

NORGES BANK'S MONEY MARKET SURVEY

2014



NORGES BANK

Chart 1: Lending and borrowing by instrument. Daily average. In millions of NOK.

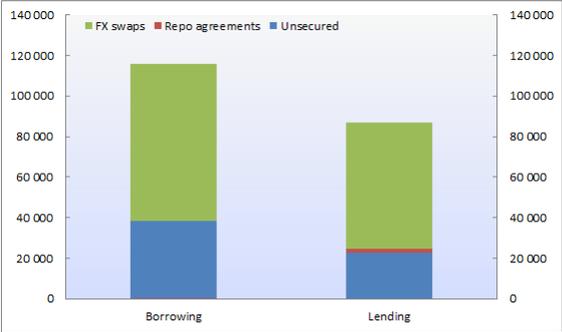


Chart 2: Net borrowing by maturity segment. Daily average. In millions of NOK.

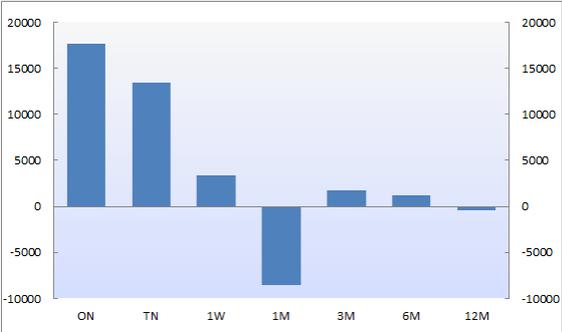
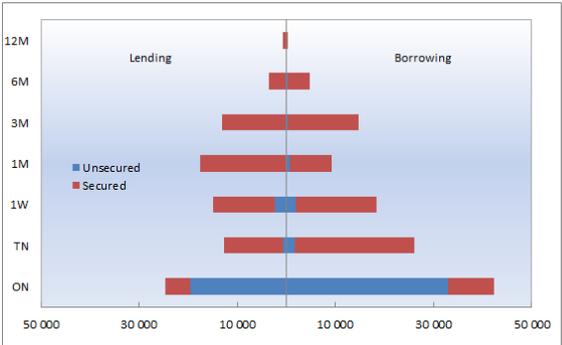


Chart 3: Lending and borrowing by maturity segment and transaction type. Daily average. In millions of NOK.



In April 2014, Norges Bank conducted a survey of activity in the Norwegian money market. The survey was conducted for the first time in April 2013 (see separate report). The background for the survey is described in detail in Norges Bank’s *Economic Commentaries* 6/2013. All charts in this report show average daily turnover in April 2014.

Total turnover

Chart 1 shows reporting banks’ average daily borrowing and lending in April 2014 by the instruments included in the survey. The chart shows that large Norwegian banks overall borrowed more than they lent, both through currency swaps and unsecured transactions.¹ Furthermore, it shows that repurchase agreements (repos) accounted for a very small portion of money market turnover.

Chart 2 shows banks’ net borrowing (borrowing minus lending) by the maturities in the survey. Banks are primarily net borrowers at overnight (ON) and tomorrow next (TN)² maturities, but net lending was highest at one month maturity.

Unsecured transactions

Chart 3 shows the breakdown of banks’ borrowing and lending between unsecured and secured transactions. Currency swaps and repurchase agreements are considered secured transactions. Unsecured transactions account for the bulk of overnight (ON) transactions, while they

¹ This means that participants not included in the survey lend more than they borrow. If the entire money market had been included in the survey, total borrowing and total lending would be equal.
² Transactions that run from the day after the contract date until the following trading day.

represent a very small portion of transactions with longer maturities

Chart 4: Unsecured lending and borrowing by maturity and counterparty. Daily average. In millions of NOK.

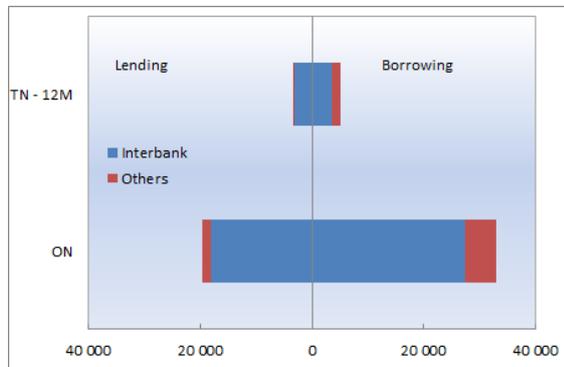


Chart 5: Repos by maturity and transaction type. Daily average. In millions of NOK.

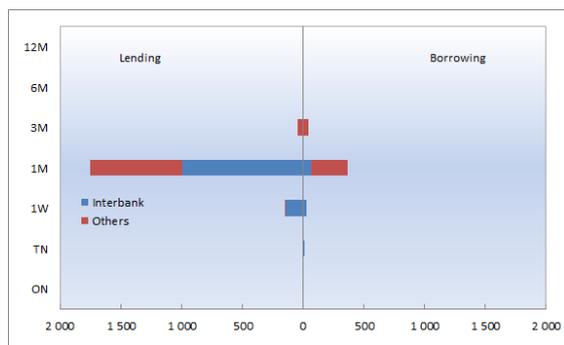


Chart 6: Currency swaps by maturity and transaction type. Daily average. In millions of NOK.

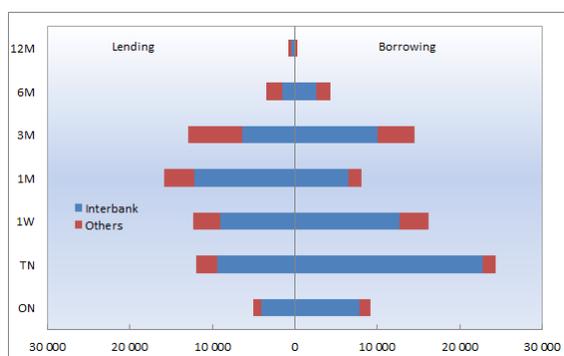


Chart 4 shows banks' counterparties to unsecured transactions. The largest portion of unsecured transactions are overnight with other banks as counterparty.

Repos

Chart 5 shows the breakdown of banks' repo trades by the maturities in the survey. The maturity with the highest turnover is one month. Banks' lending activity was considerably higher than their borrowing at all maturities.

Currency swaps

Chart 6 shows the breakdown of banks' currency swaps by the maturities in the survey. The maturity with the highest turnover is tomorrow next (TN), but there was also some turnover at maturities of one week, one month and three months. Banks lent more than they borrowed through currency swaps at every maturity except for one month and 12 months.

Market concentration

The five banks with the highest turnover in unsecured and secured lending instruments accounted for 92.7 percent of total turnover reported in the survey.

Table 1: Borrowing and lending in the Norwegian money market. April 2014. Daily average. In millions of NOK.

	Unsecured	Repo	FX swaps	Sum
Borrowing	38124	434	77080	115639
Overnight	33067	0	9205	42272
Tomorrow-Next (T/N)	1758	5	24386	26149
T/N - 1 week	2009	23	16235	18268
1 week - 1 month	702	361	8072	9135
1 month - 3 months	217	45	14517	14778
3 months - 6 months	314	0	4366	4680
6 months - 12 months	58	0	298	356
Lending	22784	1952	62372	87108
Overnight	19592	0	5044	24636
Tomorrow-Next (T/N)	757	0	11921	12679
T/N - 1 week	2413	148	12286	14846
1 week - 1 month	20	1755	15879	17654
1 month - 3 months	1	50	12977	13028
3 months - 6 months	0	0	3492	3492
6 months - 12 months	0	0	772	772
Sum	60909	2386	139452	202747