

TMPG Meeting Minutes

May 13, 2015

TMPG attendees

Julia Coronado (Graham Capital)	Gary Kain (American Capital Agency)	Gerald Pucci (Blackrock)
Daniel Dufresne (Citadel)	Steven Meier (State Street Global Advisors)	James Slater (BNY Mellon)
Michael Garrett (Wellington)	Sandie O'Connor (JP Morgan Chase)	Mark Tsesarsky (Citigroup)
Beth Hammack (Goldman Sachs)	Murray Pozmanter (Depository Trust & Clearing Corp)	Stuart Wexler (ICAP)
James Hraska (Barclays)		Thomas Wipf (Morgan Stanley)

FRBNY attendees

Nashrah Ahmed	Lorie Logan	Janine Tramontana
Michelle Ezer	Radhika Mithal	Nate Wuerffel
Josh Frost	Simon Potter	
Frank Keane	Brett Rose	

Bank of Canada attendee

Harri Vikstedt

- The meeting commenced with a welcome to a new member, James Slater from the Bank of New York Mellon, and Harri Vikstedt, an observer from the Bank of Canada.
- The TMPG discussed recent market developments including reactions to the [April FOMC meeting and related communications](#), possible implications of ongoing asset purchase programs of overseas central banks on market functioning, and reactions to recent volatility in global sovereign debt markets.
- The TMPG members then discussed a number of business continuity related issues. Members debated on the implications of outages of important market service providers given a short-lived Bloomberg terminal outage on April 17. It was noted that it is important for all market participants to assess the criticality of service providers to their specific operations and have appropriate business continuity plans in place to allow firms to continue operating in the event of a service disruption. The TMPG also discussed the importance of geographic resiliency in the event of a wide-scale regional disruption. The Group also agreed to invite back SIMFA representatives to a future meeting to provide further updates on [SIFMA's market response committees' work around crisis response coordination and communication](#).
- The Group then heard a summary of feedback received on the consultative white paper on [Automated Trading in Treasury Markets](#) and proposed updates to best practice guidance published on April 9. Some feedback received included requests for greater specificity pertaining to certain best practice recommendations such as those related to evaluating

operational procedures for high speed executions or defining unusual quoting activity. For many of these requests, the working group believed the high-level principle-based approach remained appropriate for the best practice guidance. The TMPG agreed with the working group's assessment.

One topic that prompted considerable discussion at the meeting related to the proposed best practice recommendation that called for market participants to “manage sizeable trading activity with care”. Certain respondents expressed concern that the proposed best practice suggested that firms with a material share of trading activity should continue trading at all times. Others noted that the placement of this proposed practice alongside the existing best practice recommendation relating to managing large *positions* with care could potentially cause confusion. The TMPG agreed that the working group should further discuss these concerns and offer modifications to the proposed practice that might address them. The Group agreed to release the updated best practice recommendations and final white paper in June.¹

- The TMPG briefly discussed the topic of liquidity in TMPG covered markets and members agreed that this would be an appropriate area to explore further. The Group discussed focusing on defining and measuring liquidity in the covered markets, analyzing how it is changing, and identifying the key drivers for the change.
- The TMPG agreed to defer the update from the working group formed to explore the use of benchmarks to the next meeting given time constraints.
- The next TMPG meeting will take place on Wednesday, June 24th, from 4:00-6:00 PM.

¹ The TMPG released the updated [Best Practice](#) guidance and white paper on [Automated Trading in Treasury Market](#) on June 10, 2015.