



CORRA overview

June 10, 2021

Agenda

1) Publication process

2) CORRA rate setting

3) Trading volume

4) Key observations

5) Q&A's

CORRA Publication

- The Bank of Canada took over as the administrator for CORRA on June 15th, 2020.
- [Webpage](#) went live on that date as the free public source of daily information.

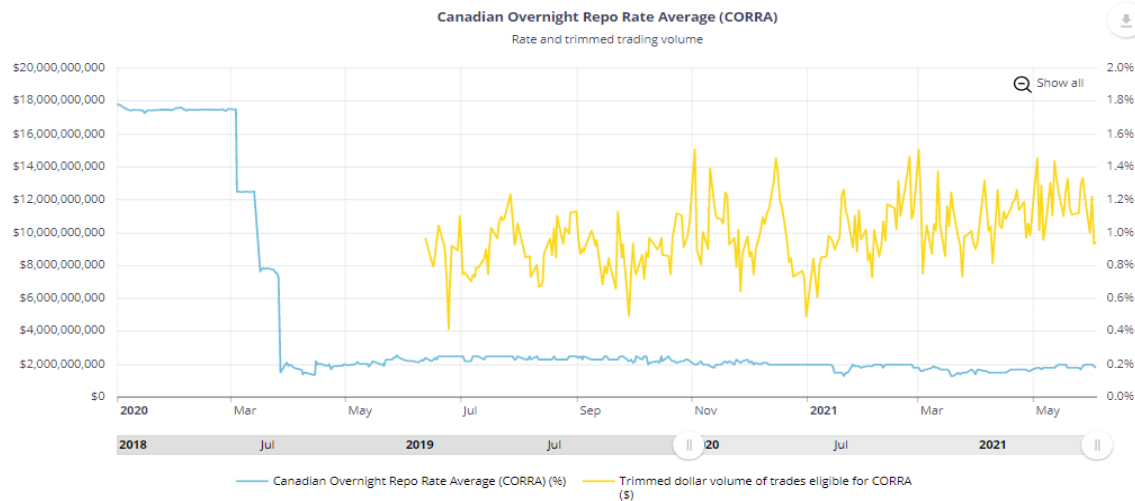
Canadian Overnight Repo Rate Average (CORRA)

View or download the latest data for [CORRA](#), Canada's risk-free rate and the [CORRA Compounded Index](#).

CORRA measures the cost of overnight general collateral funding in Canadian dollars using Government of Canada treasury bills and bonds as collateral for repurchase transactions. The Bank provides CORRA as a public good, at no cost to users and data distributors. See also:

- The [CORRA calculation methodology](#)
- The mandate and members of the [CORRA Advisory Group](#)
- A [summary of errors detected after publication](#)

The CORRA Compounded Index is a measure of the cumulative impact of CORRA compounding over time, starting from a base value of 100 on June 12, 2020. The index can be used to calculate CORRA compounded between any two dates. This index is provided for informational purposes only. See the [CORRA Compounded Index methodology and usage](#).



Recent data: CORRA

Data available as: [CSV](#), [JSON](#) and [XML](#)



Our Valet API is designed to help you integrate your applications and processes with our data. For details, please see our [documentation](#).

Published every business day between 9:00 and 11:00 ET.

	2021-05-28	2021-05-31	2021-06-01	2021-06-02	2021-06-03
Canadian Overnight Repo Rate Average (CORRA) (%)	0.2000	0.2000	0.2000	0.1900	0.1800
Total dollar trading volume of all trades eligible for CORRA (\$)	16,212,147,250	13,321,753,424	16,253,721,506	12,432,422,167	12,601,246,594
Trimmed dollar volume of trades eligible for CORRA (\$)	12,159,110,438	9,991,315,068	12,190,291,130	9,324,316,625	9,450,934,946
Number of unique data submitters for CORRA	15	14	14	13	13
Rate at which daily CORRA trading volume is trimmed (%)	0.1700	0.1700	0.1700	0.1700	0.1600
Rate at 5th percentile of the trimmed trading volume (%)	0.1800	0.1800	0.1700	0.1700	0.1700
Rate at 25th percentile of the trimmed trading volume (%)	0.1800	0.1800	0.1800	0.1800	0.1800
Rate at 75th percentile of the trimmed trading volume (%)	0.2000	0.2000	0.2000	0.2000	0.1900
Rate at 95th percentile of the trimmed trading volume (%)	0.2500	0.2200	0.2100	0.2000	0.2000
Publication status	Published	Published	Published	Published	Published
Calculation methodology	Standard	Standard	Standard	Standard	Standard

Note: Revised data are marked with an R.

Recent data: CORRA Compounded Index

Data available as: [CSV](#), [JSON](#) and [XML](#)



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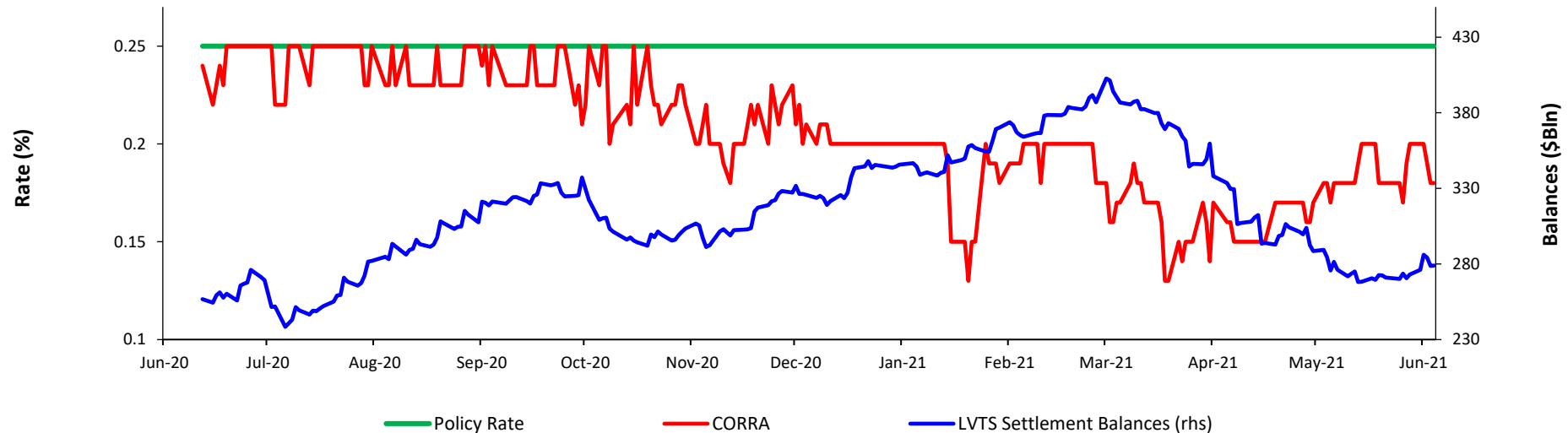
Published every business day at 11:30 ET.

	2021-05-31	2021-06-01	2021-06-02	2021-06-03	2021-06-04
CORRA Compounded Index	100.19901853	100.19956756	100.20011660	100.20063819	100.20113233

CORRA Rate Settings and LVTS Balances¹

- CORRA daily rate has been setting between 0.25% - 0.13% since inception and more recently over the last month between 0.20%-0.17%.
- Despite there being many factors influencing CORRA settings, LVTS balances have been a consistent element since the onset of the Covid-19 crisis.

Chart 1: CORRA, the policy rate, and LVTS settlement balances



Source: Bank of Canada

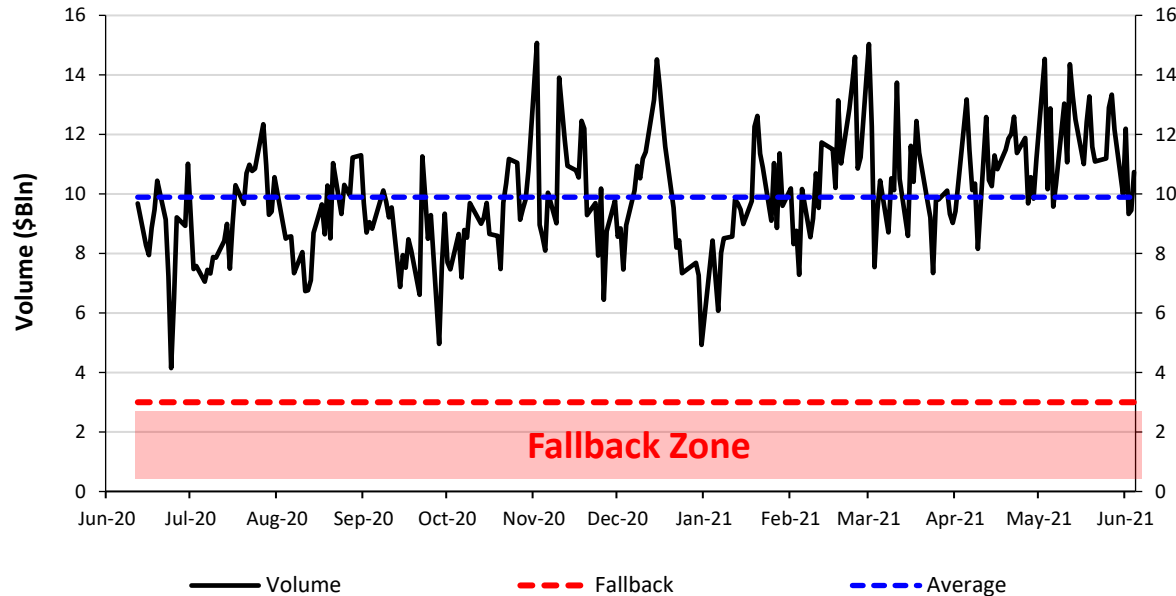
Last observation: 04/06/2021

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

CORRA Volume

- CORRA trimmed daily volume has averaged \$9.89bln since the launch.
- Volumes under the new methodology are much larger than under the old approach
 - since the launch, CORRA has always had enough volume to set above the fallback threshold of \$3 billion
 - in contrast, 2019 saw CORRA set to the target rate a number of times due to volume <\$500 million

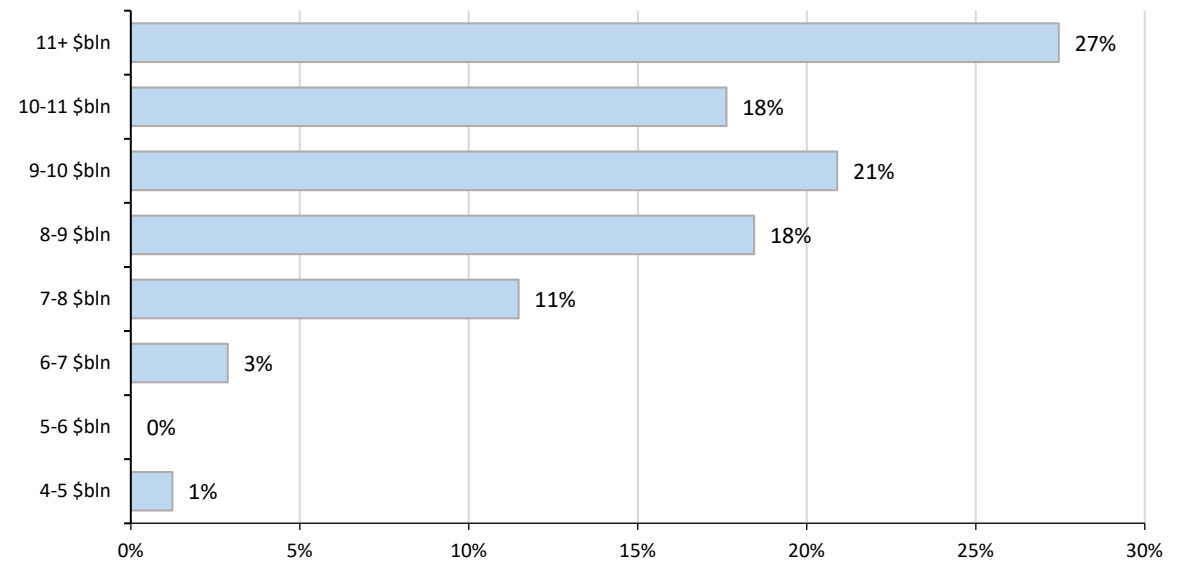
Chart 2: CORRA daily volumes since June 15



Source: Bank of Canada

Last observation: 04/06/2021

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



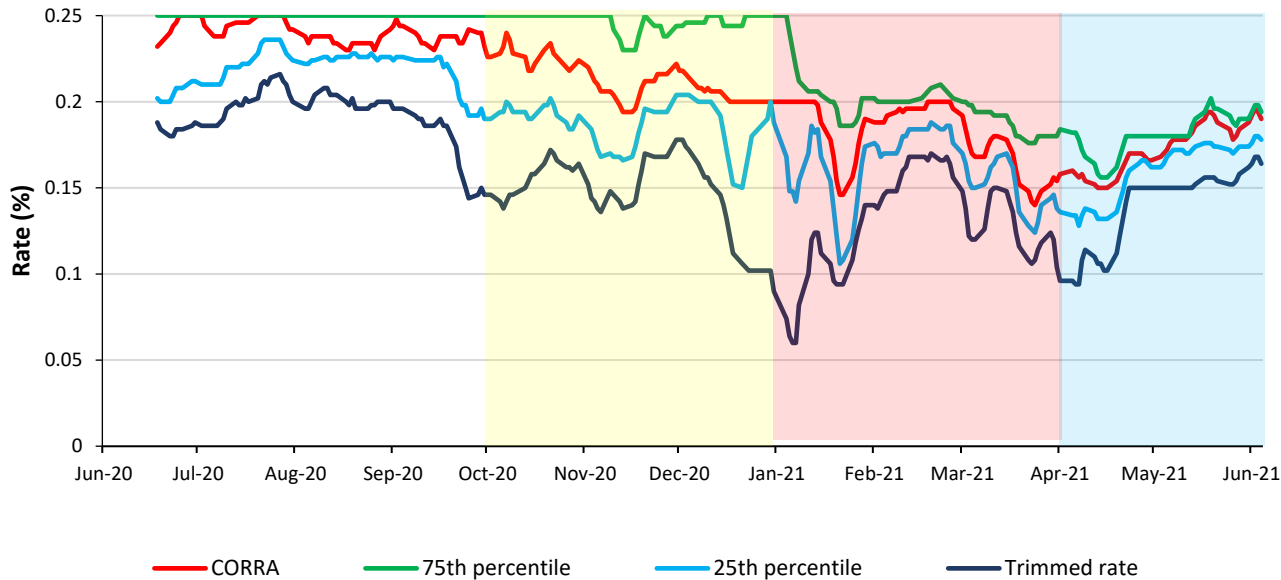
Source: Bank of Canada

Last observation: 04/06/2021

CORRA percentiles

- CORRA settings have gone through a few regime changes as seen by the shift in the distribution.

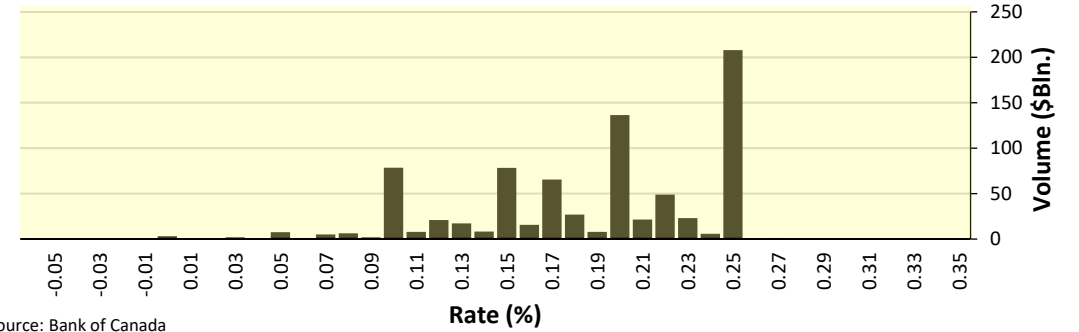
Chart 4: 5-day moving average of CORRA, percentiles, and trimmed rate



Source: Bank of Canada

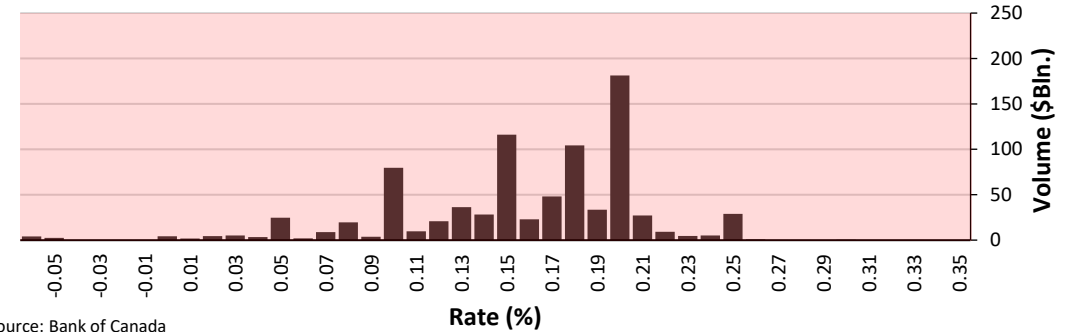
Last observation: 04/06/2021

Chart 4a: CORRA untrimmed volume distribution for Q4-20



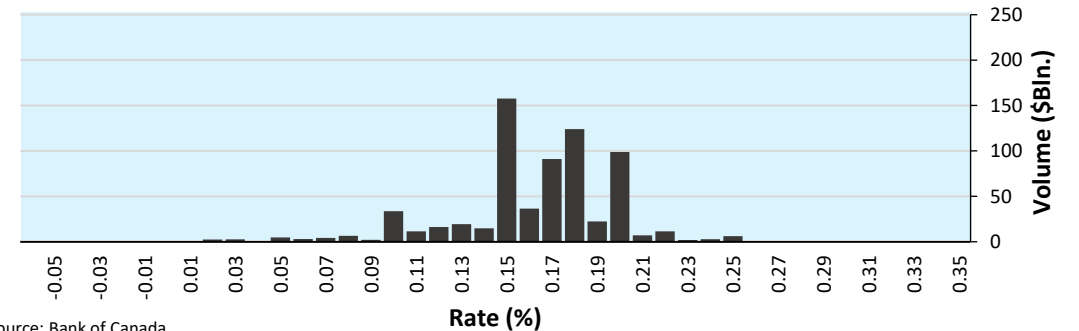
Source: Bank of Canada

Chart 4b: CORRA untrimmed volume distribution for Q1-21



Source: Bank of Canada

Chart 4c: CORRA untrimmed volume distribution for Q2-21

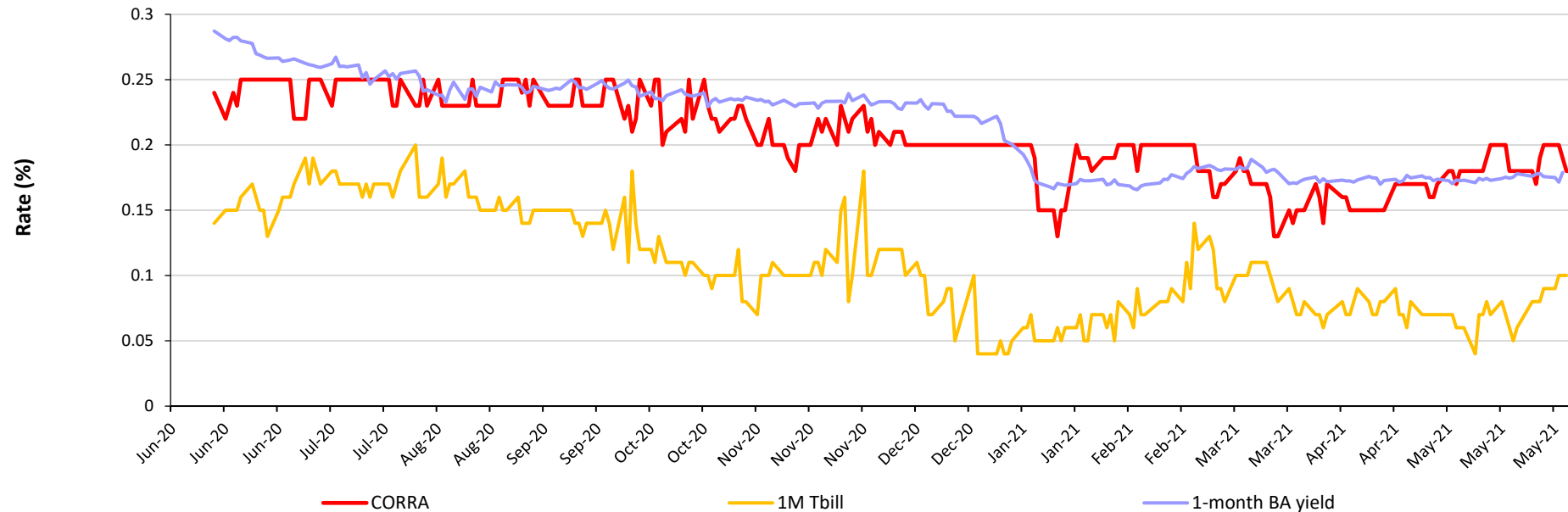


Source: Bank of Canada

Money Market rates

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

Chart 5: Money market rates



Source: Bank of Canada, Bloomberg, IIROC

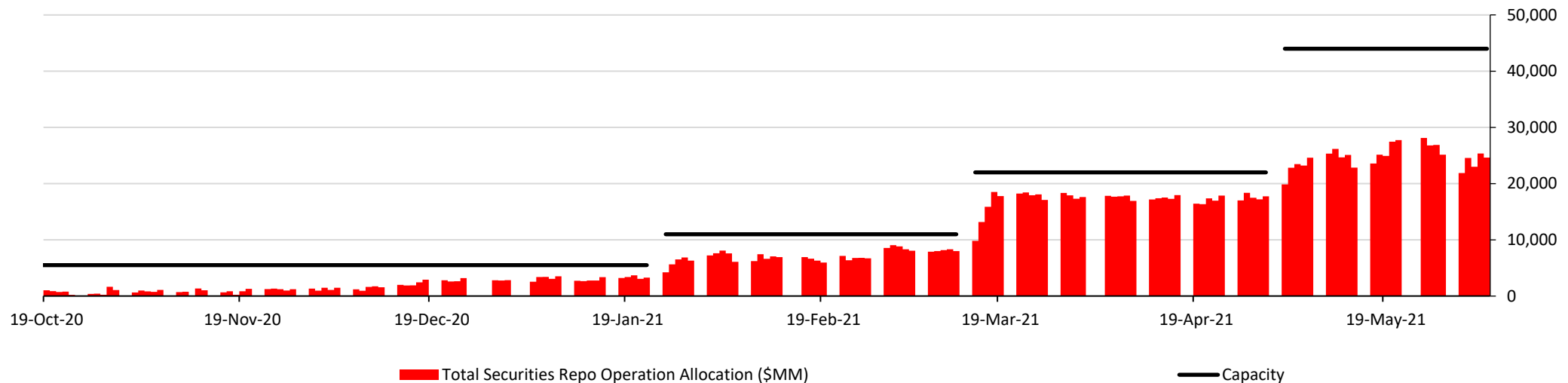
Last observation: 04/06/2021

Bank of Canada Securities Repo Operation

■ Limit evolution:

- › July 27th -January 22nd : \$ 500 mio / dealer
- › January 25th – March 12th: \$ 1,000 mio / dealer
- › March 15th- April 30th: \$ 2,000 mio / dealer
- › May 3rd - Present: \$ 4,000 mio / dealer

Chart 6: SRO usage and capacity



Note: Capacity is defined as the number of eligible participants (11) multiplied by the limit per participant

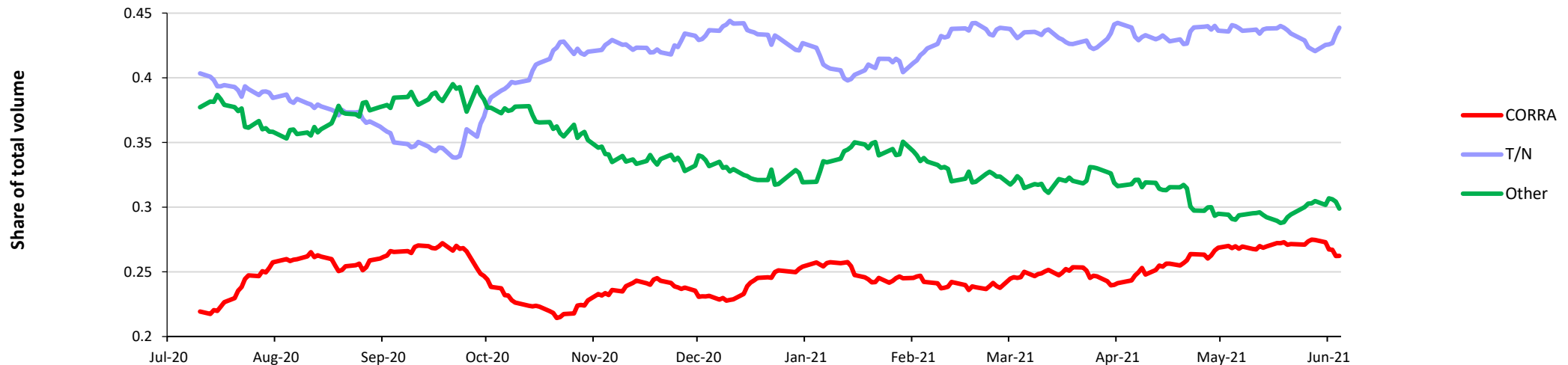
Source: Bank of Canada

Last observation: 04/06/2021

CORRA and T/N trading volumes

- The share of CORRA eligible repo trades and the share of tom-next repo trades have varied somewhat since the launch on June 15th, 2020.
 - the Bank monitors the composition of repo market trading and its potential implication on CORRA

Chart 7: 20-day moving average of the share of repo trading by CORRA eligibility



Note: Other category includes all trades that are not eligible for CORRA and are not Tom-next, ie term, non-CAD and affiliated trades. T/N and other trade types are not processed through a trade matching algorithm and thus their volumes are slightly overstated.

Source: Bank of Canada

Last observation: 04/06/2021