

Minutes of the CORRA Advisory Group

Teleconference, 27 April 2021, 2:30 p.m. to 4:00 p.m.

1. Introduction

The Chair (Dave Duggan, National Bank of Canada) welcomed members.

2. Discussion of CORRA trends and market developments

Annaleigh Greene (BMO Capital Markets) presented an overview of developments since CAG's last meeting, including the [discontinuation](#) of the Bank of Canada's "market functioning programs", the behaviour and composition of term repos, and recent CORRA floating rate note (FRN) issuance. Also discussed were thematic developments like persistently elevated cash balances, and CORRA setting below target.

Danny Auger (Bank of Canada) presented an overview of CORRA trends, including factors that affect repo market behaviour and CORRA setting. The behaviour of other money market rates were discussed, as were the impact and size of Bank of Canada Securities Repo Operations. Members discussed the global factors influencing CORRA such as flows from abroad.

Members discussed industry feedback they had heard surrounding CORRA. The Bank of Canada's [publication](#) of a summary of errors detected after CORRA's publication was seen as enhancing the credibility of the rate. Members noted the Bank of Canada's [publication](#) of the CORRA compounded index.

The large interest in CORRA FRNs was seen as highlighting the confidence market participants have in CORRA and as demonstrating that the infrastructure necessary for CORRA-in-arrears FRNs was in place at many institutions.

3. Wrap-up and next steps

CAG members will continue monitor the Canadian repo markets and alert the CAG Chair or the Bank of Canada if they note any substantial developments.

List of attendees

Market representatives

Vincent Benoliel, Addenda
Annaleigh Greene, BMO Capital Markets
Adolfo Sastron, CDCC
Marty Halpin, HSBC Bank
Dave Duggan, National Bank of Canada
David Peters, Ontario Financing Authority
Robin Das, RBC-Dominion Securities
Brett Pacific, Sunlife

Observers

Rick Brown, IIROC
Alan White, Rotman School of Management

Bank of Canada

Maksym Padalko
Mark de Guzman
Danny Auger
Thomas Thorn