Report of Dealer Positions, Transactions, Financing, and Fails (FR 2004) Reporting Seminar

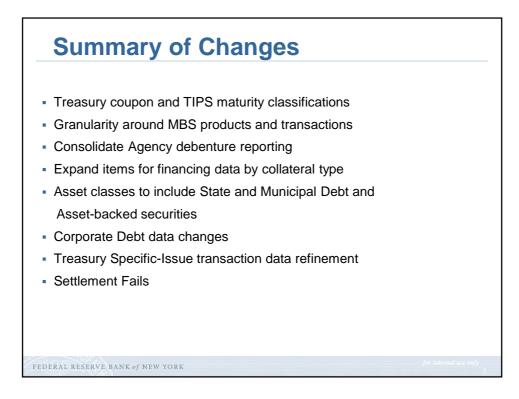## February 26, 2013

AGENDA

Topic	Speaker	Approximate Time
Welcoming Remarks	*Patricia Selvaggi*	*1:00-1:10*
Uses of FR 2004 Data	*Josh Frost*	*1:10-1:25*
Series Break Overview	*Justin McAvoy*	*1:25-1:45*
Consolidation, Accounting, and General Reporting Rules	*Justin McAvoy*	*1:45-2:05*
FR 2004 WI/SI/SD Specific Details	*Justin McAvoy*	*2:05-2:20*

AGENDA

Topic	Speaker	Approximate Time
FR 2004 A & B Specific Details	*Soo Jeong*	*2:20 – 2 :40*
Break		*2:40 - 3:00*
FR 2004 C Specific Details	*Lessa Gomez*	*3:00 – 3:20*
Data Editing and Relationships Between Reports	*Vicki Szeto*	*3:20 – 3:40*
Reporting Central	*Frank Innocenti*	*3:40 - 4:00*
Public Website	*Justin McAvoy*	*4:00 – 4:10*
Q&A Session		*4:10 – 4:30*

Justin McAvoy

Summary of Changes

- Treasury coupon and TIPS maturity classifications
- Granularity around MBS products and transactions
- Consolidate Agency debenture reporting
- Expand items for financing data by collateral type
- Asset classes to include State and Municipal Debt and
   Asset-backed securities
- Corporate Debt data changes
- Treasury Specific-Issue transaction data refinement
- Settlement Fails

Treasury Coupon and TIPS Maturities

- Expanded maturity classifications to better align with Treasury issuance patterns
- On FR 2004A & B, the maturity buckets for Treasury coupon securities will be:
  - Less than or equal to 2 years
  - 2-3 years
  - 3-6 years
  - 6-7 years
  - 7-11 years
  - Greater than 11 years

Treasury Coupon and TIPS Maturities

- On FR 2004A & B, the maturity buckets for TIPS will be:
  - Less than or equal to 2 years
  - 2-6 years
  - 6-11 years
  - Greater than 11 years

Expand granularity for MBS

- On FR 2004A & B--MBS split into agency & non-agency issued , residential and commercial MBS
- Both split into pass-through and non pass-through securities. Consistent with definitions used in the FR Y-9 BHC reports
- On FR 2004B capture agency MBS transactions in two categories:
  - Cash
  - TBA dollar rolls

Consolidate Agency Debenture Reporting

- On FR 2004A & B, agency debt will be split into discount notes and all other coupon securities

Expands Financing Data by Collateral Type

- On FR 2004C, financing split into
  - repo/reverse repo
  - Other financing (securities borrowed/lent)

- Collateral types include
  - Treasury
  - TIPS
  - Agency debt
  - Agency and GSE MBS
  - Corporate
  - Equities
  - Other

Expands Financing Data by Collateral Type

- On FR 2004C, financing terms split:
  - Overnight/continuing
  - Term less than 30 days
  - Term 30 days or greater

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Settlement Fails Data

- On FR 2004C, aggregate settlement fails collected for:
  - Treasury
  - TIPS
  - Agency debt
  - Agency and GSE MBS
  - Other MBS
  - Corporates

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Expands Reportable Asset Classes

- On FR 2004A & B, collect State and Municipal data
  - Less than 13 months
  - Greater than 13 months
  - Variable rate demand notes of any maturity

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Expands Reportable Asset Classes

- On FR 2004A & B, collect asset-backed securities
  - Credit card-backed securities
  - Student loan-backed securities
  - Auto loan-backed securities
  - Other asset-backed securities

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Expand Corporate Debt Data

- On FR 2004A & B, collect corporate securities
    - Commercial paper (5.a)
    - Investment grade bonds, notes, debentures due in
        - Less than or equal to 13 months (5.b)
        - Due in more than 13 months (5.c)
    - Below investment grade bonds, notes, debentures

Treasury Specific-Issue Transaction Data

- On FR 2004SI, split transactions into two counterparty types
    - With interdealer brokers
    - With all others
- Aligns reporting with FR 2004B
- Publish on-the-run Treasury securities data

Common Report Themes

- Report Submission
- Report Schedule and Retention
- Reportable Securities
- FR 2004 Report Exclusions
- Allotment of New Securities
- Mortgage-Backed TBAs
- Maturity Classifications
- Accounting Rules
- Consolidation Rules

FR 2004 Report Submission

- Data must be submitted via the Federal Reserve System's Reporting Central System

- Reporting Central provides confirmation of data receipt at the FRBNY and performs validity edits.

- Reporting Central provides a more secure, technically advanced system that serves as a single point of entry for Federal Reserve electronic reports submission and file uploads.

FR 2004 Report Schedule and Retention

Weekly Data

- Report as of the close of business each Wednesday.

- Submit data by 4:00 p.m. Thursday (Friday if Thursday is a holiday)

Daily Data

- Report data as of the close of business for the previous business day.

- Submit data by 4:00 p.m. daily (the following business day if a holiday)

Retention

- Reports must be retained for at least 5 years from the date of submission

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Reportable Securities

- U.S. Treasury Securities

- U.S. Treasury Inflation-Protected Securities (TIPS)

- Federal Agency and Government Sponsored Enterprise ("GSE") Securities excluding Mortgage-Backed Securities ("MBS")

- Federal Agency and GSE MBS

- Non Agency MBS

- U.S. Corporate Debt Securities

Reportable Securities

- State and Municipal Government Obligations
- Asset-backed Securities

Reportable Securities
U.S. Treasury Securities

- Direct obligations of the Treasury include:
  - Treasury bills, notes and bonds
  - STRIPS, both the interest only ("IO") and principal only ("PO") components

Reportable Securities
Federal Agency and GSE Securities (excluding MBS)

- Securities that are issued by, guaranteed by, or are the direct obligation of a federal instrumentality or a GSE

- Include stripped securities and securities from which one or more coupons have been detached (corpus)

Reportable Securities
Federal Agency and GSE Mortgage-Backed Securities

- CMBS securities that are issued by, guaranteed by, or are the direct obligation of a federal instrumentality or GSE

- Include (but are not limited to):
  - Pass-through securities
  - Participation certificates
  - Collateralized mortgage obligations (MOs")
  - Real estate mortgage investment conduits ("REMICs")
  - IO and PO components of stripped securities

Reportable Securities
Non Agency Mortgage-Backed Securities

- Residential MBS
- Other CMBS

  a commercial mortgage backed security represents an interest in a pool of loans secured by properties other than 1-4 family residential properties

Reportable Securities
Corporate Securities

- U.S. dollar-denominated debt securities
- Debt securities issued by a corporation located in the fifty states of the United States and the District of Columbia
- Not determined by parent's or guarantor's location
- Exclude corporations located in U.S. territories (*e.g.,* Guam or Puerto Rico)

Reportable Securities
Corporate Securities

- Include:
  - Bonds, notes and debentures
  - CATS, TIGRs stripped securities (if issued by a U.S. corporation, even if base security was issued by Treasury, federal agency, or GSE)
  - Commercial paper
  - Privately placed securities (*e.g.,* 144a securities)

Reportable Securities
Corporate Securities

- Report commercial paper of any maturity on line 5.a

- Report other corporate data by investment grade (BBB or better) or below investment grade

- Report according to the lowest of current ratings

Reportable Securities
State and Municipal Government Obligations

- Debt securities issued by states and political subdivisions in the U.S. including D.C.

- Includes general obligations, revenue obligations, and industrial development and similar obligations

- Include taxable obligations

Reportable Securities
State and Municipal Government Obligations

- Variable rate demand notes (Line 6.c)

- Floating rate obligations with a fixed long term maturity and a coupon rate that resets periodically

- Do not include in line 6.a or 6.b

Reportable Securities
Asset-backed Securities

- Report in the item that most closely describes the predominant type of asset

- Can include collateralized debt obligations (CDO) and collateralized loan obligations (CLO)

- Exclude asset-backed commercial paper

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Reportable Securities
Asset-backed Securities

- Credit Card-Backed Securities

- Student Loan-Backed Securities

- Automobile Loan-Backed Securities

- Other Asset-Backed Securities (including CLOs)

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FR 2004 Report Exclusions

- Internal trades and positions between desks, departments, or consolidated subsidiaries

- Securities issued by multinational institutions such as the International Bank for Reconstruction and Development (IBRD/World Bank)

- Securities issued by corporations located in U.S. territories (*e.g.,* Puerto Rico)

FR 2004 Report Exclusions

- Bankers' Acceptances
- Certificates of Deposit
- Deposit Notes, Bank Notes
- Money Market Mutual Funds
- Eurodollars
- Convertible Debt
- Foreign Corporate Debt

Allotment of New Securities

- Report the position (FR 2004A and FR 2004WI) taken in a new U.S. Treasury, federal agency, or GSE security allotment

- Include allotments that are awarded on a report date in that day's positions

- Exclude transactions (FR 2004B and FR 2004WI) to obtain the allotment

- Exclude customer awards

Mortgage-Backed To-Be-Announced ("TBA") Securities

Outright trading of MBS TBAs

- Report as outright positions (FR 2004A) prior to settlement

- Report as transactions (FR 2004B) on the trade date

Settlement of MBS TBAs

- At settlement, the TBAs result in either a receipt or delivery of an actual MBS security and no longer represents a forward commitment

Mortgage-Backed To-Be-Announced ("TBA") Securities

Settlement of MBS TBAs

- Report a position (FR 2004A) based on the actual MBS security
- Do not report the settlement of a MBS TBA as a transaction
  (FR 2004B)

Maturity Classifications

FR 2004A and FR 2004B

- U.S. Treasury, TIPS, corporate, and municipal securities
- Based on time remaining to maturity <u>not</u> original maturity
  - As the remaining maturity decreases, the security is shifted from one maturity classification to another

Maturity Classifications

FR 2004A and FR 2004B

When-issued securities

- Based on the time remaining to maturity calculated from the issue date

  For example: A when-issued, 3-year note should be reported in line 1c, "U.S. Treasury coupons due in more than 2 but less than or equal to three years"

Maturity Classifications

FR 2004A and FR 2004B

STRIPS and other stripped securities

- Based on the time remaining to the payment date for each IO component and to the redemption date for the PO component

Maturity Classifications

FR 2004A and FR 2004B

Callable Securities

- Categorize callable debt securities that cannot be put back to the issuer on the time remaining to the original maturity date (not the next call date)
- Categorize callable debt securities that cannot be put back to the issuer that have been called based on the time remaining to the call date
- Categorize callable floating-rate debt securities that can be put back to the issuer, based on the time remaining to the next repricing date

Maturity Classifications

FR 2004C, FR 2004SI and FR 2004SD

Overnight Financing

An agreement that settles on one business day and matures on the next business day

- For example, overnight financing includes a Friday to Monday agreement and a Friday to Tuesday agreement when Monday is a holiday

Maturity Classifications

FR 2004C, FR 2004SI and FR 2004SD

- Continuing Contracts

  An agreement that remains in effect for more than one business day, but has no specific maturity and can be terminated on demand by either the borrower or the lender

- Term Agreements

  An agreement with an original fixed maturity of more than one business day that is not a continuing contract

Accounting Rules

General

- Report all data in millions of dollars
- Total all data for each cell before rounding
- Do not report decimals in any cell
- Do not report negative values in any cell, except:
  - FR 2004SI, column 4 (net settled position)
  - FR 2004SD, column 4 (net settled position)
  - FR 2004WI, column 2 (net outright positions)
  - FR 2004WI, column 3 (net forward financing commitments)

Accounting Rules

Position Data

- FR 2004A
  - Fair (market) value
  - Report using trade date accounting

Accounting Rules

Position Data

- FR 2004SI and FR 2004SD
  - Original issuance par amount
  - Report using settlement date accounting
  - Net by security (negative value is acceptable)
- FR 2004WI
  - Original issuance par amount
  - Report using trade date accounting
  - Net by security (negative value is acceptable)

Accounting Rules

<u>Transaction Data</u>

- FR 2004B
  - Principal value, excluding accrued interest
    - Principal value is the original issuance par amount times the price
  - Report using trade date accounting
  - Cumulative basis. Do not net purchases and sales

Accounting Rules

<u>Transaction Data</u>

- FR 2004SI
  - Original issuance par amount
  - Report using trade date accounting
  - Cumulative basis. Do not net purchases and sales
- FR 2004SD and FR 2004WI
  - Original issuance par amount
  - Report using trade date accounting
  - Do not net purchases and sales

Accounting Rules

Financing Data

- FR 2004C
  - Report the actual funds paid or received. If only securities are exchanged, report the fair (market) value of the securities pledged
  - Report using settlement date accounting
  - Report on a gross basis; do not net borrowings against loans. FIN 41 netting does not apply to this report

Accounting Rules

Financing Data

- FR 2004SI and FR 2004SD
  - Report at the original issuance par amount of the collateral
  - Financing that is outstanding as of the report date, is reported using trade date accounting
  - Report on a gross basis; do not net borrowings against loans. FIN 41 does not apply to this report

Accounting Rules

Financing Data

- FR 2004WI
  - Report forward financing commitments at the original issuance par amount of the collateral.
  - Report using trade date accounting
  - Long and short financing positions should be reported net by security. Therefore, a negative value can be reported in column 3 (net forward financing commitments)

Accounting Rules

Fails Data

- FR 2004C
  - Report transactions that fail at principal value, excluding accrued interest (same as the FR 2004B)
  - Report financing transactions that fail at the amount that was to be paid or received on the day the failed was to be settled (same as the FR 2004C)
  - Cumulative basis for the reporting period only

Accounting Rules

Fails Data

- FR 2004SI and FR 2004SD
  - Report fails at the original issuance par amount of the collateral.
  - Report fails that occurred on the as-of date only
  - Do not report on a cumulative basis

Consolidation Rules

- Data should be reported for the entire legal entity that functions as the primary dealer
- Include any subsidiaries consolidated in regulatory reports (i.e., FOCUS)
- Report activity with unconsolidated affiliates as third-party transactions

Consolidation Rules

- Positions, transactions, financing, and fails "with" consolidated entities are excluded from the FR 2004 reports.
  - do not report internal trades
  - do not report trades between desks or departments

FR 2004SI--Weekly Report of Specific Issues

- Report positions, transactions, financing and fails data for the most recently issued on-the-run U.S. Treasury securities, including TIPS, for each maturity classification

- Once a when-issued security has been issued, the security stops being reported on the FR 2004WI and replaces the security with the same maturity classification on the FR 2004SI

FR 2004SI--Weekly Report of Specific Issues

- List of securities can be found on the FR 2004SI guide sheet, which can be obtained from:

  http://www.newyorkfed.org/banking/reportingforms/fr_2004si.html

Security and Rate (Column 1)

- Securities must be reported in the order indicated on the SI Guide Sheet

FR 2004SI--Weekly Report of Specific Issues

Cumulative Outright Transactions (Column 2 and 3)

- Report transactions for settled securities only--whether new or reopened

Net Settled Positions (Column 4)

- Report a trade arranged for settlement on or before the closing date of the report as settled, even if a fail occurs. If such a trade fails to clear, report it as a fail and report it as part of the net settled position

- Exclude positions in forward contracts

FR 2004SI--Weekly Report of Specific Issues

Gross Financing (Columns 5 through 12)

- Counterparty
  - Specific Collateral (columns 5, 6, 9 and 10)
  - General Collateral (columns 7, 8, 11 and 12)
- FR 2004 C--Types of financing

Fails (Columns 13 and 14)

- Report failed transactions and failed financing transactions that occurred on the as-of date only

FR 2004SI--Weekly Report of Specific Issues

Security ID (Column 15)

- The FRBNY security ID is the number of years of the original term to maturity for fixed principal securities
- For TIPS securities, add 50 to the number of years of the original term to maturity
- Please note the elimination of the 20 year TIPS

FR 2004SD--Daily Report of Specific Issues

- Report positions, transactions, financing and fails data on a daily basis for requested securities specified by FRBNY

- Report daily until notification is received from FRBNY to cease daily reporting

- Data should be reported using data definitions and accounting rules that apply to the FR 2004SI

FR 2004WI--Daily Report of Dealer Activity in Treasury Financing

- For each new and re-opened U.S. Treasury security offered for sale but not yet issued, report the outright position, net forward financing commitments and outright transactions

- When-issued trading period is the time between the announcement and date of issue (settlement date)

- FR 2004WI reporting begins on the business day following the announcement

FR 2004WI--Daily Report of Dealer Activity in Treasury Financing

- The last report is due on the settlement date as of close of business for the previous business day

FR 2004WI guide sheet can be obtained from:

http://www.newyorkfed.org/banking/reportingforms/fr_2004wi.html

<u>No Activity</u>

- If a dealer has no when-issued activity during the when-issued period, a report must be submitted reflecting zero data

FR 2004WI--Daily Report of Dealer Activity in Treasury Financing

<u>Re-opened Security</u>

- Report both the previously-issued security and the when-issued security as of close of business the prior day
- If there is an existing position for the previously-issued security in inventory, this position should be included in the net outright position column on day 1

FR 2004WI--Daily Report of Dealer Activity in Treasury Financing

Security (Column 1)

- For new issues, the coupon is available on the auction date of the security

- For a re-opened issue, the coupon is available at the time of the offering

Net Outright Positions (Column 2)

- Report net outright positions in the when-issued security and outstanding securities if the Treasury has re-opened the security

FR 2004WI--Daily Report of Dealer Activity in Treasury Financing

Net Forward Financing Commitments (Column 3)

- A forward commitment is a commitment that is scheduled to begin on a date after the report date (for example, an agreement to finance at issuance)

- Report any forward financing commitments involving a reportable re-opened or when-issued security even if no outright position is held

FR 2004WI--Daily Report of Dealer Activity in Treasury Financing

Outright Transactions (Columns 4 and 5)

- Report purchases and sales in reportable issues
- Include transactions in the outstanding security if the Treasury has re-opened a security
- Report transactions executed on the report date only

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FR 2004 A and B Reporting Guidelines

Soo Jeong

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FR 2004A--Weekly Report of Dealer Positions

Reportable Positions

- Long and short positions in the same issue should be netted by CUSIP
- Forward contracts
- Positions taken in a new U.S. Treasury, federal agency, or GSE security allotment. Include allotments that are awarded on a report date in that day's position

FR 2004A--Weekly Report of Dealer Positions

Reportable Positions

- Positions taken in a new corporate issue when the primary dealer is the underwriter or part of the underwriting syndicate
- When-issued positions
- Dollar rolls involving TBA securities, for which the underlying security does not yet exist (*e.g.,* forward MBS)
  - However, exclude dollar rolls that use a specific MBS as collateral because they are treated as repurchase agreements

FR 2004B--Weekly Report of Cumulative Dealer Transactions

Reportable Transactions

- Outright transactions and forward transactions of fixed principal securities
- Purchases of securities by a primary dealer from a customer to complete the buyback process
  - However, exclude buyback offers accepted by the U.S. Treasury, a federal agency, or a GSE from primary dealers whether on their own behalf or on behalf of their customers

FR 2004B--Weekly Report of Cumulative Dealer Transactions

Reportable Transactions

- When-issued securities
- Dollar rolls involving TBA securities, for which the underlying security does not yet exist (*e.g.,* forward MBS)
  - However, exclude dollar rolls that use a specific MBS as collateral because they are treated as repurchase agreements

FR 2004B--Weekly Report of Cumulative Dealer Transactions

Inter-Dealer Brokers (Column 1)

- Trades made through inter-dealer brokers where the counterparty is revealed after the trade (give-up trades) should continue to be reported as transactions with inter-dealer brokers and not as transactions with others

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FR 2004B--Weekly Report of Cumulative Dealer Transactions

Inter-Dealer Brokers (Column 1)

- Listed in the Fixed Income Clearing Corporation's ("FICC") government securities division member directory

  http://www.dtcc.com/customer/directories/ficc/ficc_gov.php

- Brokers with an asterisk (*) are inter-dealer brokers

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FR 2004B--Weekly Report of Cumulative Dealer Transactions

Other Counterparties (Column 2)

Include transactions with:

- Primary dealers

- FRBNY (including open market operations, secondary market purchases and U.S. Treasury coupon passes)

- All other counterparties not included in column 1

FR 2004B--Weekly Report of Cumulative Dealer Transactions

- Agency Residential Pass-through MBS transactions (4.a and 4.b)

- Report cash and dollar roll transactions separately

- Dollar rolls involve the purchase/sale of MBS for delivery in the current month with a simultaneous agreement to resell or repurchase substantially similar securities in the future at a specified price

FR 2004B--Weekly Report of Cumulative Dealer Transactions

Cancels and Corrections

- For prior period cancels and corrections, reduce or increase the next period's transactions by the amount of the error

- Revisions cannot be applied to the next period's transactions if the cancellation or correction from the prior period results in a negative amount in the next period's transactions. In that case, revised prior period data should be submitted

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Reporting of Treasury Auction Allotment

- The Treasury announces a new issue of a security

- The auction takes place a few days later (in most cases)

- Each primary dealer purchases a desired amount of the security on behalf of themselves (house bids)
  - Report the position on the FR 2004A
  - Purchase is not considered a transaction on the FR 2004B report

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Reporting of Treasury Auction Allotment

- Each primary dealer then sells or trade these securities in the secondary market to their customers. The transactions between the primary dealer and their customers are then reported on the FR 2004B report

Prime Brokerage

- Exclude transactions on behalf of prime brokerage customers with executing dealers
- Exclude financing on behalf of prime brokerage customers from FR 2004C, SI, and SD
- Transactions by primary dealers as executing dealer with a prime broker, whether as principal or agent, should be reported as trades with "others"

FR 2004 C Reporting Guidelines

Lessa Gomez

FR 2004C--Weekly Report of Dealer Financing and Fails

Types of Financing

Repurchase Agreements (1.a - 1.g)

Reverse Repurchase Agreements (2.a – 2.g)
- Including bilateral, tri party, GCF, FR OMO
- Hold-in-Custody ("HIC") Agreements

Transactions involving the "sale" of financial assets by one party to another, subject to an agreement by the "seller" to repurchase the assets at a specified date or in specified circumstances

FR 2004C--Weekly Report of Dealer Financing and Fails

Types of Financing

- Repo and Reverse Repo
  - Dollar-rolls (only where specific securities are used as collateral)
  - Matched Sale-Purchase Agreements

FR 2004C--Weekly Report of Dealer Financing and Fails

<u>Types of Financing</u>

- Other Financing Activity, Securities lent (3.a – 3.g) and Securities borrowed (4.a-4.g)
  - Contractual agreements in which securities are borrowed/loaned from a counterparty, including a Federal Reserve Bank
  - Report the funds that have been borrowed/loaned
  - If only securities are exchanged, report the fair (market) value of the securities

FR 2004C--Weekly Report of Dealer Financing and Fails

<u>Types of Financing</u>

Other Financing Activity, Securities borrowed/lent

- Securities received as pledged
  - Securities that were received by the primary dealer as a pledge against a loan of securities
  - Report the fair (market) value of the securities
- Collateralized loans
  - Report the cash received from a collateralized loan

FR 2004C--Weekly Report of Dealer Financing and Fails

Types of Financing

Other Financing Activity, Securities borrowed/lent

- Collateral received from a counterparty as a result of a margin payment, margin call or other type of similar collateral deposit, or held as collateral for another financial contract (*e.g.,* derivatives).

- Arrangements associated with SOMA securities lending program

FR 2004C--Weekly Report of Dealer Financing and Fails

- Include all financing arrangements where the underlying collateral are
  - U.S. Treasuries including TIPS
  - Agency and GSE debentures
  - Agency and GSE MBS
  - Corporate debt including CP
  - Equities
  - All other

FR 2004C--Weekly Report of Dealer Financing and Fails

- All other collateral includes other dollar denominated debt instruments including non-agency issued MBS, CMOs, REMICS, State and Municipal securities and ABS

- Do not include financing where collateral consists of international securities, whole loans, or money market instruments

FR 2004C--Weekly Report of Dealer Financing and Fails

Types of Financing

Fails

- Cumulative for the reporting period only

- Failed transactions that are outstanding two days or more should be summed for each day they are outstanding during the reporting period. This includes fails outstanding over a weekend or a holiday

FR 2004C--Weekly Report of Dealer Financing and Fails

Types of Financing

Fails

- Do not add fails that were outstanding in a prior reporting period to the cumulative total calculated for the current reporting period

- For example, report a fail of $10 million that began on Tuesday in reporting period 1 and is delivered on Friday of reporting period 2 as:
  - $20 million for reporting period 1; and
  - $10 million for reporting period 2

Data Editing and Relationships Between Reports

Vicki Szeto

Review and Editing Procedures

FR 2004 Report Series

Historical Data Time Series Analysis

- Historical Data Report (current week and up to 25 prior weeks with an option to select up to 51 prior weeks)

- Shows data trends

Review and Editing Procedures

FR 2004 Report Series

- Shows data trends
  - Highest week-to-week changes
  - Shift from long to short or short to long net positions
  - Shift from inter-dealer broker to Other or Other to inter-dealer broker
  - Shift from overnight to term or term to overnight
  - Matched book financing

Review and Editing Procedures

- Relationship to Weekly Statistical Release

  Weekly Statistical Release analysis is based on aggregate data

  FR 2004A
  - Shows long, short and net position columns
  - Net position data are reported on Table III of the Weekly Statistical Release

Review and Editing Procedures

- Relationship to Weekly Statistical Release

  FR 2004B
  - Shows transactions with inter-dealer brokers, others and a total transaction column
  - Total transactions data are reported on Tables I and II of the Weekly Statistical Release

Review and Editing Procedures

- Relationship to Weekly Statistical Release

  FR 2004C
  - Shows overnight, term and total financing columns
  - Total financing data are reported on Table IV of the Weekly Statistical Release
  - Fails to receive and deliver will be reported on Table V of the Weekly Statistical Release

Review and Editing Procedures

- Relationship to Weekly Statistical Release

  FR 2004SI

  -Shows aggregate specific issue data for all on-the-run nominal Treasury and TIPS by maturity band

  -Specific issue data will be reported on the new Table VI of the data release

Comparison Within The Report

FR 2004SI or FR 2004SD

- The net settled position should be equal to the net financing and fails data

Example 1:

line	position	+	sec in	-	sec out	-	ftr	+	ftd	=	excess/deficit
1	-497		6,392		5,757		0		13		151

Example 2:

line	position	+	sec in	-	sec out	-	ftr	+	ftd	=	excess/deficit
1	-6		105		150		9		0		-60

- Both results may generate a question

Comparison Within The Report

FR 2004WI

- Net outright positions should reconcile between daily report dates
- Current net outright positions should equal prior day's net outright positions plus the current day's net outright transactions

Example 1:

MATURITY	RATE	NET POSITION 2/14/13	+	PURCHASES 2/15/13	-	SALES 2/15/13	=	NET POSITION 2/15/13	DISCREPANCY
2/15/23	2.000%	100		1,000		500		600	0

Comparison Within The Report

<u>FR 2004WI</u>

- On the auction date, the current net outright position should equal the prior day's net outright position plus the current day's net outright transactions plus the allotment received from the U.S. Treasury auction

Example 2 - Auction Date:

		NET POSITION	PURCHASES	SALES		NET POSITION
MATURITY	RATE	1/17/13 +	1/18/13	- 1/18/13 +	ALLOTMENT =	1/18/13
1/31/18	0.875%	-600	1,500	1,000	200	100

Comparison To Other Reports

<u>FR 2004A vs. FR 2004B</u>

- Change in positions (between two weeks) on the FR 2004A should be less than the level of transactions reported on the current week FR 2004B

Comparison To Other Reports

FR 2004A vs. FR 2004B

Example:

	FR 2004A			FR 2004B	
	TIPS Long	TIPS Short		TIPS w/IDB $+$	TIPS w/Others
7/10/13	226	162	7/10/13	188	397
7/03/13	230	1,423		Total Trans. = 585	

Change in Net Position = | 226 - 230 | + | 162 - 1,423 | = 1,265

Total Transactions - Change in Net Position			Difference
585	- 1,265	=	-680

- **Result may generate a question**

Comparison To Other Reports

FR 2004A vs. FR 2004SI and FR 2004WI

- Positions on the FR 2004A are usually equal to, or greater than, positions reported on the FR 2004SI and FR 2004WI

Example:

FR 2004A	FR2004SI 5yr	FR2004WI 5yr	
1.d Long	Net Settled POS	Net Outright POS	A- (SI+WI)
3,000	4,000	1,000	-2,000

- **Result may generate a question**

Comparison To Other Reports

FR 2004B vs. FR 2004SI and FR 2004WI

- Transactions on the FR 2004B are usually equal to, or greater than, transactions reported on the FR 2004SI and FR 2004WI

Example :

FR 2004B	FR 2004SI	FR 2004WI	
1.d	5 yr Outright	5 yr Outright	
(IDB+Others)	Volume	Transactions	B-(SI+WI)
100	200	100	-200

Comparison To Other Reports

FR 2004C vs. FR 2004SI

- U.S. Treasury financing and fails on the FR 2004C are usually equal to or greater than U.S. Treasury financing and fails reported on the FR 2004SI

Example:

FR 2004C	FR 2004SI	C-SI
Fails To Receive	Fails To Receive	Difference
5,000	6,000	-1,000

- **Result may generate a question**

Resolution of Data Inquiries

- Explain unusual changes or discrepancies based on :
  - Changes in business strategy
  - Cyclical market conditions
  - Economic indicators
  - Economic news
  - Security and counterparty detail

- Timeframe
  - All answers should be provided by noon the following Wednesday

Resolution of Data Inquiries

- Submit revisions as necessary
  - Revisions must be submitted via the Reporting Central System
  - Contact your FR 2004 analyst when sending a revision

Reporting Central

Frank Innocenti

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Justin McAvoy

http://www.newyorkfed.org/markets/statrel.html

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