



SWESTR Advisory Group

Hybrid meeting, 21 September 2022

S V E R I G E S R I K S B A N K

1. Welcome



2. Introductions

3. Recap since the last meeting

4. The Riksbank's SWESTR framework (1/2)

Terms of Reference for the Group

- Working language
 - Chair will decide ahead of each meeting whether to hold it in English or Swedish
- Editorial changes

SWESTR: Comprehensive information about Sveriges Riksbank's framework for SWESTR (Information document)

- Editorial changes
 - Organizational changes at the Riksbank
 - Riksbank repo rate => Riksbank policy rate
 - Slight revisions to the English translation in order to better match Swedish original
- Revision history has been added

4. The Riksbank's SWESTR framework (2/2)



Are there any remaining ambiguities and/or is there any missing information?

5. The underlying market for SWESTR

The underlying market for SWESTR is defined as the overnight unsecured market in Swedish kronor. The Riksbank invites participants to share information and comments on this market and its functionality.

The Riksbank is particularly interested in any reflections on how (if) the changes in the policy rate, since the last meeting was held, have affected the functionality or pricing behaviour of the overnight market.

6. Increased transparency regarding the transaction dataset for SWESTR (1/5)

The Riksbank proposes to

- (1) supplement the publishing of the daily SWESTR value with the interest rates corresponding to the volume-weighted percentiles 12.5 and 87.5 of the untrimmed transaction dataset, and
- (2) that the quarterly *Report on the transaction dataset for SWESTR* is extended with information about the distribution of the total transaction dataset across counterparty types and the individual transactions' volume, during the quarter

6. Increased transparency regarding the transaction dataset for SWESTR (2/5)

Publication of volume-weighted percentiles for corresponding reference rates
Fully transaction-based reference rates administered by central banks

Country	Reference rate	Published percentiles		Comment on percentiles and/or trimming
Denmark	DESTR	-	-	
Euroland	€STR	25, 75 (two decimal places)	Before trimming	A total of 50% of the transaction dataset is trimmed away in a symmetrical way. The percentiles correspond to the trimming limits.
United States	SOFR	1, 25, 75, 99 (two decimal places)	After trimming	Only limited trimming of the transaction dataset. For one segment, some filtering is done to exclude so-called specials. Otherwise no trimming. Published percentiles are based on the trimmed transaction dataset.
UK	SONIA	10, 25, 75, 90 (two decimal places)	Before trimming	A total of 50% of the transaction dataset is trimmed away in a symmetrical way. The middle percentiles correspond to the trimming limits.
Norway	NOWA	-	-	
Canada	CORRA	5, 25, 75, 95 and the interest rate at the trimming boundary (four decimal places)	After trimming	25 % of the transaction volume with the lowest interest rates is trimmed away asymmetrically in order to exclude so-called specials. The percentiles are based on the trimmed transaction dataset. The interest rate at the trimming boundary is also published.

Source: Respective central banks

6. Increased transparency regarding the transaction dataset for SWESTR (3/5)

If enacted, the following information about the dataset would be published daily:

- Total volume (SEK millions)
- Number of reporting agents that have contributed transactions
- Number of transactions
- The interest rate at the lower trimming boundary (12.5 percentile)
- The interest rate at upper trimming boundary (87.5 percentile)

6. Increased transparency regarding the transaction dataset for SWESTR (4/5)

Breakdown of the aggregated volume of transactions

Breakdown of the aggregate transaction volume by counterparty category during the quarter

Counterparty category	Percentage
Banks, excluding major banks	X
Major banks and the Swedish National Debt Office	X
Financial corporations	X
Non-financial corporations	X

Note: Major banks refer to Danske Bank, Handelsbanken, Nordea, SEB and Swedbank

Source: The Riksbank

Breakdown of the aggregated volume of transactions

Breakdown of aggregate transaction volume by size range during the quarter

Volume (V) of the individual transaction	Percentage
$V < 100$ MSEK	X
$100 \text{ MSEK} \leq V < 250 \text{ MSEK}$	X
$250 \text{ MSEK} \leq V < 500 \text{ MSEK}$	X
$500 \text{ MSEK} \leq V < 1000 \text{ MSEK}$	X
$V \geq 1000 \text{ MSEK}$	X

Source: The Riksbank



Report on the transaction dataset for SWESTR is available on the [Riksbank website](https://www.riksbank.se/pressmeddelanden/2022/08/08/20220808-swestr)

6. Increased transparency regarding the transaction dataset for SWESTR (5/5)

- Are the proposed interest rates, which correspond to the boundaries of the trimming, the dispersion measures that are relevant to publish?
- Are any of the proposed information points redundant?
- Is there a risk of any actor gaining an information advantage over other actors if the information is made public?

7. Any other business

8. Next meeting

