

# **Minutes of the CORRA Advisory Group**

Teleconference, 28 June 2023, 10:00 a.m. to 11:30 a.m.

## **1. Introduction**

The Chair (Dave Duggan, National Bank of Canada) welcomed and introduced new members to the group. Harri Vikstedt (Bank of Canada) provided historical context for the Advisory Group and noted that the group's importance has grown as a result of the transition away from CDOR to CORRA.

## **2. Discussion of CORRA trends and market developments**

Danny Auger (Bank of Canada) presented an overview of CORRA's behaviour in recent months. It was noted there had been significant market developments since the previous meeting, including a series of interest rate hikes. Despite this, CORRA has remained well-behaved and has not fallen even close to the \$3 billion minimum activity threshold, below which CORRA [reverts](#) to its fallback rate. CORRA has been setting at the Bank of Canada's target rate, and the spread between CORRA and BoC target rate has declined as Lynx balances decline. Members discussed take-up at Bank of Canada facilities, as well as the development of the Canadian Collateral Management System launched by TMX, which will affect how Canada's repo/collateral system works.

Members discussed developments in the market for "Tomorrow-next" repo trades, including the motivation of firms to increasingly use these trades. Members briefly discussed the Advisory Group's potential inclusion of these trades as a result of its upcoming "sunset review" of CORRA.

Elie Elkhail (TMX) provided an overview of TMX's CORRA futures product. Activity in these futures, particularly the 3-month futures, has been increasing significantly ahead of CARR's June 30, 2023 "no new CDOR" derivative milestone date. A broader set of clients is now using these futures. TMX has now launched a [BAX fallback provision and implementation plan](#), which is similar to the transition of LIBOR-based futures in other jurisdictions. Members noted the launch of CARR-TMX [CDOR transition webcast series](#).

Annaleigh Greene (BMO Capital Markets) provided an overview of recent market developments. CORRA is seen as operating smoothly despite the volatile rates environment. The impact of the CDOR transition was discussed, including work by the CFIF BA Transition Virtual Network on identifying and developing BA replacements, including triparty repo and repo-based securities such as the CDCC Secured General Collateral notes. Market participants are optimistic about the impact of tri-party repo on Canadian markets.

## **3. Wrap-up and next steps**

CAG's next meeting will be in late 2023.

## **List of attendees**

### **Market representatives**

Faye Li, BCI  
Annaleigh Greene, BMO Capital Markets  
Maxime Vives, Desjardins  
Jordan McKenna, GWN Capital  
Dave Duggan, National Bank of Canada  
David Peters, Ontario Financing Authority  
Mike VanHees, Scotiabank  
Brett Pacific, Sunlife  
Elie Elkhali, TMX

### **Bank of Canada**

Harri Vikstedt  
Maksym Padalko  
Wendy Chan  
Mark de Guzman  
Sophie Lefebvre  
Zahir Antia  
Danny Auger  
Owen Zehr  
Thomas Thorn