



EUROPEAN CENTRAL BANK

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PRESS RELEASE

RESULTS OF THE EURO MONEY MARKET SURVEY 2013

Today, the European Central Bank (ECB) is publishing the results of the “Euro Money Market Survey 2013”, which highlights the main developments in the euro money market in the second quarter of 2013, comparing them with those in the second quarter of 2012.

The results of this year’s survey, which are derived from a constant panel of 104 banks (unless otherwise indicated; see the notes below), show the following:

- Aggregate turnover in the segments of the euro money markets captured by the survey expanded by 3%, to €75 trillion, after having decreased by 18% last year.
- In the unsecured market, cash borrowing of the banks on the panel decreased by 44%, to €1.75 trillion, while their lending declined by 17%, to €1.46 trillion. Total trading activity remained concentrated on maturities of one week or less. Overnight transactions accounted for 67% of total borrowing and for 86% of all lending activity, remaining more or less unchanged this year.
- The secured market remained the largest segment. Total turnover in secured lending and borrowing rose by 17%, to €30 trillion, mainly on account of a 27% increase in activity relating to overnight maturities, while turnover for maturities of between “tomorrow/next” and one week increased by 16%. Trading in longer maturities accounted for less than 7% of total secured trading.
- 71% of all bilateral repo transactions were cleared by central counterparties, compared with a revised figure of 56% in 2012.
- Activity in the derivative segments covered by the survey remained broadly unchanged. Expressed as percentages, the most significant changes in activity were observed in cross-currency swaps (where turnover decreased by 26%) and in interest rate swaps other than foreign exchange and cross currency swaps (where turnover increased by 21%).
- Taking into account the feedback received from all of the 161 banks surveyed, the unsecured market remained the least concentrated segment, with 20% of the banks

accounting for 87% of the transactions, while interest rate swaps became the most concentrated, with 20% of the banks accounting for 99.5% of the transactions.

- Reported turnover in the outright secondary market for short-term paper was 11% lower than in the previous year. Turnover for short-term paper issued by credit institutions increased by 10%, while turnover in government issues reported by the surveyed banks decreased by 22%.
- Electronic trading decreased in most money market segments, while other forms of trading increased in most of them.
- The qualitative part of the survey shows that perceived efficiency and liquidity conditions in the unsecured market improved only marginally and remain rather low. As regards the secured market, perceived efficiency and liquidity conditions improved marginally as well, but from higher levels than the unsecured market. For most other market segments, clearer improvements of perceived efficiency were reported in 2013, although it was generally felt that liquidity conditions had not become better.
- This year's survey also covered prospective questions, as were reported for the first time in the 2012 survey. Participants were asked to assess how their interbank trading volumes or the number of their counterparties were expected to evolve in the light of expected changes to the risk limits. The overall results suggest that conditions are stabilising: compared with 2012, more of the 161 responding banks expect that limits will not be changed. Expectations of both reductions and increases in limits declined.

Notes

This survey has been conducted on an annual basis since 1999, and always compares data for the second quarter of the current year with data for the second quarter of the previous year. It is prepared by experts from the European System of Central Banks, i.e. the ECB and the national central banks of the European Union. The survey uses a constant panel of 104 banks wherever longer-term comparisons are made, but also includes data provided by the full panel of banks, which has grown over time, in order to obtain a more complete picture of the market. The full panel currently comprises 161 banks.

The "Euro Money Market Survey 2013" can be downloaded from the ECB's [website](#), together with a summarised version of the survey data (CSV file). The full dataset is available in the ECB's Statistical Data Warehouse.

For the first time this year, the Money Market Survey reports total turnover data, i.e. cumulative turnover during the period in question, instead of daily average volumes. The new reporting methodology resulted in some revisions to the figures of 2012.

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