, Foreign exchange Forward points
    - *For OIS only*: Start date, Fixed Interest rate, OIS Transaction type

- Some variables are also currently collected for EMIR while some others are not (e.g. Counterparty sector, or Foreign Exchange Spot rate)

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Overlap/differences between between MMSR and Secured Financing Transaction Data-Store (SFT-DS)

- ***MMSR*** *is meant to*
  - *cover* ***all segments of money market*** *… for the* ***euro area*** *only*
  - *Vey timely data (next trading date available to users at 8:00)*
  - *deliver in less than* ***one year*** *(by 1 Apr. 16)*
- ***SFT-DS***
  - *Support* ***financial stability, market operations, supervision***
  - *focuses on* ***EU-wide secured market*** *without limitation of maturity*
  - *would take* ***3 years*** *to implement*
  - ***Channelling of data*** *differs:* *- directly to NCBs or ECB for MMSR*
- via Trade Repositories for SFT-DS

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