

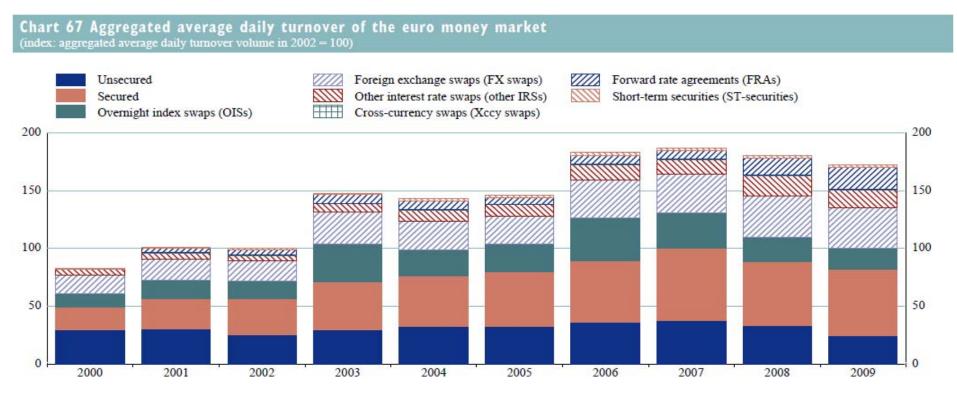
The euro money market survey 2009

Money Market Contact Group

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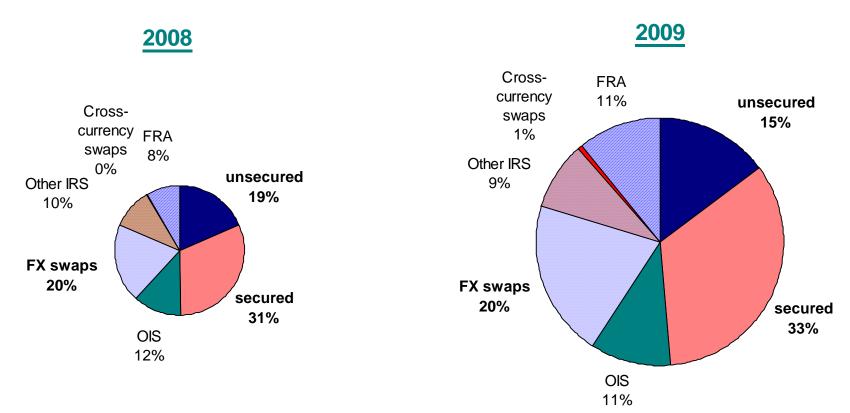
Aggregate euro money market turnover

- The 2009 Survey continued revealing **a decline in the turnover (**by 5% in Q2 2009 from Q2 2008).
- Largest declines were recorded in the unsecured (-25%), OIS and other IRS with declines of around 15%.
- Activity in the FRA segment (+26%) continued increasing. The repo market turnover also showed an increase of 5%.



Aggregate euro money market turnover

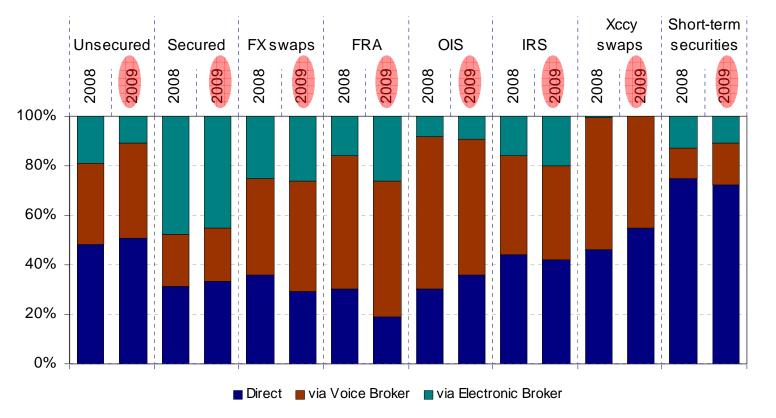
• The secured, FX swap and unsecured segments remained the largest in terms of turnover also in Q2 2009.



Based on constant panel data (105 banks)

Euro Money Market: Trading structure

• The share of direct and voice broker trading rose in most euro money market segments

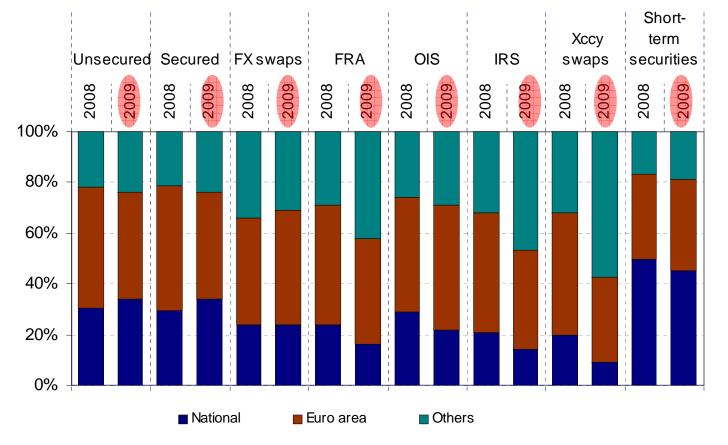


Trading structure of the different market segments in 2008 and 2009

Based on constant panel data (105 banks)

Euro Money Market: Counterparty structure

Geographical counterparty structure of the different market segments in 2008 and 2009

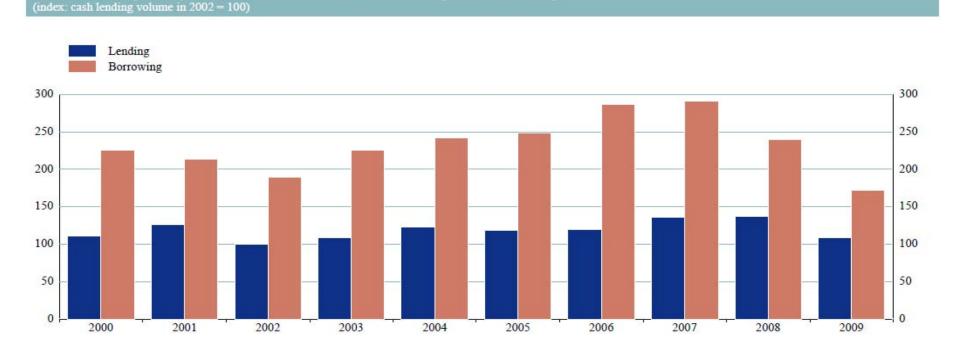


Based on constant panel data (105 banks)

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Euro Money Market: Unsecured market

• The decline in the **unsecured market** can be perceived both in the **lending** (-20%) and the **borrowing** (-28%) sides of the survey.

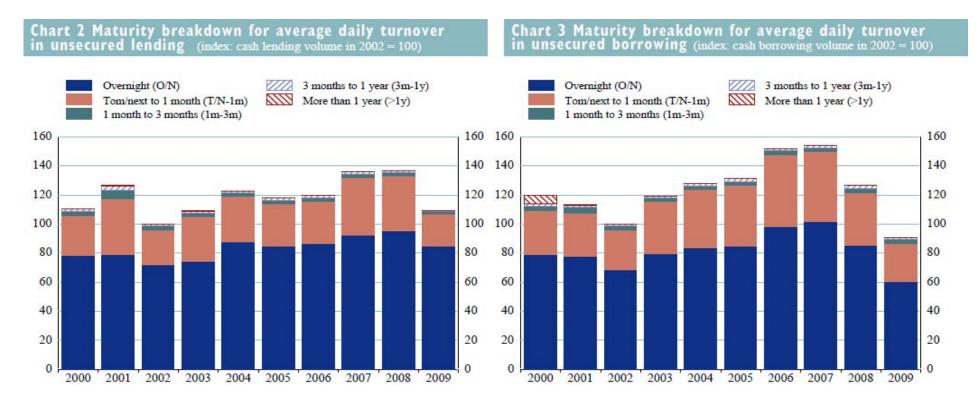


Note: The panel comprised 85 credit institutions in 2000 and 2001 and 105 credit institutions thereafter.

Chart I Average daily turnover in unsecured cash lending and borrowing

Euro Money Market: Unsecured market

• The decline in the unsecured market was more severe in the **longer maturities** (by 44% from 3-month to I-year).



Note: The panel comprised 85 credit institutions in 2000 and 2001 and 105 credit institutions thereafter.

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Euro Money Market: Unsecured market

- Qualitative assessment showed that **efficiency** in this segment was very limited, worse than in 2008.
- Liquidity also worsened significantly this year, although to a lesser extent than in 2008.

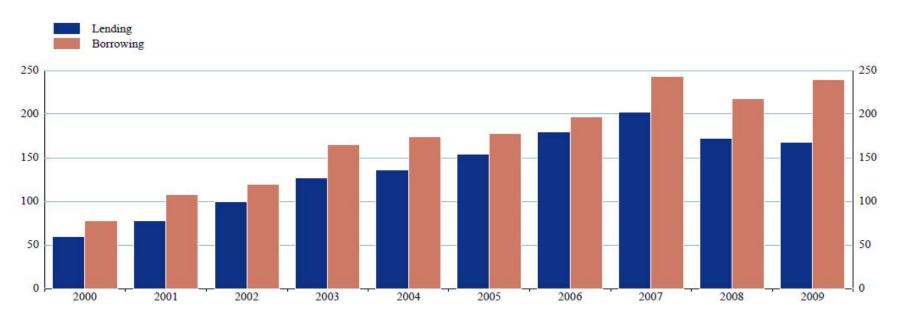


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Euro Money Market: Secured market

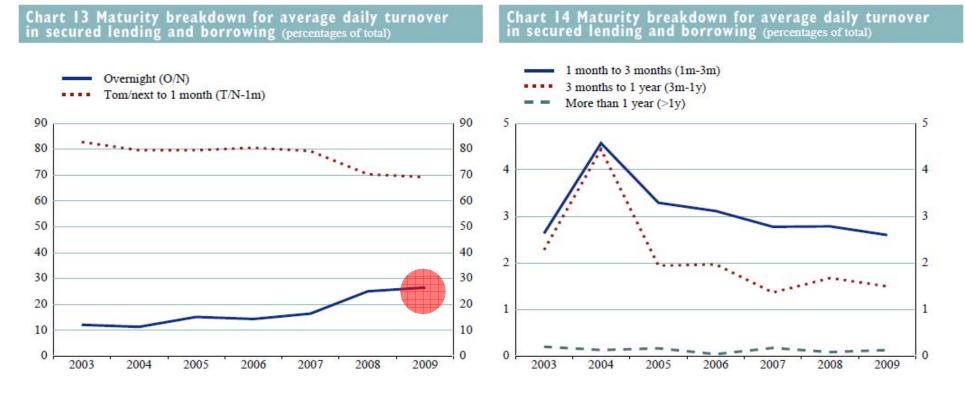
- Activity in the **secured market** increased by 5%.
- Whereas the cash lending side (reverse repo) declined by 3%, the cash borrowing side (repo) increased by 10%.

Chart 12 Average daily turnover in secured cash lending and borrowing (index: cash lending volume in 2002 = 100)



Euro Money Market: Secured market

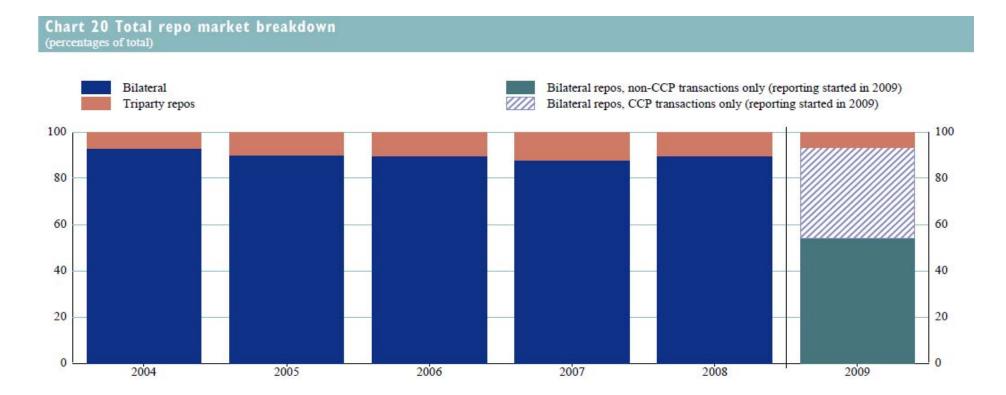
• The **overnight activity** continued increasing this year, although at a slower pace than in the past year, reaching 27% of the trades.



Note: The panel comprised 105 credit institutions.

Euro Money Market: Secured market

 For the first time, the survey compiled data on the activity in the secured market cleared via central counterparties that accounted for 39% in 2009.



Note: The panel comprised 105 credit institutions.

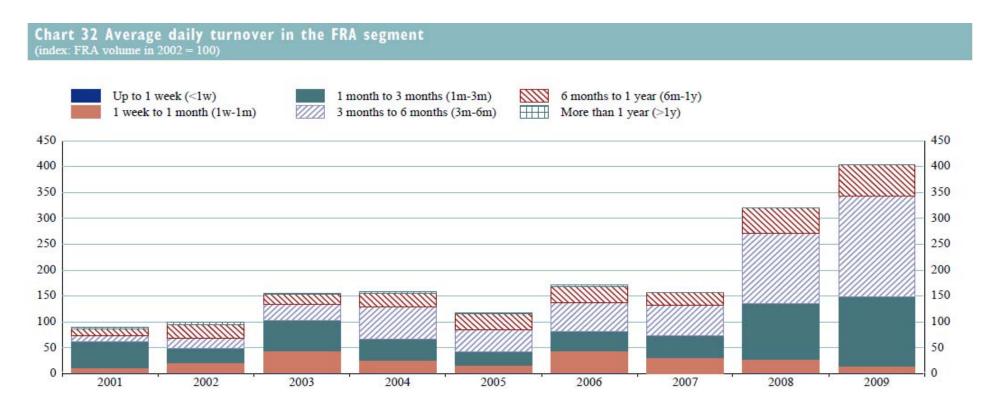
Euro Money Market: Derivatives market

• The activity in the **derivatives market** was affected with a decline of 2.4%.



Euro Money Market: FRA segment

- **FRA turnover** increased by 26%, possibly reflecting a larger use of FRAs as hedging instrument.
- Significant in the 3- to 6-months maturities (+42%).



Euro Money Market: OIS segment

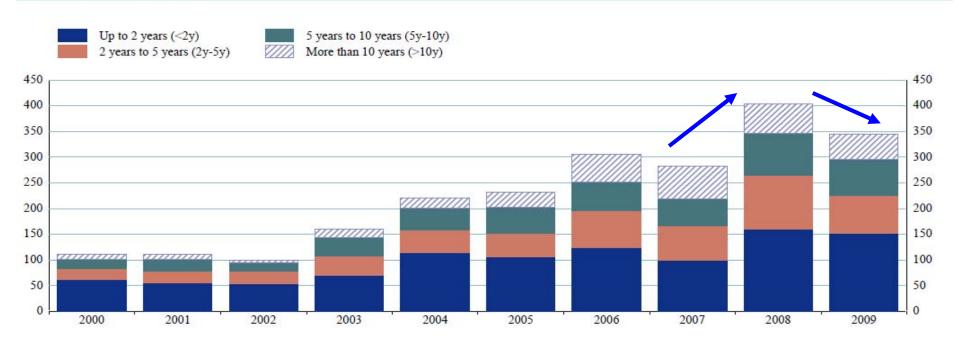
• The **OIS segment** continued declining since 2006, possibly reflecting the lower use of the OIS for hedging purposes.



Euro Money Market: IRS segment

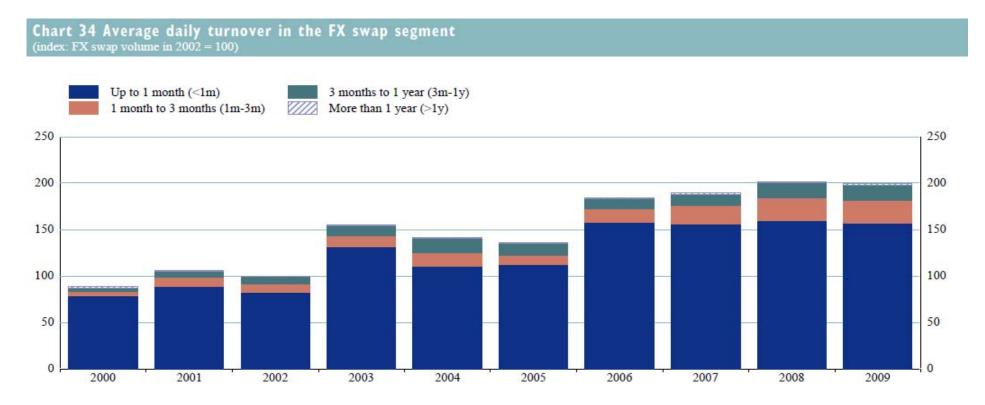
• **IRS activity** declined by 15% after the significant increase last year.

Chart 30 Average daily turnover in the other IRS segment (index: other IRS volume in 2002 = 100)



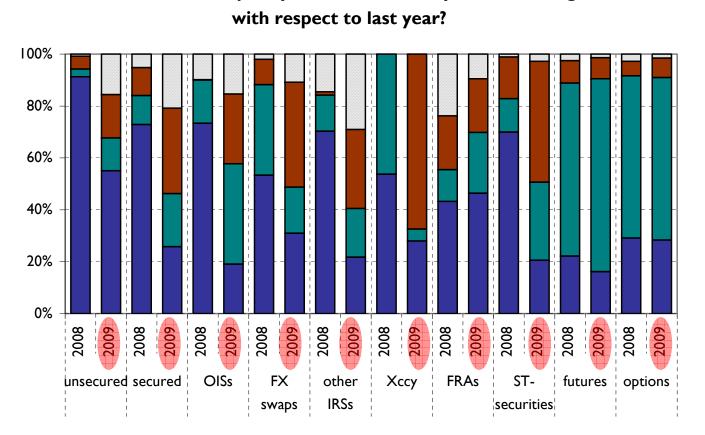
Euro Money Market: FX Swap segment

• Activity in the **FX swap market** declined marginally by around 1% this year.



Euro Money Market: Market liquidity assessment

• Some signs of **stabilisation** in Q2 2009?



Has the market liquidity in the euro money market changed

worsened slightly not changed improved slightly improved significantly

Based on constant panel data (105 banks)