

The Money Market Liaison Group Sterling Money Market Survey

Survey results | 2014 H1



BANK OF ENGLAND





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The Sterling Money Market Survey is conducted by the Bank of England on a biannual basis, on behalf of the Money Market Liaison Group (MMLG). Established in 1999, the MMLG comprises representatives from market participants, trade associations and the authorities, and provides a forum for discussion of structural issues in the money market.

The sterling money market brings together banks, other financial institutions and non-financial companies looking to borrow or lend money, and enables them to manage their liquidity. Transactions can be secured or unsecured and include deposits, loans, repo and the sale and purchase of tradable financial instruments such as commercial paper (CP) and certificates of deposit (CDs). The market plays a central role in the Bank's pursuit of its monetary and financial stability policy objectives, and is the market in which the Bank implements the interest rate decisions of the Monetary Policy Committee and provides liquidity insurance to the banking system.

The Money Market Survey gathers quantitative and qualitative information on developments in the sterling money market. Launched in May 2011, it adds to existing data sources available for different segments of the market and supplements the Bank's market intelligence. It complements similar surveys conducted by other central banks. Over time, the survey is intended to increase public understanding of the sterling money market, identify emerging trends, and help policymakers assess the impact of their actions on the behaviour of market participants. This report presents the data from the survey and provides a brief commentary.

The survey sample comprises over 30 commercial banks, building societies and investment banks active in the sterling money market. The list of participants is detailed in the annex. Selection is based on the scale of institutions' involvement in the sterling money market and is kept under active review.

Additional background information on the survey can be found in the 2011 Q3 *Quarterly Bulletin* article, 'The Money Market Liaison Group Sterling Money Market Survey'.

The 2014 H1 report covers sterling money market transactions that took place during May 2014. The 2013 H2 report can be found at www.bankofengland.co.uk/publications/Documents/other/markets/mmlg/smms2013h2.pdf.

This report is available on the Bank's website, along with copies of the questionnaire and data tables from the annex in Excel format, at www.bankofengland.co.uk/publications/Pages/other/mmlg/default.aspx.

Detail on data definitions and interpretation is included alongside the data tables in the annex.

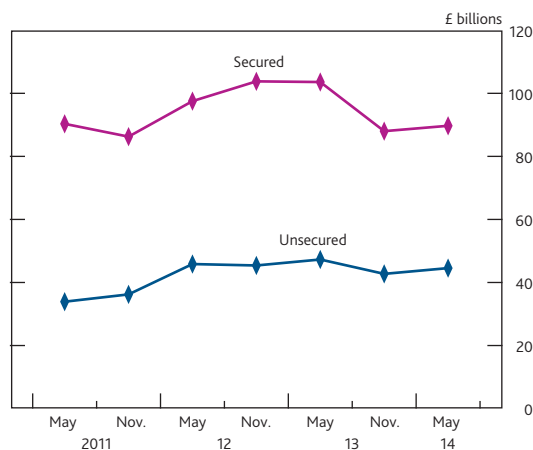
The Money Market Liaison Group Sterling Money Market Survey

The 2014 H1 report covers sterling money market transactions that took place during May 2014. The value of total sterling money market transactions was broadly unchanged since the previous survey in November 2013. As in previous surveys, secured activity made up around two thirds of total reported transactions. The majority of both secured and unsecured activity continued to be carried out at overnight maturities. Perceptions of the functioning of the unsecured sterling money market remained negative on balance but did show some improvement since the previous survey, while perceptions of liquidity in the secured market deteriorated but remained slightly positive on balance.

The overall sterling money market

The total value of average daily flows in the sterling money market was broadly unchanged in May 2014 relative to the previous survey in November 2013. Secured transactions continued to constitute around two thirds of overall money market turnover (**Chart 1**).

Chart 1 Reported daily average transactions in the sterling money market^{(a)(b)}

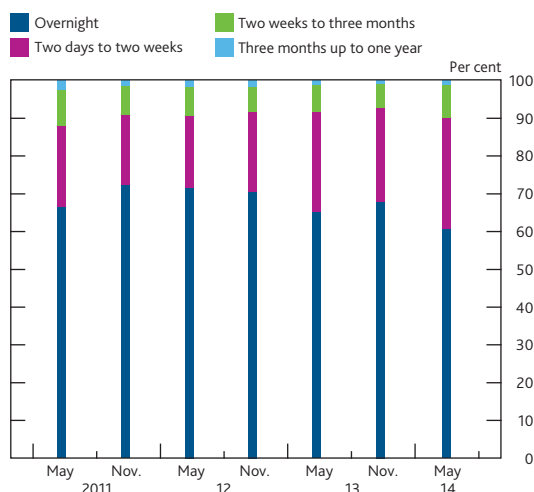


Sources: MMLG Sterling Money Market Survey and Bank calculations.

- (a) Daily average flows are reported as the value of sterling money market transactions in the survey month divided by the number of working days during that period.
 (b) The calculation adjusts for the double counting of matched interbank borrowing and lending flows. See note v. in the data annex for more detail.

In May 2014, the majority of secured daily turnover took place at an overnight maturity (**Chart 2**), although the share had fallen slightly, compared to the previous survey, to 61%. There was a slight increase in turnover at two days to two weeks' maturity, while lending and borrowing at maturities of three months or beyond remained very limited. The unsecured market continued to be dominated by overnight transactions, with the distribution of shares more stable than the secured market.

Chart 2 Maturity of secured transactions^(a)



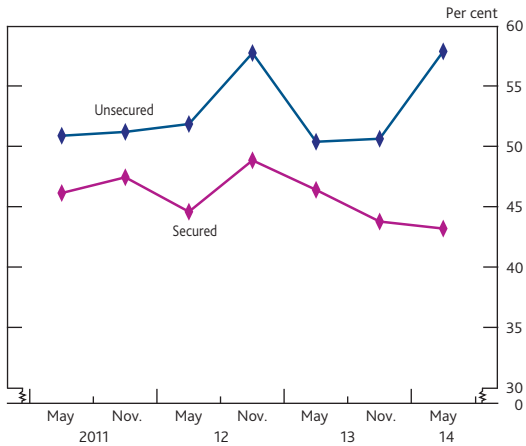
Sources: MMLG Sterling Money Market Survey and Bank calculations.

- (a) The calculation adjusts for the double counting of matched interbank borrowing and lending flows. See note v. in the data annex for more detail.

Activity in the sterling money market continued to be relatively concentrated. Contacts said that this meant that they currently dealt with only a small number of counterparties. The top five survey respondents in the unsecured market accounted for around 58% of unsecured transactions; an increase from around 51% in the previous survey (**Chart 3**). The secured market was slightly less concentrated: the top five respondents accounted for around 43% of secured transactions.

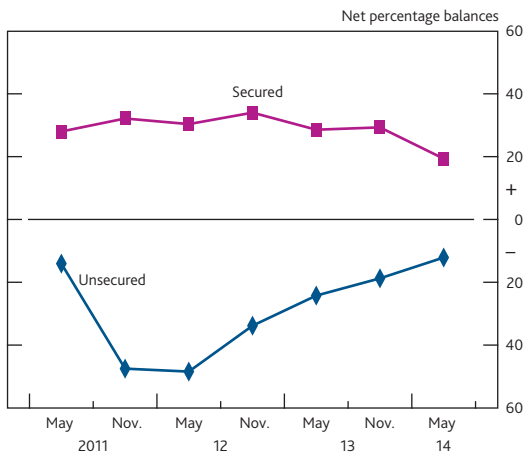
Overall perceptions of secured market functioning have worsened since the previous survey, although remain positive on balance (**Chart 4**). Respondents continued to report that unsecured market functioning was poor, but slightly less so than in the previous survey.

Chart 3 Top five respondents' share of total activity



Sources: MMLG Sterling Money Market Survey and Bank calculations.

Chart 4 Respondents' views of overall market functioning^(a)



Sources: MMLG Sterling Money Market Survey and Bank calculations.

(a) 'Net percentage balance' is calculated as the difference between the balance of lenders reporting that, on a scale of 1-5, the market was functioning very poorly (1) to very well (5). The net percentage balances are scaled to lie between ±100: more extreme responses (1 and 5) attract a weight of 100%, less extreme responses (2 and 4) attract a weight of 50% and central responses (3) attract a weight of zero.

The secured sterling money market

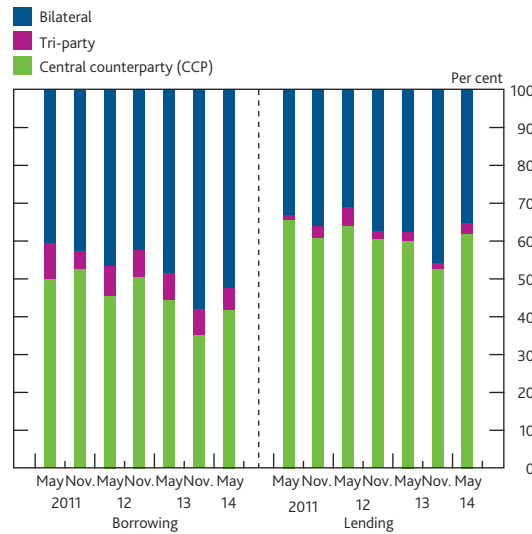
The value of secured transactions was broadly unchanged since the previous survey in November 2013, comprising 67% of total sterling money market transactions (Chart 1).

There was a small increase in the proportion of secured borrowing and lending taking place via central counterparties (CCPs) relative to that taking place bilaterally or via tri-party repo (Chart 5). Contacts attributed this primarily to the recalibration of LCH fees in January, as well as more favourable netting benefits relative to bilateral repo.

Consistent with previous surveys, around 95% of total secured transactions were collateralised by the category 'UK government debt or Bank bills' in May 2014.

Participants reported a decline in both overall secured market functioning and most individual indicators of liquidity relative to the last survey (Charts 4 and 6). Contacts highlighted that

Chart 5 Distribution of secured transaction types^(a)

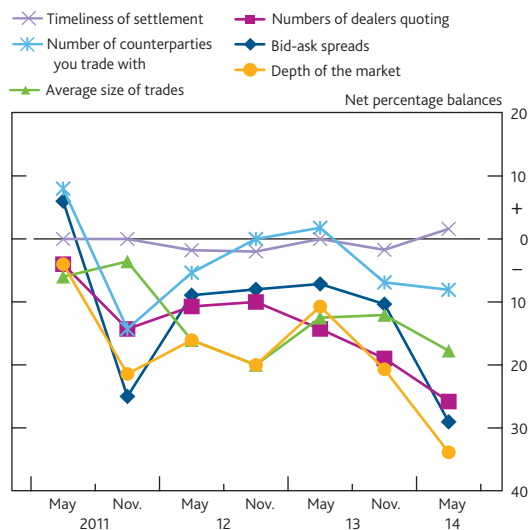


Sources: MMLG Sterling Money Market Survey and Bank calculations.

(a) All transactions via CCPs are assumed to be interbank. Other interbank transactions are captured as a subset of bilateral and tri-party transactions. See Table A5 of data annex for more detail.

as deadlines for regulatory requirements drew closer, there was increased focus on regulatory minimum leverage ratios and a desire by some banks to reduce the size of their balance sheet. This reduced market participants' appetite to transact in the market.

Chart 6 Change in secured market functioning indicators^(a)



Sources: MMLG Sterling Money Market Survey and Bank calculations.

(a) 'Net percentage balance' is calculated as the difference between the balance of lenders reporting that, on a scale of 1-5, the market was functioning very poorly (1) to very well (5). The net percentage balances are scaled to lie between ±100: more extreme responses (1 and 5) attract a weight of 100%, less extreme responses (2 and 4) attract a weight of 50% and central responses (3) attract a weight of zero.

In particular, some respondents reported a deterioration in the capacity of the secured market, citing less market depth, fewer counterparties trading and smaller trade sizes. This decline in liquidity was also reflected in a worsening of perceptions of bid-ask spreads. Many of these indicators of liquidity had

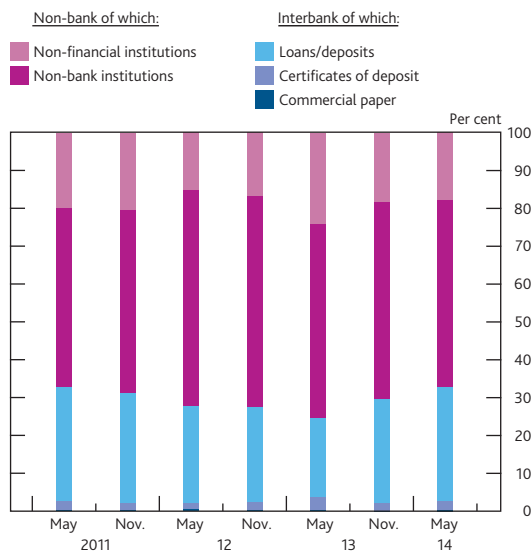
declined over the past few surveys. As such, contacts felt that it was becoming more difficult and costly to source funding. One consequence of this was that banks were largely seeking to rollover existing funding, rather than looking for new opportunities.

The unsecured sterling money market

The value of unsecured transactions also remained broadly similar to that reported in the previous survey (Chart 1).

Loans from non-bank financial institutions to survey respondents constituted around half of total unsecured borrowing, and 18% from non-financial institutions (Chart 7). The share of interbank borrowing continued to increase, to 33% in May 2014. The distribution of unsecured lending was broadly unchanged.⁽¹⁾

Chart 7 Source of unsecured borrowing^(a)

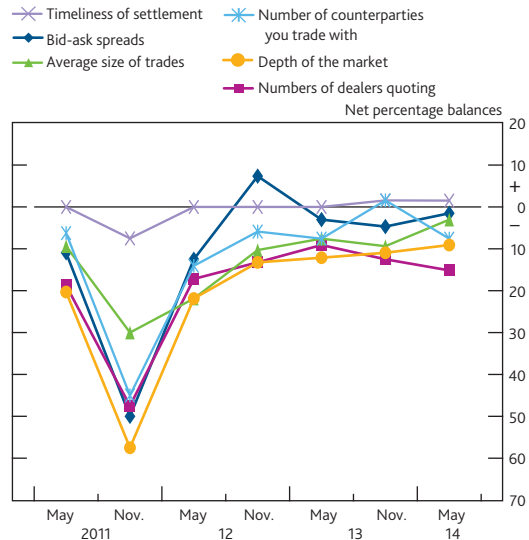


Sources: MMLG Sterling Money Market Survey and Bank calculations.

(a) Chart shows borrowing by reporting institutions from bank and non-bank institutions.

Both perceptions of overall and specific indicators of unsecured market functioning suggest little change in the functioning of the market (Charts 4 and 8).

Chart 8 Change in unsecured market functioning indicators^(a)



Sources: MMLG Sterling Money Market Survey and Bank calculations.

(a) 'Net percentage balance' is calculated as the difference between the balance of lenders reporting that, on a scale of 1–5, the market was functioning very poorly (1) to very well (5). The net percentage balances are scaled to lie between ±100: more extreme responses (1 and 5) attract a weight of 100%, less extreme responses (2 and 4) attract a weight of 50% and central responses (3) attract a weight of zero.

Since May 2013, survey participants have been asked how the number of credit limits in the unsecured market had changed since the previous survey, following structural changes to the market since the crisis. A slightly higher proportion of respondents reported that there had been no further change in the number of credit limits held in the past six months. Some reported a further modest fall, while for the first time, no respondents reported that credit limits were 'much lower'.

(1) Interbank borrowing and lending figures are not equal in the survey as only the survey participants' side of each transaction is recorded. See note iv. in the data annex for more detail.

Notes to annexes

- i. The survey sample comprises over 30 commercial banks, building societies and investment banks that are active in the sterling money market. The list of participants is detailed in Annex C. Selection is based on the scale of institutions' involvement in the sterling money market and is kept under active review.
- ii. Sterling money market transactions are defined as wholesale borrowing and lending of a maturity no longer than one year. Non-sterling and intra-group trades are excluded.
- iii. Participants are asked to exclude trades with the Bank of England but, from May 2012, to include transactions with the UK Debt Management Office (DMO). This change was based on feedback from survey participants that suggested they may not be able to identify the ultimate counterparty to transactions made in the secured market via a central counterparty when using an automated trading system. So, to the extent that such transactions included those with the DMO, survey respondents may not have been able to exclude them. For more details on the DMO's money market activity see www.dmo.gov.uk.
- iv. Borrowing and lending figures are not equal because the survey only captures the survey participants' side of each transaction. In common with other central banks' money market surveys, there are likely a number of lenders who do not participate in the survey, and whose lending therefore is not captured in the survey lending figures, but is nonetheless captured in survey participants' borrowing returns. In particular, this affects the MMLG survey interbank data, yielding a discrepancy whereby interbank borrowing is larger than interbank lending. Discussions with a subgroup of survey participants indicate that this is likely to be because the survey sample excludes a range of, particularly foreign-based, banks that are regular net lenders.
- v. Reported daily average transactions in the sterling money market (**Table A1** and **Chart 1**) are calculated by adjusting for the double counting of matched interbank borrowing and lending flows (double counting occurs because respondents are asked to record both borrowing and lending, so the same transaction appears as lending in one participant's return and as borrowing in another). The calculations are as follows:
 - Secured transactions: secured borrowing (**Table A2**) + secured lending (**Table A2**) – secured interbank lending (CCP and interbank excluding CCP, **Table A5**)
 - Unsecured transactions: unsecured borrowing + unsecured lending — unsecured interbank lending (**Table A7**).
- vi. November 2013 data have been adjusted for revisions of past data.

Annex A: Data tables for quantitative survey questions

Table A1: Reported daily average transactions in the sterling money market (£ billions)^(a)

| | 2011 | | 2012 | | 2013 | | 2014 |
|-----------|------|------|------|------|------|------|------|
| | May | Nov. | May | Nov. | May | Nov. | May |
| Unsecured | 34 | 36 | 46 | 45 | 47 | 43 | 45 |
| Secured | 90 | 86 | 98 | 104 | 104 | 88 | 90 |

Table A2: Borrowing and lending (daily averages, £ billions)^(b)

| | 2011 | | 2012 | | 2013 | | 2014 |
|---------------------|------|------|------|------|------|------|------|
| | May | Nov. | May | Nov. | May | Nov. | May |
| Unsecured borrowing | 34 | 37 | 45 | 45 | 47 | 42 | 44 |
| Unsecured lending | 5 | 4 | 4 | 3 | 3 | 2 | 2 |
| Secured borrowing | 78 | 75 | 85 | 90 | 88 | 72 | 74 |
| Secured lending | 57 | 63 | 66 | 60 | 65 | 51 | 51 |

Table A3: Average borrowing and lending transaction size (£ millions)

| | 2011 | | 2012 | | 2013 | | 2014 |
|---------------------|------|------|------|------|------|------|------|
| | May | Nov. | May | Nov. | May | Nov. | May |
| Unsecured borrowing | 19 | 21 | 25 | 16 | 28 | 30 | 30 |
| Unsecured lending | 54 | 53 | 39 | 22 | 43 | 19 | 22 |
| Secured borrowing | 39 | 44 | 43 | 36 | 32 | 36 | 26 |
| Secured lending | 28 | 31 | 34 | 16 | 17 | 26 | 26 |

(a) Reported daily average transactions in the sterling money market (Table A1 and Chart 1) are calculated by adjusting for the double counting of matched interbank borrowing and lending flows (double counting occurs because respondents are asked to record both borrowing and lending, so the same transaction appears as lending in one participant's return and as borrowing in another). The calculations are as follows: secured transactions: secured borrowing (Table A2) + secured lending (Table A2) – secured interbank lending (CCP and interbank excluding CCP, Table A5); unsecured transactions: unsecured borrowing + unsecured lending – unsecured interbank lending (Table A7).

(b) Borrowing and lending do not sum to the totals in Table A1. This is because the totals in Table A1 are adjusted for the double counting of matched interbank borrowing and lending.

Table A4: Maturity distribution of borrowing and lending (per cent)

| | 2011 | | | | | | | |
|---------------------|-----------|-----------------------|---------------------------|-----------------------------|-----------|-----------------------|---------------------------|-----------------------------|
| | May | | | | Nov. | | | |
| | Overnight | Two days to two weeks | Two weeks to three months | Three months up to one year | Overnight | Two days to two weeks | Two weeks to three months | Three months up to one year |
| Unsecured borrowing | 76 | 17 | 4 | 2 | 80 | 16 | 3 | 1 |
| Unsecured lending | 79 | 12 | 7 | 1 | 81 | 12 | 6 | 1 |
| Secured borrowing | 69 | 21 | 7 | 2 | 74 | 18 | 7 | 2 |
| Secured lending | 68 | 19 | 10 | 2 | 76 | 16 | 6 | 2 |

| | 2012 | | | | | | | |
|---------------------|-----------|-----------------------|---------------------------|-----------------------------|-----------|-----------------------|---------------------------|-----------------------------|
| | May | | | | Nov. | | | |
| | Overnight | Two days to two weeks | Two weeks to three months | Three months up to one year | Overnight | Two days to two weeks | Two weeks to three months | Three months up to one year |
| Unsecured borrowing | 78 | 17 | 4 | 1 | 77 | 18 | 3 | 2 |
| Unsecured lending | 72 | 20 | 6 | 2 | 63 | 24 | 8 | 5 |
| Secured borrowing | 73 | 19 | 6 | 2 | 73 | 20 | 5 | 2 |
| Secured lending | 71 | 20 | 7 | 2 | 69 | 20 | 9 | 2 |

| | 2013 | | | | | | | |
|---------------------|-----------|-----------------------|---------------------------|-----------------------------|-----------|-----------------------|---------------------------|-----------------------------|
| | May | | | | Nov. | | | |
| | Overnight | Two days to two weeks | Two weeks to three months | Three months up to one year | Overnight | Two days to two weeks | Two weeks to three months | Three months up to one year |
| Unsecured borrowing | 77 | 16 | 4 | 3 | 81 | 15 | 3 | 1 |
| Unsecured lending | 80 | 14 | 3 | 3 | 79 | 12 | 5 | 4 |
| Secured borrowing | 67 | 25 | 6 | 1 | 71 | 23 | 5 | 1 |
| Secured lending | 69 | 23 | 7 | 2 | 70 | 22 | 6 | 2 |

| | 2014 | | | |
|---------------------|-----------|-----------------------|---------------------------|-----------------------------|
| | May | | | |
| | Overnight | Two days to two weeks | Two weeks to three months | Three months up to one year |
| Unsecured borrowing | 74 | 20 | 3 | 2 |
| Unsecured lending | 77 | 15 | 4 | 4 |
| Secured borrowing | 64 | 28 | 7 | 1 |
| Secured lending | 62 | 28 | 8 | 2 |

Table A5: Distribution of secured borrowing and lending by type of transaction (per cent)

| | 2011 | | | | 2012 | | | | 2013 | | | |
|-----------------------------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|
| | May | | Nov. | | May | | Nov. | | May | | Nov. | |
| | Borrowing | Lending | Borrowing | Lending | Borrowing | Lending | Borrowing | Lending | Borrowing | Lending | Borrowing | Lending |
| Tri-party | 10 | 1 | 5 | 3 | 8 | 5 | 7 | 2 | 7 | 2 | 7 | 2 |
| Bilateral | 40 | 33 | 43 | 36 | 46 | 31 | 42 | 37 | 48 | 38 | 58 | 46 |
| Central counterparty (CCP)* | 50 | 66 | 53 | 61 | 46 | 64 | 51 | 61 | 45 | 60 | 35 | 53 |
| Interbank excluding CCP | 18 | 14 | 23 | 20 | 22 | 16 | 16 | 17 | 18 | 16 | 17 | 16 |

| | 2014 | |
|-----------------------------|-----------|---------|
| | May | |
| | Borrowing | Lending |
| Tri-party | 6 | 3 |
| Bilateral | 52 | 35 |
| Central counterparty (CCP)* | 42 | 62 |
| Interbank excluding CCP | 13 | 8 |

* All transactions via CCP are assumed to be interbank.

Table A6: Distribution of secured borrowing and lending by type of collateral (per cent)

| | 2011 | | | | 2012 | | | | 2013 | | | |
|---|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|
| | May | | Nov. | | May | | Nov. | | May | | Nov. | |
| | Borrowing | Lending | Borrowing | Lending | Borrowing | Lending | Borrowing | Lending | Borrowing | Lending | Borrowing | Lending |
| UK government debt and Bank bills | 82 | 78 | 87 | 95 | 89 | 90 | 90 | 93 | 93 | 95 | 94 | 96 |
| Other sovereign and central bank debt from selected issuers | 5 | 2 | 9 | 2 | 8 | 5 | 5 | 5 | 2 | 1 | 2 | 0 |
| Other securities | 13 | 20 | 4 | 3 | 3 | 5 | 5 | 2 | 5 | 4 | 4 | 4 |
| | 2014 | | | | | | | | | | | |
| | May | | | | | | | | | | | |
| | Borrowing | Lending | | | | | | | | | | |
| UK government debt and Bank bills | 96 | 95 | | | | | | | | | | |
| Other sovereign and central bank debt from selected issuers | 1 | 0 | | | | | | | | | | |
| Other securities | 2 | 4 | | | | | | | | | | |

Table A7: Source/destination of unsecured borrowing and lending (per cent)

| | 2011 | | | | 2012 | | | | 2013 | | | |
|------------------------------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|
| | May | | Nov. | | May | | Nov. | | May | | Nov. | |
| | Borrowing | Lending | Borrowing | Lending | Borrowing | Lending | Borrowing | Lending | Borrowing | Lending | Borrowing | Lending |
| Non-financial institutions | 20 | 3 | 20 | 1 | 15 | 2 | 17 | 6 | 24 | 4 | 18 | 7 |
| Other financial institutions | 47 | 5 | 48 | 9 | 57 | 8 | 55 | 6 | 51 | 7 | 52 | 7 |
| Interbank: | | | | | | | | | | | | |
| Interbank loans/deposits | 30 | 85 | 29 | 85 | 25 | 82 | 25 | 81 | 21 | 81 | 27 | 82 |
| Certificates of deposit | 2 | 1 | 2 | 1 | 2 | 2 | 2 | 1 | 3 | 4 | 2 | 2 |
| Commercial paper | 0 | 6 | 0 | 4 | 1 | 6 | 0 | 6 | 0 | 5 | 0 | 2 |
| | 2014 | | | | | | | | | | | |
| | May | | | | | | | | | | | |
| | Borrowing | Lending | | | | | | | | | | |
| Non-financial institutions | 18 | 7 | | | | | | | | | | |
| Other financial institutions | 49 | 7 | | | | | | | | | | |
| Interbank: | | | | | | | | | | | | |
| Interbank loans/deposits | 30 | 81 | | | | | | | | | | |
| Certificates of deposit | 3 | 0 | | | | | | | | | | |
| Commercial paper | 0 | 3 | | | | | | | | | | |

Annex B: Data tables for qualitative survey questions

Table B1: Respondents' views of secured market functioning (per cent)

| | 2011 | | 2012 | | 2013 | | 2014 |
|---------------|------|------|------|------|------|------|------|
| | May | Nov. | May | Nov. | May | Nov. | May |
| 1 (very poor) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 | 4 | 0 | 11 | 4 | 7 | 14 | 16 |
| 3 | 40 | 36 | 25 | 44 | 43 | 28 | 39 |
| 4 | 52 | 64 | 57 | 32 | 36 | 45 | 35 |
| 5 (very good) | 4 | 0 | 7 | 20 | 14 | 14 | 10 |

Table B2: Respondents' views of unsecured market functioning (per cent)

| | 2011 | | 2012 | | 2013 | | 2014 |
|---------------|------|------|------|------|------|------|------|
| | May | Nov. | May | Nov. | May | Nov. | May |
| 1 (very poor) | 3 | 45 | 31 | 21 | 15 | 9 | 9 |
| 2 | 41 | 15 | 38 | 32 | 27 | 28 | 24 |
| 3 | 41 | 30 | 28 | 41 | 48 | 53 | 48 |
| 4 | 13 | 10 | 3 | 6 | 9 | 9 | 18 |
| 5 (very good) | 3 | 0 | 0 | 0 | 0 | 0 | 0 |

Table B3: Change in secured market functioning indicators during previous six months (per cent)

| | 2011 | | | | | 2012 | | | | | | | | | |
|---|--------|-----------------|------|----------------|-------|--------|-----------------|------|----------------|-------|--------|-----------------|------|----------------|-------|
| | Nov. | | | | | May | | | | | Nov. | | | | |
| | Better | Slightly better | Same | Slightly worse | Worse | Better | Slightly better | Same | Slightly worse | Worse | Better | Slightly better | Same | Slightly worse | Worse |
| Bid-ask spreads | 0 | 7 | 43 | 43 | 7 | 0 | 7 | 71 | 18 | 4 | 0 | 4 | 76 | 20 | 0 |
| Number of dealers quoting | 0 | 0 | 71 | 29 | 0 | 0 | 4 | 75 | 18 | 4 | 0 | 0 | 80 | 20 | 0 |
| Average size of trades | 0 | 14 | 64 | 21 | 0 | 0 | 11 | 46 | 43 | 0 | 0 | 4 | 56 | 36 | 4 |
| Timeliness of settlement | 0 | 0 | 100 | 0 | 0 | 0 | 4 | 89 | 7 | 0 | 0 | 0 | 96 | 4 | 0 |
| Number of counterparties you trade with | 0 | 0 | 71 | 29 | 0 | 0 | 11 | 68 | 21 | 0 | 0 | 12 | 76 | 12 | 0 |
| Depth of the market | 0 | 7 | 57 | 21 | 14 | 0 | 11 | 54 | 29 | 7 | 0 | 4 | 56 | 36 | 4 |
| | 2013 | | | | | | | | | | 2014 | | | | |
| | May | | | | | Nov. | | | | | May | | | | |
| | Better | Slightly better | Same | Slightly worse | Worse | Better | Slightly better | Same | Slightly worse | Worse | Better | Slightly better | Same | Slightly worse | Worse |
| Bid-ask spreads | 0 | 4 | 82 | 11 | 4 | 0 | 3 | 76 | 17 | 3 | 0 | 3 | 42 | 48 | 6 |
| Number of dealers quoting | 0 | 0 | 75 | 21 | 4 | 0 | 0 | 66 | 31 | 3 | 0 | 0 | 55 | 39 | 6 |
| Average size of trades | 0 | 7 | 64 | 25 | 4 | 0 | 3 | 72 | 21 | 3 | 0 | 10 | 45 | 45 | 0 |
| Timeliness of settlement | 0 | 0 | 100 | 0 | 0 | 0 | 0 | 97 | 3 | 0 | 0 | 3 | 97 | 0 | 0 |
| Number of counterparties you trade with | 0 | 21 | 64 | 11 | 4 | 0 | 10 | 69 | 17 | 3 | 0 | 10 | 65 | 26 | 0 |
| Depth of the market | 0 | 4 | 75 | 18 | 4 | 0 | 3 | 59 | 31 | 7 | 0 | 6 | 42 | 29 | 23 |

Table B4: Change in unsecured market functioning indicators during previous six months (per cent)

| | 2011 | | | | | 2012 | | | | | | | | | |
|---|--------|-----------------|------|----------------|-------|--------|-----------------|------|----------------|-------|--------|-----------------|------|----------------|-------|
| | Nov. | | | | | May | | | | | Nov. | | | | |
| | Better | Slightly better | Same | Slightly worse | Worse | Better | Slightly better | Same | Slightly worse | Worse | Better | Slightly better | Same | Slightly worse | Worse |
| Bid-ask spreads | 0 | 0 | 30 | 40 | 30 | 0 | 6 | 63 | 31 | 0 | 6 | 21 | 62 | 6 | 6 |
| Number of dealers quoting | 0 | 0 | 25 | 55 | 20 | 0 | 3 | 59 | 38 | 0 | 0 | 6 | 68 | 21 | 6 |
| Average size of trades | 0 | 10 | 35 | 40 | 15 | 0 | 3 | 53 | 41 | 3 | 0 | 6 | 74 | 15 | 6 |
| Timeliness of settlement | 0 | 0 | 85 | 15 | 0 | 0 | 0 | 100 | 0 | 0 | 0 | 3 | 94 | 3 | 0 |
| Number of counterparties you trade with | 0 | 15 | 5 | 55 | 25 | 0 | 22 | 34 | 38 | 6 | 0 | 24 | 47 | 24 | 6 |
| Depth of the market | 0 | 0 | 15 | 55 | 30 | 0 | 13 | 38 | 44 | 6 | 0 | 18 | 47 | 26 | 9 |
| | 2013 | | | | | 2014 | | | | | | | | | |
| | May | | | | | Nov. | | | | | May | | | | |
| | Better | Slightly better | Same | Slightly worse | Worse | Better | Slightly better | Same | Slightly worse | Worse | Better | Slightly better | Same | Slightly worse | Worse |
| Bid-ask spreads | 0 | 9 | 79 | 9 | 3 | 0 | 9 | 75 | 13 | 3 | 0 | 6 | 85 | 9 | 0 |
| Number of dealers quoting | 0 | 0 | 85 | 12 | 3 | 0 | 3 | 72 | 22 | 3 | 0 | 0 | 70 | 30 | 0 |
| Average size of trades | 0 | 9 | 70 | 18 | 3 | 0 | 9 | 66 | 22 | 3 | 3 | 9 | 70 | 15 | 3 |
| Timeliness of settlement | 0 | 0 | 100 | 0 | 0 | 0 | 3 | 97 | 0 | 0 | 0 | 3 | 97 | 0 | 0 |
| Number of counterparties you trade with | 0 | 21 | 52 | 18 | 9 | 0 | 28 | 50 | 19 | 3 | 0 | 18 | 55 | 21 | 6 |
| Depth of the market | 0 | 6 | 67 | 24 | 3 | 0 | 9 | 63 | 25 | 3 | 0 | 9 | 67 | 21 | 3 |

Table B5: Changes in unsecured credit limits during previous six months (per cent)

| | 2013 | | | | | | | | | |
|---|-------------|-----------------|----------|----------------|------------|-------------|-----------------|----------|----------------|------------|
| | May | | | | | Nov. | | | | |
| | Much higher | Somewhat higher | The same | Somewhat lower | Much lower | Much higher | Somewhat higher | The same | Somewhat lower | Much lower |
| Compared with six months ago, is the number of banks with which you hold credit limits to lend unsecured... | 0 | 3 | 76 | 18 | 3 | 0 | 6 | 72 | 19 | 3 |
| | 2014 | | | | | | | | | |
| | May | | | | | | | | | |
| | Much higher | Somewhat higher | The same | Somewhat lower | Much lower | | | | | |
| Compared with six months ago, is the number of banks with which you hold credit limits to lend unsecured... | 0 | 3 | 78 | 19 | 0 | | | | | |

Table B6: Coverage questions

| | 2012 | | | | 2013 | | | |
|---|-------------|---------|-------------|---------|-------------|---------|-------------|---------|
| | May | | Nov. | | May | | Nov. | |
| | Respondents | Average | Respondents | Average | Respondents | Average | Respondents | Average |
| Approximate percentage of your institution's global unsecured sterling money market transactions not conducted via your main London (or UK) desk(s) | 32 | 6% | 34 | 8% | 33 | 6% | 32 | 7% |
| Approximate percentage of your institution's global secured sterling money market transactions not conducted via your main London (or UK) desk(s) | 28 | 3% | 28 | 5% | 28 | 1% | 29 | 1% |
| Approximate percentage of turnover where there is uncertainty over the nature of the counterparty | – | – | 33 | 2% | 37 | 1% | 32 | 2% |
| | 2014 | | | | | | | |
| | May | | | | | | | |
| | Respondents | Average | | | | | | |
| Approximate percentage of your institution's global unsecured sterling money market transactions not conducted via your main London (or UK) desk(s) | 33 | 6% | | | | | | |
| Approximate percentage of your institution's global secured sterling money market transactions not conducted via your main London (or UK) desk(s) | 31 | 1% | | | | | | |
| Approximate percentage of turnover where there is uncertainty over the nature of the counterparty | 33 | 1% | | | | | | |

Annex C: 2014 H1 MMLG Sterling Money Market Survey participants

Bank of America Merrill Lynch
Bank of New York Mellon
Bank of Tokyo Mitsubishi UFJ
Barclays
BNP Paribas
Citigroup
Clydesdale
Commerzbank
Co-operative Bank
Coventry Building Society
Crédit Agricole CIB
Credit Suisse
Danske Bank
Debt Management Office
Deutsche Bank
Goldman Sachs
HSBC
ING UK
JPMorgan Chase
Lloyds Banking Group
Mizuho Bank
Morgan Stanley
Nationwide
Nomura
Nord LB
Northern Trust
Rabobank
Royal Bank of Canada
Royal Bank of Scotland
Santander
Société Générale
Standard Chartered
State Street
Svenska Handelsbanken
UBS
UniCredit
Yorkshire Building Society