

Statistical definitions for the fixed income market (FI) reporting

The fixed income market (FI) reporting covers the turnover for different types of debt securities and derivatives denominated in Swedish kronor (SEK). The reporting gives Sveriges Riksbank a deeper understanding of the activity on the Swedish fixed income market in Swedish kronor and a better picture of how market shares are distributed between the reporting institutions.

Turnover refers to the principal amount of debt securities purchased and sold and of newly entered derivatives. The turnover must be allocated to the various asset types, contract types, transaction types and counterparty types as specified below. All amounts must be expressed in millions of Swedish kronor without decimal. Aggregate turnover for all institutions is published on Sveriges Riksbank’s website. For more technical instructions regarding the reporting, please see <http://www.riksbank.se/New-SELMA> document SELMA-Exchange specifications.

It is important that the reporting institutions appoint a responsible person for questions concerning the statistics reported.

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1. Asset Types

The instruments are divided into two main categories: debt securities and derivatives. Debt securities are referred to as bonds if their original maturity is over one year and bills or certificates if it is up to and including one year. Certificates include both certificates of deposits and commercial papers.

1.1 Debt securities

Government Bonds:

Bonds issued by the Swedish Government (National Debt Office), denominated in Swedish kronor.

Inflation Linked Bonds:

Inflation Linked Bonds issued by the Swedish Government (National Debt Office), denominated in Swedish kronor.

T-Bills (Treasury Bills):

Treasury bills issued by the Swedish Government (National Debt Office), denominated in Swedish kronor.

Covered Bonds:

Covered bonds denominated in Swedish kronor issued by financial corporations, such as banks and mortgage institutions. Covered bonds are regulated by specific national laws, giving the holder a claim on the issuer and an underlying dynamic cover pool of which the assets remain on the issuer's balance sheet. Each country has its own covered bond legislation so the bond characteristics may differ from country to country. Covered bonds denominated in Swedish kronor issued under Swedish as well as foreign law should be reported.

Financial Sector Unsecured Bonds:

Unsecured bonds denominated in Swedish kronor issued by financial corporations, such as banks, mortgage institutions and other financial institutions like Investor and Industrivärlden.

Financial Sector Certificates:

Certificates issued by financial corporations except Sveriges Riksbank denominated in Swedish kronor.

Riksbank Certificates:

Certificates issued by Sveriges Riksbank, denominated in Swedish kronor. The certificates are usually issued weekly by Sveriges Riksbank.

Corporate Bonds:

Bonds denominated in Swedish kronor issued by non-financial corporations such as Vasakronan, Fortum, Sandvik and Volvo Treasury.

Corporate Certificates:

Certificates issued by non-financial corporations denominated in Swedish kronor.

Kommuninvest Bonds:

Bonds issued by Kommuninvest i Sverige AB denominated in Swedish kronor.

Kommuninvest Certificates:

Certificates issued by Kommuninvest i Sverige AB denominated in Swedish kronor.

Other Debt Securities

Other bonds and certificates denominated in Swedish kronor, including securities issued by Swedish municipalities and country councils, other sovereigns, supranationals and government agencies like City of Stockholm, the Finish Government, European Investment Bank, KFW and Svensk Exportkredit.

1.2 Derivatives

IRS SEK/SEK:

Ordinary interest rate swaps ("plain vanilla interest rate swaps") denominated in Swedish kronor with a maturity of more than 1 year must be reported. An interest rate swap is an agreement between two parties to exchange interest rate flows for a specified period. So-called buy-outs, terminations, novations should not be included in the reporting. Only new swaps are to be reported. Note that only the fixed interest rate leg of a swap is to be reported.

Example

If a reporter pays 5-year fixed interest rate and receives the 3-month STIBOR rate for the nominal amount of SEK 5 billion with a Non-Swedish Customer, this is to be reported as follows:

Asset Type: IRS SEK/SEK

Contract Type: -

Transaction Type: Pay

Counterparty Type: Non-Swedish Customer

Amount: 5000

2. Contract Types

2.1. Debt securities

Turnover of debt securities must be allocated among the following contract types:

Spot:

Refers to transactions settled up to and including 10 business days from trade date, also called t+10.

Forward:

Refers to transactions settled later than 10 business days from trade date, also called t+11. Note that Nasdaq-cleared forwards shall always be reported as forwards (even if they were settled sooner than t+11).

Repo:

A repo transaction is a repurchase agreement between two parties. That is, a purchase or sale of securities to a counterparty in exchange for cash, under the agreement that the same securities will be sold back or bought back for a given price at a specific future date. Both cleared and non-cleared repo transactions must be included in reporting. Note that only the first leg of the repo transaction is to be reported.

Example:

A repo transaction in which the reporter initially purchases a 5-year Swedish government bond for 500 million SEK from a non-Swedish customer and one week later sells it back for 501 million SEK must be reported as follows:

Asset Type: Government Bonds

Contract Type: Repo

Transaction Type: Purchased

Counterparty Type: Non-Swedish Customer

Amount: 500

2.2. Derivatives

Turnover of derivatives is not to be allocated by contract type.

- :

Not Applicable.

3. Transaction Types

3.1. Debt securities

Turnover of debt securities must be allocated among purchased and sold as follows:

Purchased:

Security purchased from a counterparty by the reporter.

Sold:

Security sold to a counterparty by the reporter.

3.2. Derivatives

Derivative turnover (IRS SEK/SEK) is to be divided into pay and receive as follows:

Pay:

The reporter paying fixed interest rate to a counterparty.

Receive:

The reporter receiving fixed interest rate from a counterparty.

4. Counterparty Types

Counterparty types refer to the type of counterparty the reporter has traded with. The counterparty is to be categorised as Primary Market if the reporter has traded a debt security with the corresponding issuer of the security. Otherwise it should be categorized as Reporter or Other Market Maker if acting as market maker, or No Name Give Up Broker, Swedish Customer or Non-Swedish Customer. A particular organization may have different functions that fall under different counterparty types. For example, an Interbank Dealer should be seen as market maker whereas an Asset Manager or Propriety Trader should be seen as customer.

Primary Market:

Primary market refers to transactions in debt securities with the corresponding issuer of the security. The counterparty could for example be the Swedish National Debt Office, Sveriges Riksbank, a Reporter or another bank or corporation.

Participation in an issue must be reported as purchased on the Primary Market. When the issuer purchases/advance redeems existing securities, this is considered to be sold to the Primary Market. Substitutions must be reported as purchased and sold to the Primary Market (a received instrument is to be registered as purchased, a handed-over instrument is to be registered as sold).

Primary market is not applicable to derivative transactions.

Reporter:

The Riksbank's primary monetary policy counterparty and counterparties to the Swedish National Debt Office are defined as Reporters. For an updated list of reporters, see www.riksbank.se. The list can be found under Monetary Policy/Reporting SELMA/Documentation.

Other Market Maker:

The term Other Market Maker refers to an institution that acts as a market maker but is not a Reporter. See www.riksbank.se for an updated list of Other Market Makers. The list can be found under Monetary Policy/Reporting SELMA/Documentation.

No Name Give Up Brokers:

Transactions made with fixed income brokers, such as ICAP, Tullet Prebon and Martin Brokers.

Swedish Customer:

Customers located in Sweden¹. This also functions as a general category for counterparties in Sweden. That means all counterparties not categorised as Reporter, Other Market Maker or No Name Give Up Brokers.

Non-Swedish Customer:

Customers located outside of Sweden¹. This also functions as a general item for counterparties outside of Sweden. That means all counterparties not categorised as Reporter, Other Market Maker or No Name Give Up Brokers.

Sveriges Riksbank:

The counterparty is the central bank of Sweden, Sveriges Riksbank. Note that when Sveriges Riksbank acts as issuer in the transaction, for example in the issuance of Riksbank certificates, this transaction must be reported under Primary Market.

¹ The country of legal incorporation determines a customer's location. For branches, the customer's location is determined by the country of incorporation of its head office.