

CORRA Charts

CORRA Advisory Group Meeting

April 27, 2021

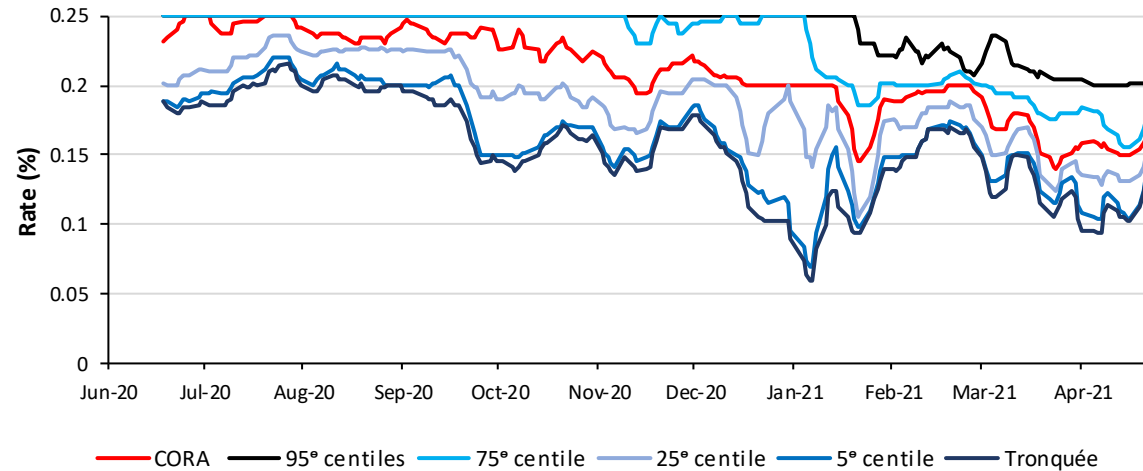
Bank of Canada



Repo rate percentiles

- Distribution of volume by repo rates drifted lower since the last meeting but has reverted somewhat from the lows around March quarter-end.

Chart 1: 5-day moving average of CORRA, percentiles, and trimmed rate



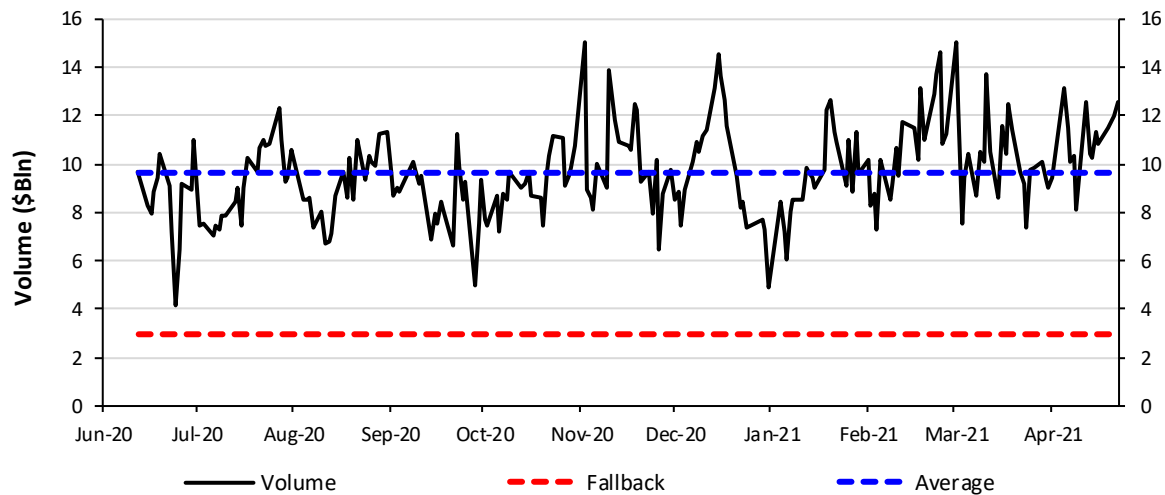
Source: Bank of Canada

Last observation: 22/04/2021

CORRA Volume

- CORRA trimmed daily volume has averaged ~\$10.7bIn since the CAG February 4th meeting and continues to print within a well-established range.

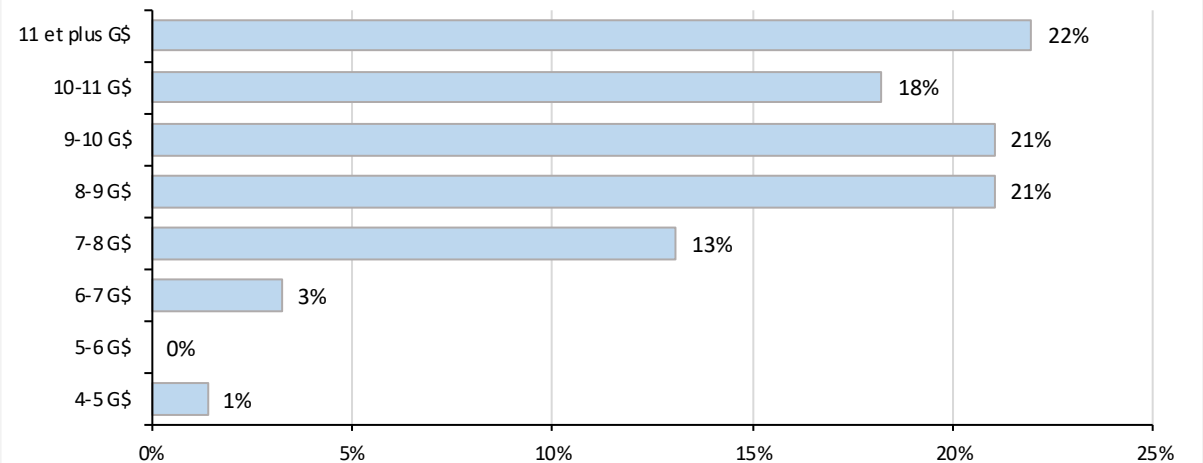
Chart 2: CORRA daily volumes since June 15



Source: Bank of Canada

Last observation: 22/04/2021

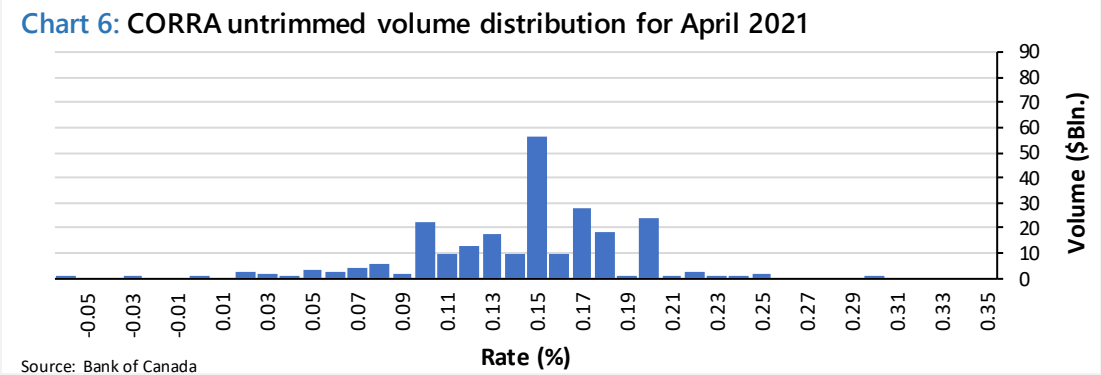
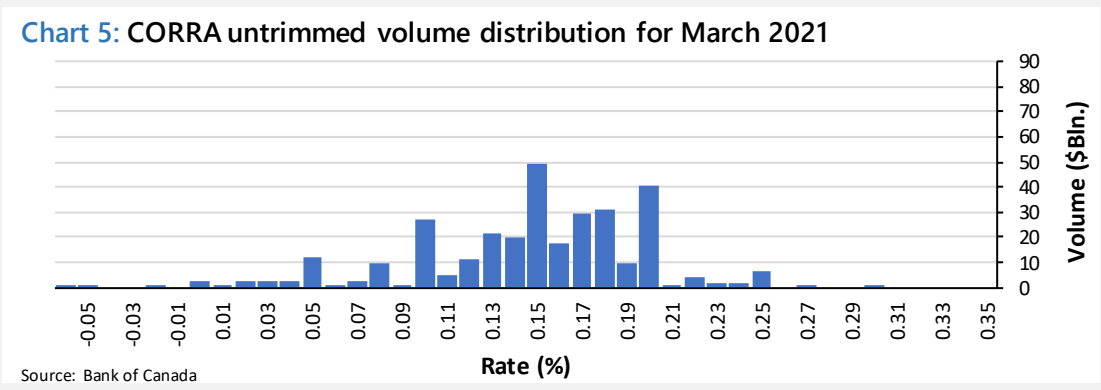
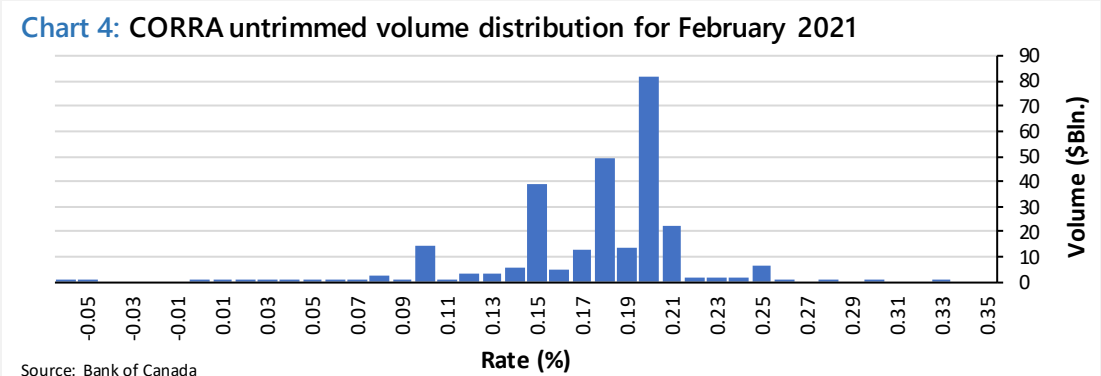
Chart 3: Relative frequency of daily CORRA volume since June 15



Source: Bank of Canada

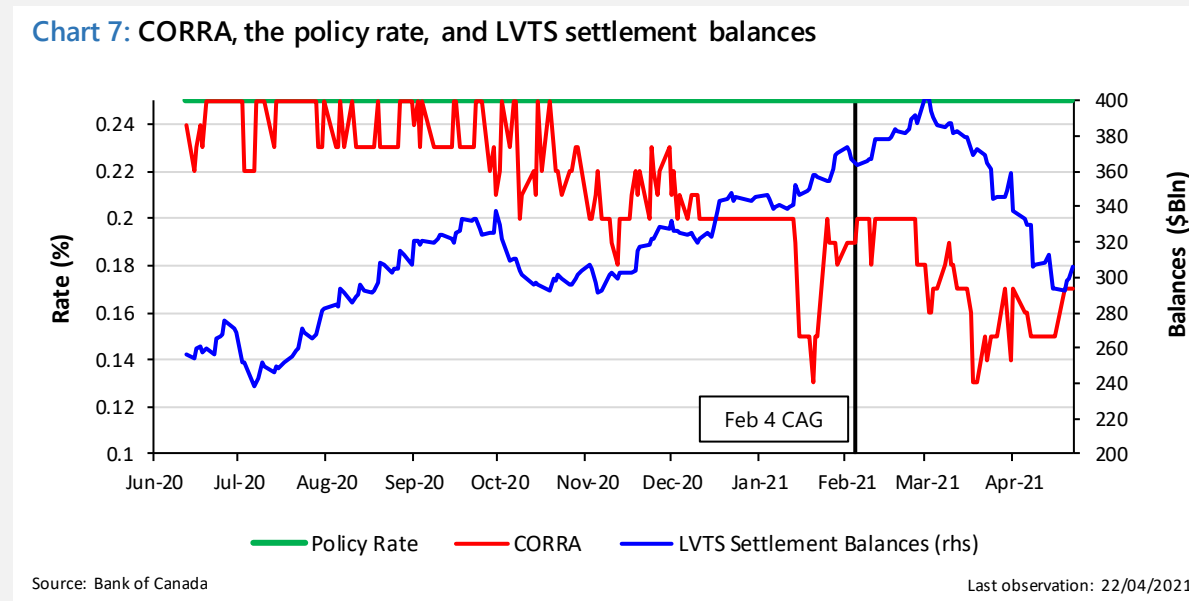
Last observation: 22/04/2021

CORRA untrimmed volume by rate and month



CORRA Rate Settings and LVTS Balances¹

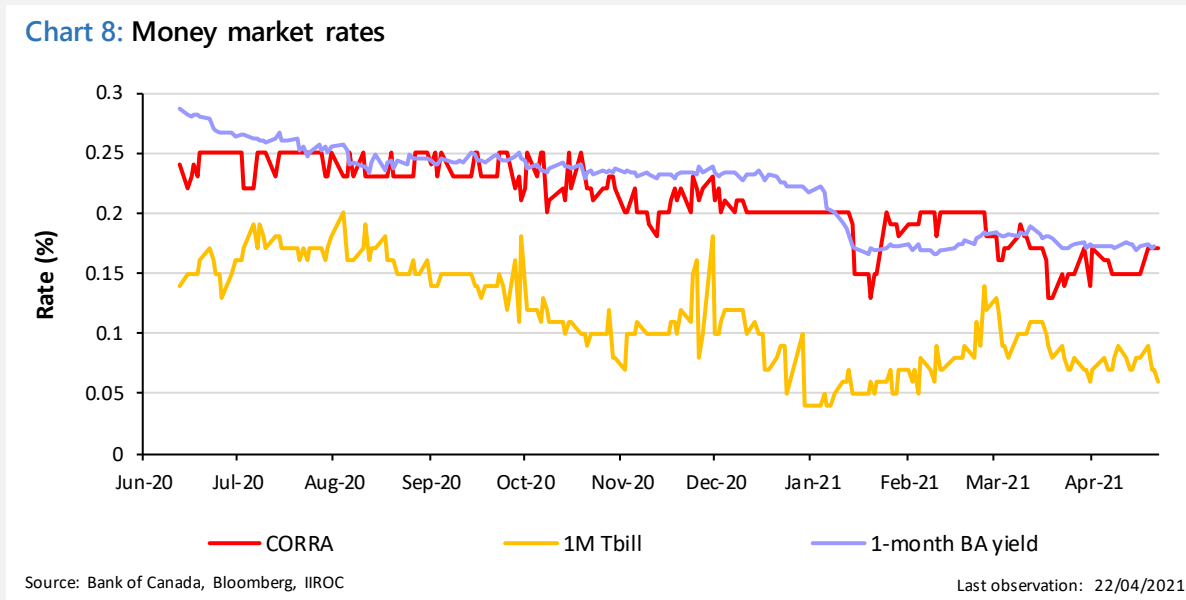
- CORRA daily rate has been setting between 0.20% - 0.13% since the last meeting on February 4th.



footnote¹ "LVTS settlement balances are explained [here](#)"

Money Market Rates

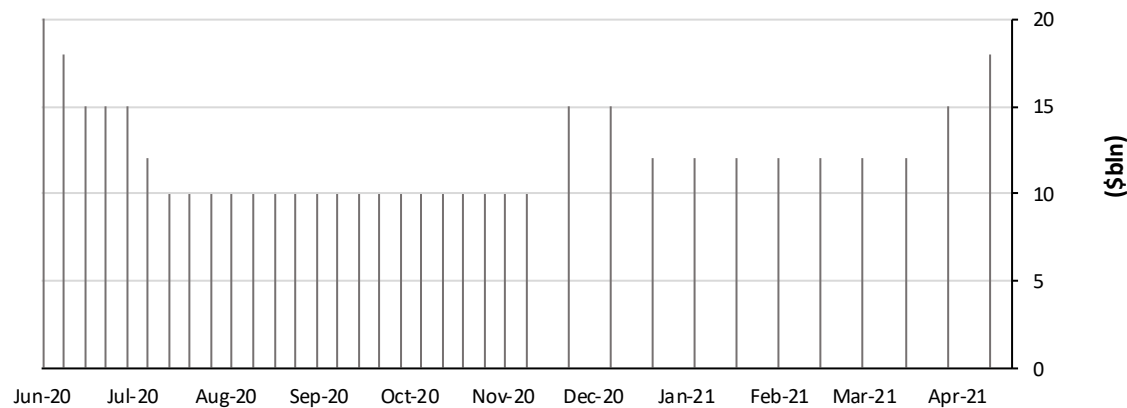
- The declines in CORRA settings are typically observed along with similar moves across the money market space.



Term repo maturities & T-bill auction sizes

- Factors that may continue to influence CORRA settings.

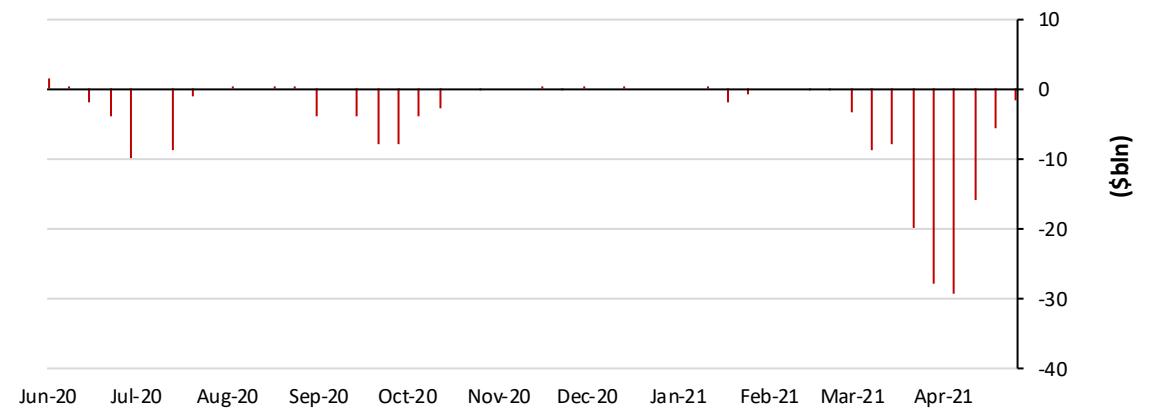
Chart 9: Weekly Canada treasury bill auction sizes



Source: Bank of Canada

Last observation: 24/04/2021

Chart 10: Weekly term repo net flows (allocations - maturities)

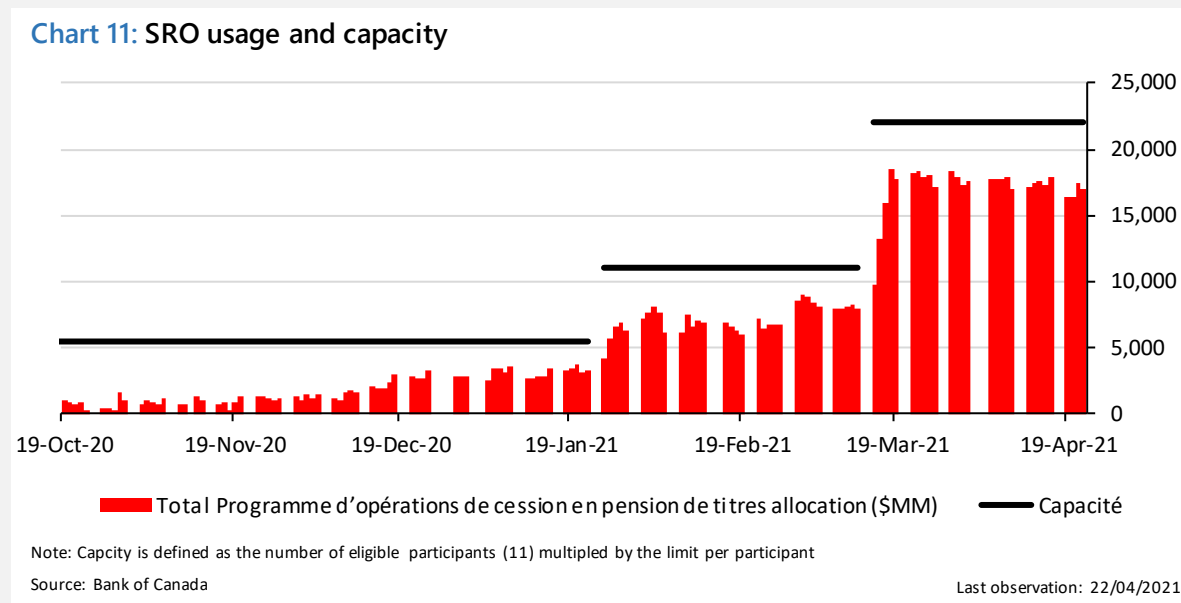


Source: Bank of Canada

Last observation: 24/04/2021

Bank of Canada Securities Repo Operation (SRO)

- Limit evolution:
 - › July 27th -January 22nd : \$ 500 mio / dealer
 - › January 25th – March 12th: \$ 1,000 mio / dealer
 - › March 15th- Present: \$ 2,000 mio / dealer



Discussion points

- How did CORRA trade flows change over Canadian quarter-end in January and calendar quarter-end in March?
- How much did the FX fwd swap rates and low U.S front-end yields influence CORRA trades?
- Since the last CAG meeting on Feb 4th, has the domestic overnight funding market dynamics changed as it relates to types of participants or shift away / into repos versus other products?
- What are the thoughts from participants today regarding the fact that the SRO volumes are larger than the CORRA set of trades yet that they are not included in the calculation? Any comments from clients?



Thank you