A service of the
ZBW (HTTP://WWW.ZBW.EU)

ECONSTOR
Make Your Publications Visible.

EconStor (/) / Bank of Canada, Ottawa (/handle/10419/53154) / Bank of Canada Staff Discussion Papers (/handle/10419/66902)

Please use this identifier to cite or link to this item: **https://hdl.handle.net/10419/173361**

Title:

Canadian repo market ecology

Authors:

Garriott, Corey
Gray, Kyle

Year of Publication:

2016

Series/Report no.:

Bank of Canada Staff Discussion Paper No. 2016-8

Publisher:

Bank of Canada, Ottawa

Abstract:

This is the first of the Financial Markets Department's descriptions of Canadian financial industrial organization. The document discusses the organization of the repurchase-agreement (repo) market in Canada. We define the repo contract, the market infrastructures that support repo trading and the composition of the market participants. We also describe repo trading practices in Canada, risks in the repo market and repo regulation. A repo is a financial contract that resembles a collateralized loan. It is used to support the funding needs of financial institutions and to procure on a temporary basis specific securities. The Canadian repo market is primarily composed of large banks and large investment institutions such as pension funds. A unique feature of the Canadian market is that Canadian investment institutions are net borrowers of cash via repo. Repo can transmit risks in the financial system because it can create levered interconnections among participants. Risks in the Canadian repo market are relatively smaller than in other jurisdictions.

Subjects:

Financial markets
Financial institutions
Financial system regulation and policies
Market structure and pricing

JEL:

A service of the
ZBW (HTTP://WWW.ZBW.EU)

G18
G21
G23

Persistent Identifier of the first edition:

doi:10.34989/sdp-2016-8

Document Type:

Working Paper

Appears in Collections:

Bank of Canada Staff Discussion Papers

Files in This Item:

File	Size
sdp2016-08.pdf (https://www.econstor.eu/bitstream/10419/173361/1/sdp2016-08.pdf)	1.47 MB

Download Statistics (/esstatistics/10419/173361?year=2026&month=9)

BibTeX-Export (/bibtexexport/10419/173361/Garriott2016Canadian.bib)

Items in EconStor are protected by copyright, with all rights reserved, unless otherwise indicated.

Contact (/contact) | Imprint (/Impressum) | Privacy (/Datenschutz) | Sitemap (/staticpagessitemap) | Accessibility (/erklaerung-zur-barrierefreiheit) | Deutsch (?locale=de)