

## OFR U.S. Repo Market Data Release Methodology for DVP Cleared Repo

### Source

The Office of Financial Research (OFR) collects data on all repurchase (repo) agreements cleared through major central counterparties, and reports aggregate statistics on these transactions by platform in its U.S. Repo Market Data Release. One of the covered platforms is the DVP Repo Service operated by the Fixed Income Clearing Corporation.

### Series Definitions

Three types of aggregate series are reported for DVP repo:

- 1) Transaction volume:** total principal amount exchanged in DVP on that day.
- 2) Outstanding volume:** total principal amount outstanding in DVP on that day.
- 3) Average rate:** average rate on DVP repo transactions weighted by the principal amount of the repo agreement.

### Volumes

Volumes are reported as the principal amount of each repo transaction, which is the amount of cash lent by the cash lender at the initiation of the trade. Transaction volume reflects all transactions that were initiated on a given day. Any forward trades (trades that are agreed to in advance of the start date) are recorded on the start date of the trade. Outstanding volume reflects the volume of all trades from their start dates up until their end dates.

Many, but not all, trades in DVP are brokered. For all calculations, inter-dealer broker activity in DVP is netted whenever possible. This eliminates double-counting of volumes for matched-book activity by inter-dealer brokers, making the volumes of these trades equivalent to what they would be if the same volume between dealers were not brokered. However, broker balance sheets in DVP repo are not always matched. For each broker on each reporting date, the OFR constructs an estimate of matched trades by taking all trades for a given broker with the same tenor, collateral CUSIP, and start date. If for a particular security, tenor, and start date the total cash in a broker's repo transactions matches the total cash in a broker's reverse repo, then the transactions are viewed to have been matched-book brokered activity, and volume for these transactions is treated as having been half the gross volume.

## Rates

Rates are reported as principal-weighted mean rates. For brokered trades, the weighted average rate for these transactions is the mean of the weighted average repo rate and weighted average reverse repo rate among these transactions. If volume is not matched in a particular security, tenor, and start date, then volume is treated as the maximum of repo and reverse repo volume. The weighted average rate for the portion not matched is assumed to be the same as the weighted average rate for the matched portion of trades.

## Tenor

Tenor is the amount of time before a contract expires. Tenor for DVP repo is defined as the days between the start date of a trade (date of the open leg) and the end date (date of the close leg). To determine whether trades are overnight, weekends and holidays are excluded from the calculation of days between start and end dates. For term repo, calendar days are used.

- 1) **Overnight/open:** trades ending in one business day.
- 2) **Less than or equal to 30 days:** trades ending in 30 or fewer calendar days but more than one business day.
- 3) **Greater than 30 days:** trades ending in more than 30 calendar days.

## Collateral Class

The source data include classifications of collateral by specific-security CUSIP. The OFR maintains a mapping from collateral CUSIP issuer numbers to two asset classes: U.S. Treasury securities, and U.S. Agency and Government-sponsored Enterprise securities. Collateral without a mapping is classified according to a method based on the first digit of the CUSIP for preliminary releases.

## Disclosure Edits

To ensure that individual positions cannot be inferred from the aggregations the OFR reports, the OFR applies disclosure edits to the series it publishes. As a result, data will not be reported for any day in which the OFR judges that volumes or numbers of unique participants fail to ensure the protection of individual firms' data.