



Form SMMH - Summary of Responses

August 2019

Form SMMH is a six monthly qualitative survey to monitor market functioning and activity in sterling money markets not covered by Form SMMD*.

All questions are phrased to ask respondents for comparisons against answers given in the previous SMMH period, allowing an overall sense of whether conditions are better or worse to be constructed by comparing each data point to answers given in the previous survey (Nov 18) and the longer term reference point of Nov-17 (the switch to a six monthly survey was implemented in November 2018).

For every question, each response is given a value from +2 to -2. These are then aggregated and divided by the number of responses to capture an average market view of whether conditions are better or worse for each question.

Three key observations from the gathered data are:

- Market functioning was generally positive, showing improvements in most market indicators since November 2018.
- Secured money market activity is increasing slightly in most instruments outside the scope of SMMD.
- The relative importance of unsecured instruments remains largely consistent with November 2018 results.

Market Functioning

Chart 1: Including gilt repo in Form SMMD, how have the measures of market functioning changed in the secured money market (+2 significantly improved; -2 significantly worsened)

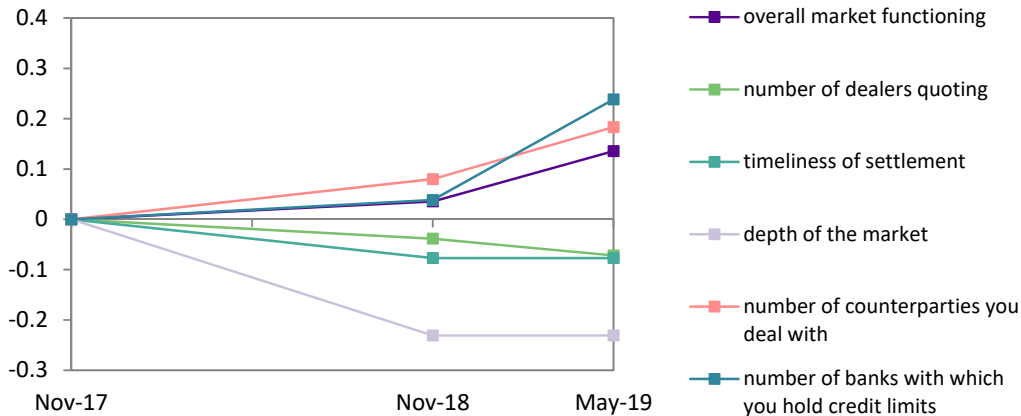
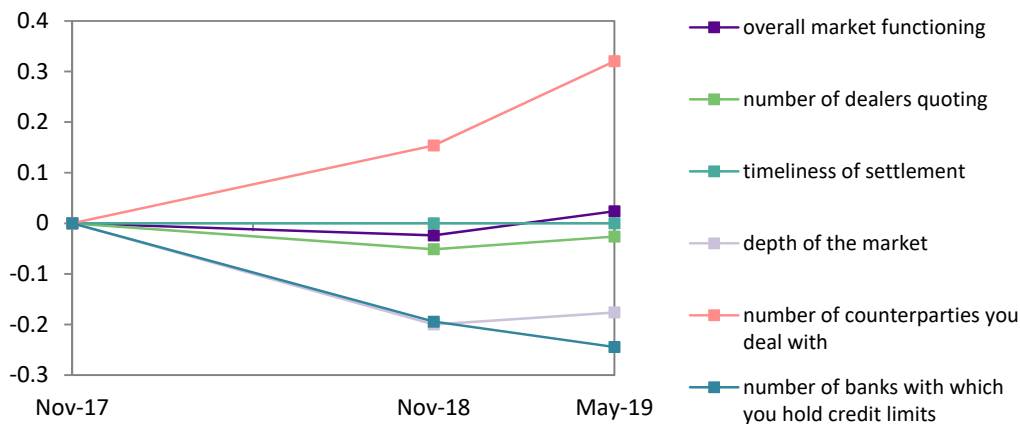


Chart 2: Including unsecured deposits in Form SMMD, how have the measures of market functioning changed in the unsecured money market (+2 significantly improved; -2 significantly worsened)



*Scope of SMMD data collection is unsecured borrowing and secured borrowing and lending of sterling cash, with an original maturity of up to and including one year, accepted from participants classified as 'wholesale'. Unsecured transactions are cash deposits only. Secured transactions include repo, reverse repo, sell/buy-back and buy/sell-back agreements where gilts are the collateral. Transactions where the nominal amount of cash borrowed/lent is below £1million should be excluded. Please see SMM Reporting Instructions for more information.



Secured Money Market

Chart 3: Percentage of secured reporters active in each instrument outside the scope of Form SMMD

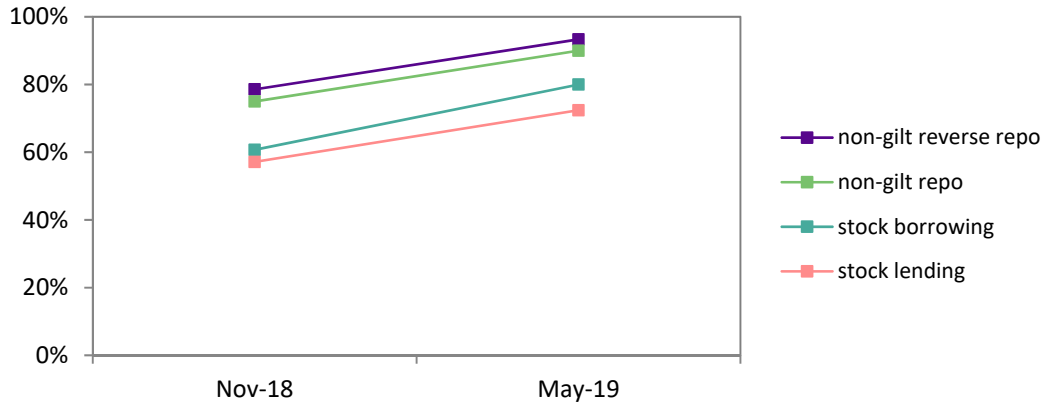


Chart 4: Considering activity in the following instruments in the secured money market, how has the average value of trades changed (+2 is significantly higher; -2 is significantly lower)

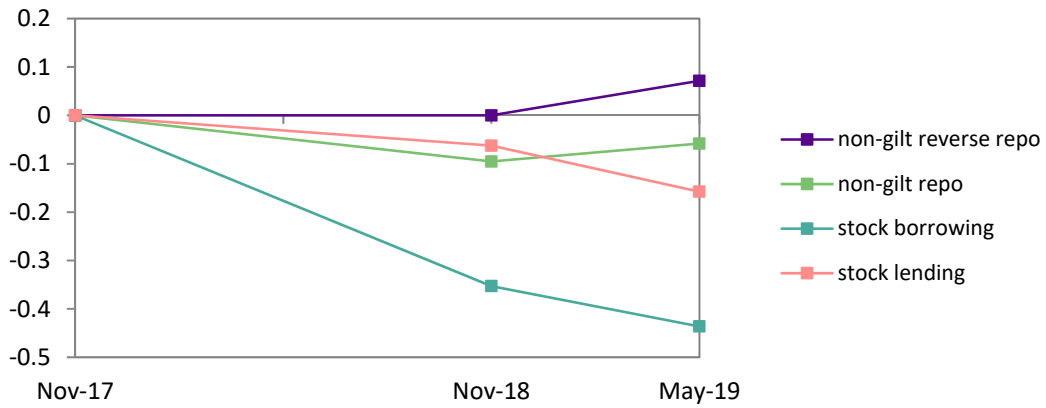
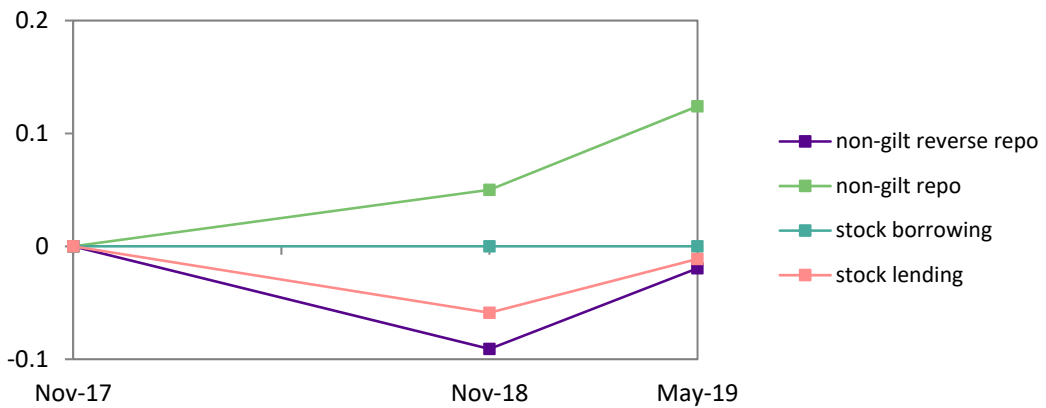


Chart 5: Considering activity in the following instruments in the secured money market, how has the weighted average maturity of trades changed (+2 is much longer; -2 is much shorter)





Unsecured Money Market

Chart 6: Percentage of unsecured reporters active in each instrument outside the scope of Form SMMD

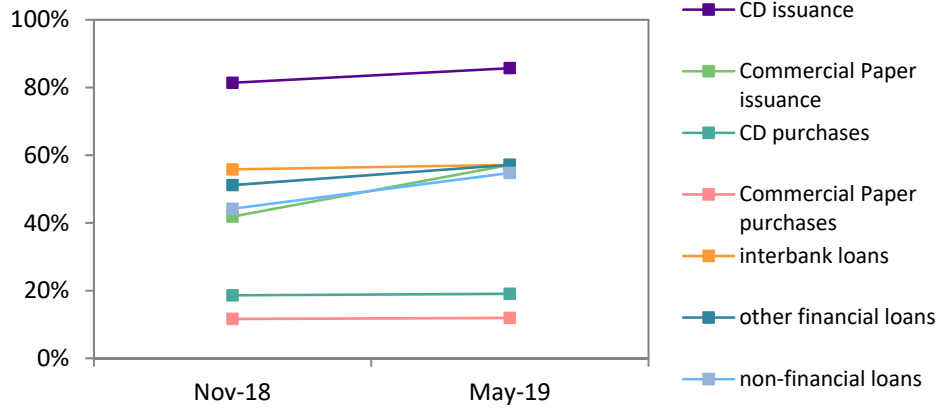


Chart 7: Considering activity in the following instruments in the unsecured money market, how has the average value of trades changed (+2 is significantly higher; -2 is significantly lower)

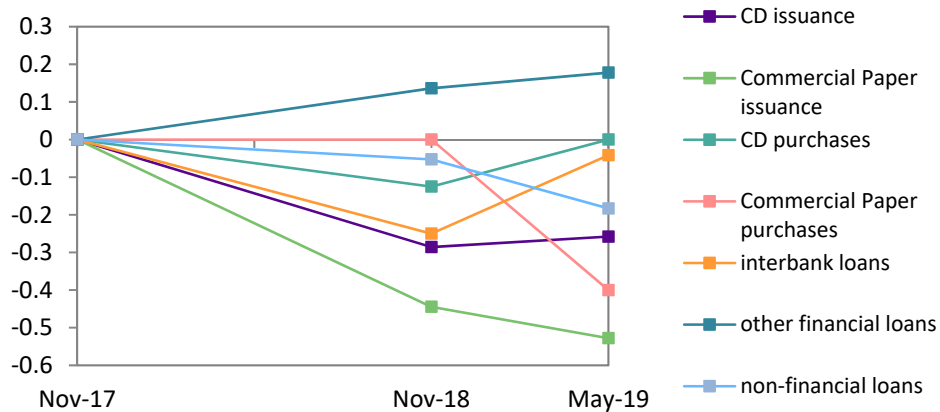


Chart 8: Considering activity in the following instruments in the unsecured money market, how has the weighted average maturity of trades changed (+2 is much longer; -2 is much shorter)

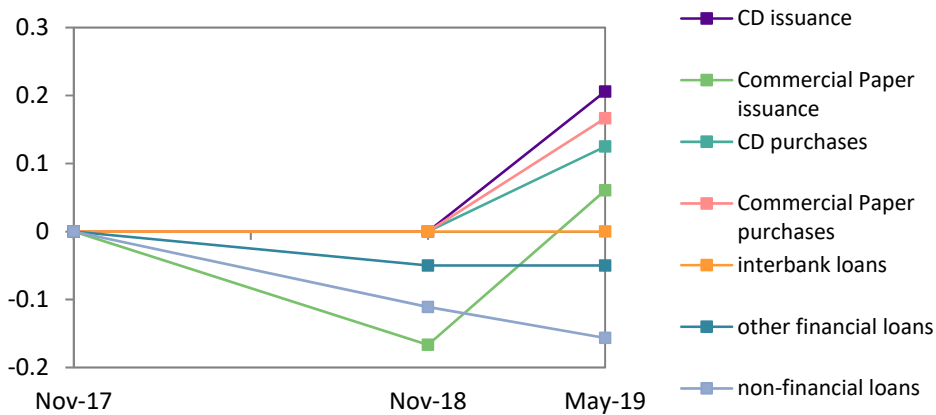




Chart 9: What is the relative importance of these instruments as part of your overall unsecured money market activity
(4 is significant; 0 is no activity)

