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AGENDA

DATE: 22 February 2023
VENUE: Hybrid meeting (The Riksbank (5th floor), or via Microsoft Teams)
TIME: 14.00 – 15.30 CET
DOCUMENT CLASSIFICATION RB PUBLIC

SWESTR Advisory Group

1. The Chair welcomes the meeting participants

2. The participants introduce themselves

The Riksbank asks the participants in the group to briefly introduce themselves.

3. Developments since the previous meeting

The Riksbank summarises what was said at the group's last meeting, held on 21 September 2022. The Riksbank also provides information on developments since then that may affect the group, SWESTR and/or the underlying market. The Riksbank also invites the participants to inform the group of any factors that they consider may affect the underlying market for SWESTR.

4. The Riksbank's framework for SWESTR

As part of the Riksbank's ongoing work, all governing documents adopted by the Executive Board are reviewed annually, including those governing documents that apply to the work on SWESTR. In light of this, revised governing documents came into force at the turn of the year. The Riksbank presents and explains the changes made. Some clarifications have been made on substantive issues, but otherwise the changes have largely concerned issues that are not relevant to external stakeholders. As a result of the revised governing documents, a revised version of the information document has also entered into force.

The Riksbank welcomes questions and comments from the group on the governing documents and the information document.¹ Are there any remaining ambiguities in the information document and/or is there any information missing?

5. The underlying market for SWESTR

The underlying market for SWESTR is defined as the unsecured overnight market in Swedish kronor. The Riksbank invites participants to share information and comments on this market and its functionality.

Since the previous meeting of the group, the Executive Board of the Riksbank has raised the policy rate to 3.0 per cent. The Riksbank has also increased the offered volume of Riksbank Certificates, which may leave less liquidity in the overnight market. The Riksbank is therefore interested in hearing from participants about how this has affected, and can be expected to affect, interest rate formation in the overnight market, as well as the interest rates faced by different types of customers.

¹The [information document](#) is attached to the agenda, while the Riksbank's [Policy for transaction-based reference rate SWESTR](#) and [Rule for the administration of SWESTR](#) are available on the Riksbank's website.

6. Consultation on SWESTR

On 15 February 2023, the Riksbank, via the Markets Department, circulated a consultation with proposals in two areas relating to SWESTR (ref. 2023-00261). The consultation is attached to the agenda. Responses to the consultation must be received by the Riksbank by 8 March.

At the meeting, the Riksbank will present the proposals and answer any questions from the group. Any comments can be submitted at the meeting, but the Riksbank encourages participants to also submit them in accordance with the instructions in the consultation.

a. Earlier publication time for SWESTR

The Riksbank proposes that, going forward, SWESTR should be published at 09.00 CET on the day of publication. Any corrected value is proposed to be published at 12.00 CET on the same day. For average rates and the index based on SWESTR, the corresponding times are proposed to be 09.05 CET and 12.05 CET respectively.

In order to make this earlier publication possible, the Riksbank also needs to adjust the timetable for the daily process of determining and publishing the benchmarks and to carry out different types of checks on transaction data in parallel.

b. Increased transparency regarding the transaction dataset

The Riksbank also proposes that the information provided regarding the transaction dataset for SWESTR be expanded. Going forward, the Riksbank plans to publish information on the interest-rate levels at the boundaries for the trimming of the transaction dataset daily. The Riksbank also intends to provide summary information on the composition of the transaction dataset with a time-lag of just over a month.²

7. Year-end and robustness requirements for SWESTR

Compared to the immediately preceding days, SWESTR fell sharply on the last banking day of last year, and was quoted at -9.038% on 30 December 2022. Although SWESTR could be calculated using the normal calculation method on the day in question, the number of reporting agents contributing transactions was only three, which is the minimum number allowed for determining SWESTR based on the normal calculation method.

The Riksbank is seeking comments and information from participants on the functioning of the overnight market ahead of year-end. The Riksbank also welcomes comments on how the robustness requirements for SWESTR interact with the interest rate formation and the activity ahead of year-end.

A concern that has reached the Riksbank in bilateral discussions concerns what happens if the robustness requirements are not met, or a technical failure occurs, on the first or second banking day of the New Year. In that case, the anomalous value on the last business day of the previous year would affect the SWESTR value determined using an alternative calculation method. The Riksbank therefore also welcomes comments from the group on this topic.

8. Any other business

9. Next meeting

The Riksbank would like to hear the group's views on when the next meeting should be held.

² The information is intended to be included in an expanded [Report on the transaction dataset for SWESTR](#).