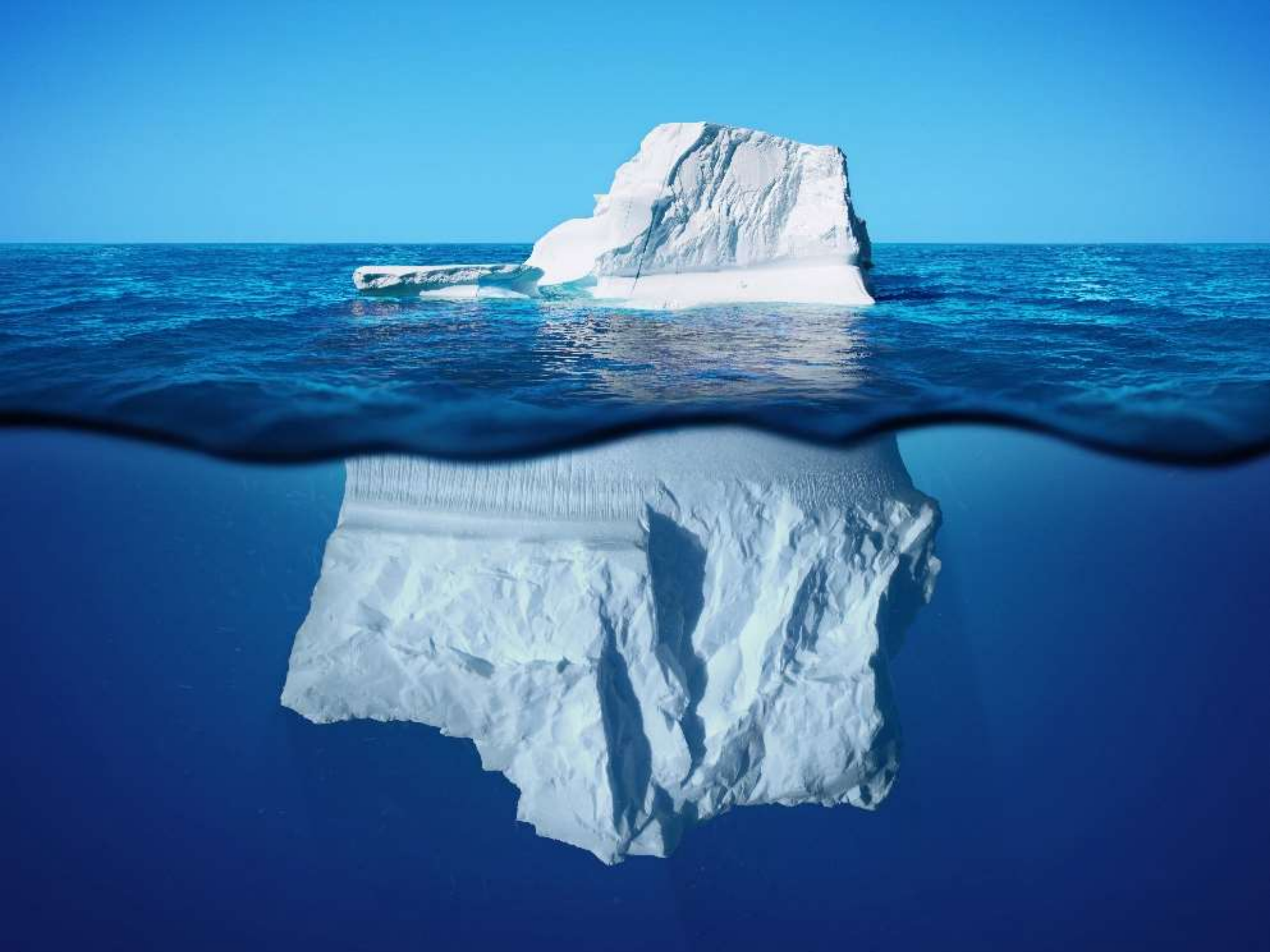


The use of public post-trade data in risk and valuation

Stephan Knauer
May 2017



Main driver on post trade data: Regulation

“Operators of trading venues must make pre-trade and post-trade transparency data available to the public separately and on a reasonable commercial basis, and must ensure non-discriminatory access”

RTS 2 in ESMA, Regulatory technical and implementing standards: Annex I MiFID II/MiFIR, 28 September 2015

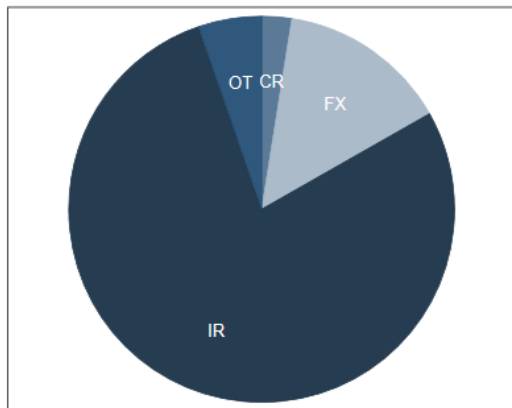


Sources for post trade data: Trade repositories

- DTCC US DDR
- Bloomberg SDR
- KDPW
- Regis-TR S.A.
- UnaVista (LSE)
- CME Trade Repository Ltd.
(CME TR)
- ICE Trade Vault Europe Ltd.
(ICE TVEL)

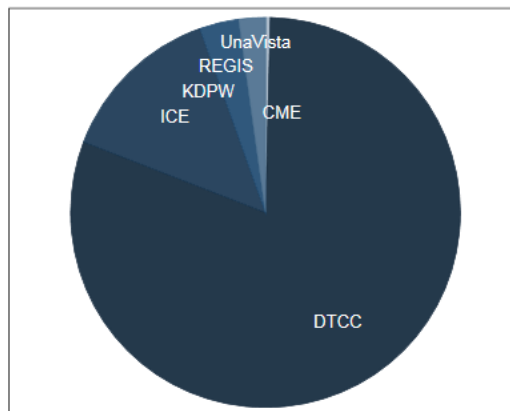


Chart 1
Notional shares of OTC derivative classes



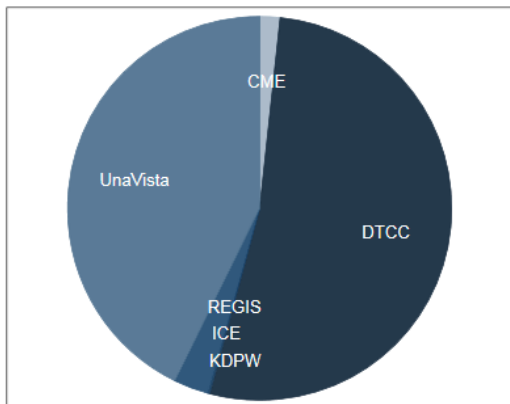
Note: "CR" denotes credit derivatives, "FX" denotes foreign-exchange derivatives, "IR" denotes interest rate derivatives, and "OT" indicates other classes, including commodities and equity-linked derivatives.
 Source: BIS semi-annual OTC derivatives survey (end-2015) and authors' calculations.

Chart 3
Market shares of trade repositories in OTC credit derivatives



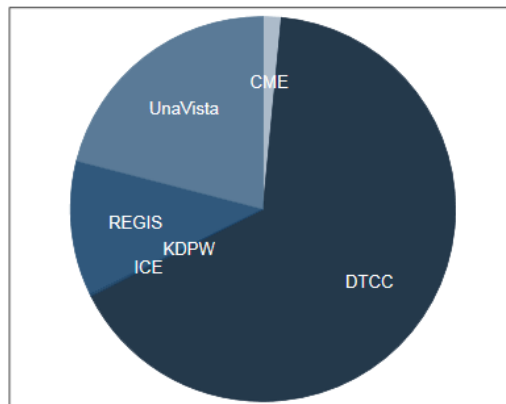
Note: Based on the average notional amount of open trades for each TR over the period January-August 2016.
 Source: Trade repositories' public data.

Chart 2
Market shares of trade repositories in OTC interest rate derivatives



Note: Based on the average notional amount of open trades for each TR over the period January-August 2016.
 Source: Trade repositories' public data.

Chart 4
Market shares of trade repositories in OTC foreign exchange derivatives



Note: Based on the average notional amount of open trades for each TR over the period January-August 2016.
 Source: Trade repositories' public data.

Source:
 Market Coverage
 ESRB,
 Occasional Paper Series
 No 11/ September 2016



Post trade data in IPV / valuation: Increased data basis

“Institutions shall consider a full range of available and reliable market data sources to determine a prudent value ...”

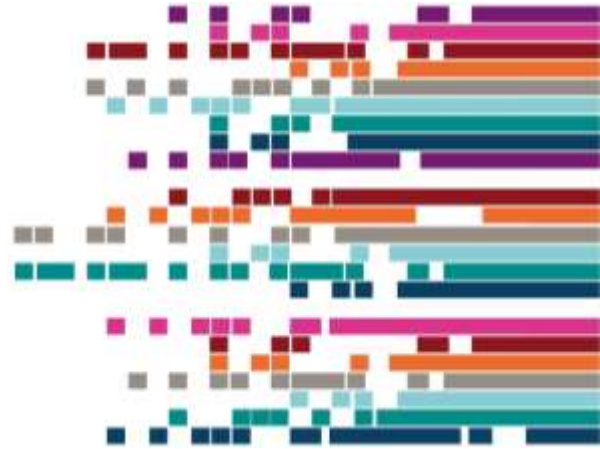
Commission Delegated Regulation (EU) 2016/101 of 26 October 2015 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for prudent valuation under Article 105(14) (Text with EEA relevance)

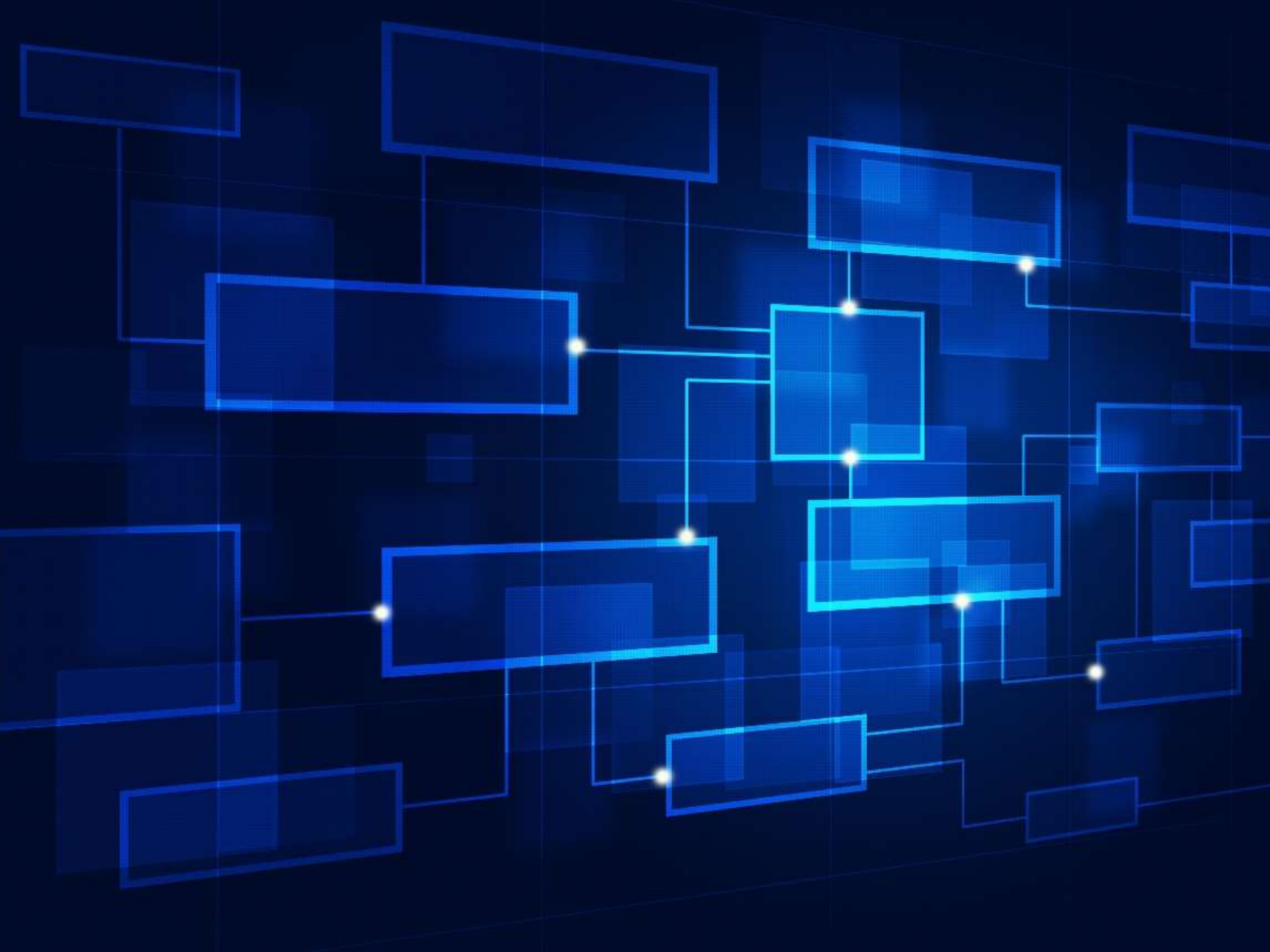


Post trade data in FRTB: Modellability assessments

“For a risk factor to be classified as modellable by a bank, there must be continuously available ‘real’ prices for a sufficient set of representative transactions”

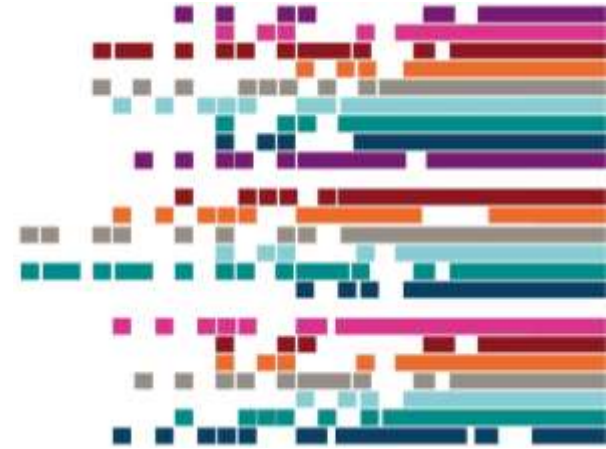
Basel Committee on
Banking Supervision,
Minimum capital
requirements for market
risk





Taxonomies and Identifiers

- ANNA (Association of National Numbering Agencies)
CFI (ISO 10962), ISIN
- ISDA (International Swaps and Derivatives Association)
Taxonomy v2.0, UPI
- MSCI Inc.
GICS
- GLEIF (Global Legal Entity Identifier Foundation)
LEI



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