

2013

Norges Bank's Money Market Survey

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

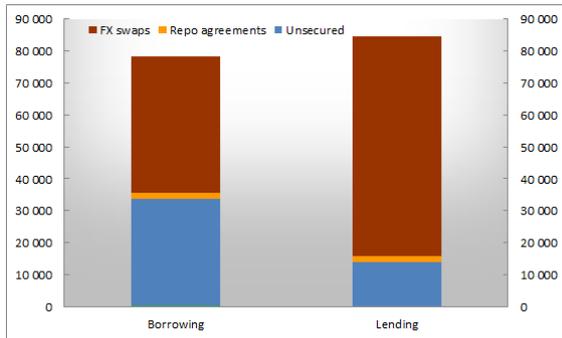


Chart 2: Net borrowing by maturity segment. Daily average. In millions of NOK.

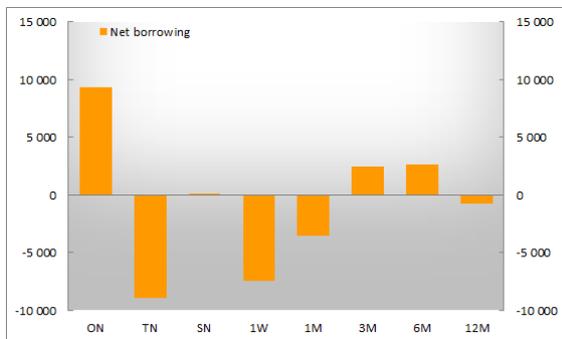
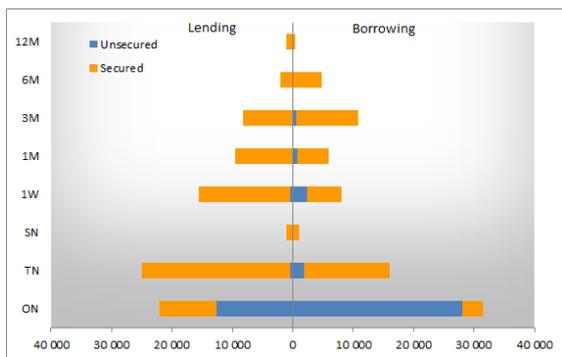


Chart 3: Lending and borrowing by maturity segment and transaction type. Daily average. In millions of NOK.



In April 2013, Norges Bank conducted a survey of the Norwegian money market. The background for the survey is described in detail in Norges Bank's *Economic Commentaries 6/2013*.

Total turnover

Chart 1 shows reporting banks' average daily borrowing and lending in April 2013 by the instruments included in the survey. The chart shows that large Norwegian banks lend more than they borrow through currency swaps, but that they borrow more than they lend through unsecured transactions. Repurchase agreements (repos) account 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 on overnight transactions, but net lenders on other maturities up to and including one month.

Unsecured transactions

Chart 3 shows the breakdown of banks' borrowing and lending activity between unsecured and secured transactions. Currency swaps and repurchase agreements are considered secured transactions. Unsecured transactions account for the bulk of overnight transactions, while representing a very small portion of transactions with longer maturities. There is very low turnover at maturities longer than six months.

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

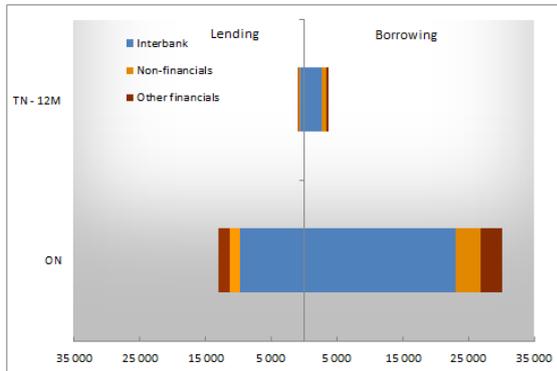


Chart 5: Currency swaps by maturity and transaction type. Daily average. In millions of NOK.

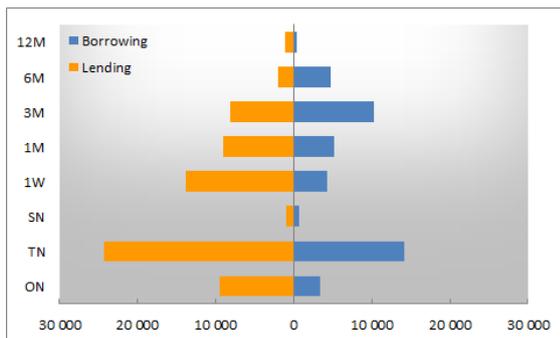


Chart 6: Turnover volume of FRAs, measured by contracts' notional amounts. Daily average. In millions of NOK.

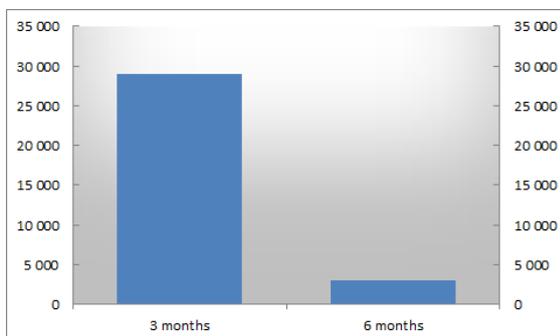


Chart 4 shows banks' counterparties to unsecured transactions. Although the largest portion of unsecured transactions is with other banks as counterparty, non-bank financial institutions (e.g. money market funds) and non-financial enterprises (e.g. large industrial firms) are also active in the Norwegian money market.

Currency swaps

Chart 5 shows the breakdown of banks' currency swaps by the maturities in the survey. The maturity with the highest turnover is tomorrow next (TN) – i.e. transactions running from the day after the contract date until the following business day. Banks lend more than they borrow through currency swaps at every maturity except for three and six months.

FRA market

Chart 6 shows the turnover volume of Norwegian forward rate agreements (FRAs) by maturity. The standard notional amount for Norwegian FRAs is NOK 1 million. Approximately ten times as many three-month contracts are traded as six-month contracts in the Norwegian market.

Market concentration

The five banks with the highest turnover in unsecured and secured lending instruments account for 93.4 percent of total turnover reported in the survey. In the FRA market, the five banks with the highest turnover account for 88.4 percent of the total market.

Table 1: Borrowing and lending in the Norwegian money market. April 2013. Daily average. In millions of NOK.

	Unsecured	Repo	FX-swaps	Sum
Borrowing	33 678	1 782	43 009	78 468
Overnight	28 046	2	3 412	31 460
Tomorrow-Next (T/N)	1 940	0	14 117	16 058
Spot-Next (S/N)	51	276	693	1 020
S/N - 1 week	2 322	1 426	4 341	8 088
1 week - 1 month	747	77	5 184	6 008
1 - 3 months	519	-	10 230	10 750
3 - 6 months	37	-	4 716	4 753
6 - 12 months	16	-	316	332
Lending	13 755	2 077	68 922	84 754
Overnight	12 599	88	9 471	22 158
TN	377	223	24 373	24 973
S/N	13	30	952	995
S/N - 1 week	386	1 345	13 798	15 528
1 week - 1 month	163	384	9 014	9 561
1 - 3 months	159	8	8 122	8 289
3 - 6 months	57	-	2 066	2 123
6 - 12 months	2	-	1 125	1 127
Sum	47 433	3 859	111 930	163 222

Table 2: Turnover of Norwegian FRAs. April 2013. Daily average. In millions of NOK.

FRA-contracts	
3M	29 014
6M	3 037
Sum	32 051