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PRESS RELEASE

RESULTS OF THE EURO MONEY MARKET SURVEY 2014

- Aggregate turnover in the segments of the euro money markets captured by the survey expanded by 4%, to €79 trillion, in the second quarter of 2014, as compared with the second quarter of 2013. The corresponding increase in 2013 was 6%.
- In the unsecured market, cash borrowing of participating banks increased by 54%, to €2.56 trillion, while their lending increased by 24%, to €2.02 trillion.
- Perceived efficiency and liquidity conditions in the unsecured market improved from low levels, while banks' expectations of increases in risk limits rose significantly.

Today, the European Central Bank (ECB) is publishing the results of the “Euro Money Market Survey 2014”, which highlights the main developments in the euro money market in the second quarter of 2014, comparing them with those in the second quarter of 2013.

The results of this year's survey, which are derived from a constant panel of 101 banks (unless otherwise indicated; see the notes below), show that overall turnover has risen in most segments. The improvement is especially noticeable in the unsecured markets. Activity in secured markets, the largest money market segment, has increased as well. Total turnover in secured lending and borrowing rose further, by 2%, to €32 trillion, with a stable breakdown of the volumes among the maturities. The share of centrally cleared secured operations remained broadly stable, decreasing slightly from 74% of all bilateral repo transactions in 2013 (revised figure for the second quarter of last year) to 73% in 2014.

Activity in the derivatives segments covered by the survey changed more than in previous years. Expressed in percentages, the most significant changes in activity were observed in overnight indexed swaps, where turnover increased by 47%, and in other interest rates swaps, where turnover decreased by 21% and thus more than offset the increase of 19% observed last year. Forward rate agreement (FRA) volumes decreased by 10%, while the volume of foreign exchange swaps increased by 9% and that of cross-currency swaps by 8%.

The qualitative part of the survey shows that perceived efficiency and liquidity conditions in the unsecured market have improved from low levels. As regards the secured market, perceived

efficiency and liquidity conditions improved marginally as well, but from significantly higher levels than the unsecured market. For most other market segments, improvements of perceived efficiency and liquidity conditions were again reported in 2014, with the FRA segment the sole exception.

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 the dynamics are improving: the number of banks expecting increasing risk limits rose significantly, albeit from low levels, while the number of respondents expecting tighter or unchanged risk 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 101 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 154 banks.

The "Euro Money Market Survey 2014" 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.

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