Session III: Statistics on a from-whom-to-whom basis

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Summary

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Scenario

- **Market participants combine different instruments from different financial/non financial segments when defining their strategy (reflected in their balance sheets);**

- **This behavior leads to an increasing interconnectedness that makes ordinary supervision and surveillance less effective;**

- **How to map the market participants' situation, their exposures and its evolution?**

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Risk Topography Liquidity Mismatch

- Index to measure the liquidity risk of a financial market to anticipate possible crises (systemic?)

- Liquidity Mismatch Index (LMI) = liquidity of assets – liquidity promised through liabilities

- Liquidity (risk) measure that looks at the worst x percent of the stress scenarios

- Issues:

  ✓ Linked to the concept of liquidity adopted;
  ✓ How to aggregate assets and liabilities in one participant analysis;
  ✓ How to aggregate the singular index across institutions and use it in a sectoral analysis;
  ✓ Including the government role

Risk Topography Liquidity Mismatch

- Does LMI have a time dimension?

- What is the relevant time frame for the liquidity measurement?

- How to automatize the estimation of LMI?

- Wouldn't the net sum of singular LMI hide an important individual mismatch?

Statistics on a whom-to-whom basis

- Whom-to-whom data: balance sheets for 5 sectors
  - households,
  - nonfinancial corporations,
  - government,
  - financial corporations and
  - rest of the world
- Importance of counterparty to each transaction
- Constraints: information for nonfinancial corporations and households, revaluations vs. other non transactions

- Recent initiatives:
  - AnaCredit
  - Security Holdings Statistics (SHS)

- Examples of uses: funding channels; impact of policy measures; financial stability and macro-prudential policy; financial integration

Statistics on a from-whom-to-whom basis

- AnaCredit: which sectors are covered? Timeliness? How much of the credit is covered by the threshold of 25000 euros?

- SHS: Sector module covers aggregated quarterly data by holder sector; Group module covers holdings by individual banking groups (26 banking groups with head office in the euro area). The survey asks for the value and the ISIN, and if the value changes quickly?

Final considerations

- **Importance of the quality and robustness of the data;**

- **Granular data x aggregate data**

- **Multiple sources of data: sharing data/datasets (confidentiality, attributes)**

- **Importance of the communication with the respondents**

- **Importance of the communication with the users of the statistics**

Thank you

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