Global Conference on the G-20 Data Gaps Initiative

Some Views from the OFR:

Uses of DGI data enhancements
&
Views on emerging data needs

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Washington D.C.
June 25 – 26, 2013
What is the Office of Financial Research?

Mandates:

• **Monitor and analyze threats to U.S. financial stability** – The OFR is developing metrics to assess threats to financial stability, and tools for measuring and monitoring risk.

• **Conduct research on U.S. financial stability** – The OFR is conducting research to evaluate stress tests and to propose other potential stability-related assessments of financial entities, reporting on market disruptions, and providing analyses of policy tools and responses.

• **Address gaps in financial data and help to fill them** – The OFR is promoting data integrity, accuracy, and transparency for the benefit of market participants, regulators, and research communities.

• **Promote data standards** – The OFR is collaborating with policymakers, regulators, multilateral organizations, and industry to establish global data standards, e.g., for a global legal entity identifier (LEI).
Potential research uses for Data Gaps Initiative data

• Research on, and monitoring of, international exposures
  – Cross-border imbalances
  – Correlated and concentrated exposures
  – Size and growth rates of particular global market sectors

• Research on international networks
  – Interconnectedness and contagion
  – Dynamic properties of international financial networks
  – G-SIFI data could be used for 10x10x10 type analysis of financial networks and exposures, providing a global view of risk concentrations

• Research on, and monitoring of, global liquidity
  – Assessing global liquidity needs and availability
  – Evaluating approaches to liquidity intervention
  – Monitoring observed price movements and portfolio concentrations

• Research on data sharing
  – Establishing standards for formatting and defining data
  – Research on the implications of data sharing, and “optimal” degree of sharing
  – Defining and implementing privacy technologies
Prior to the financial crisis, data available to monitor the financial system were too aggregated, limited in scope, out of date, disconnected, or otherwise incomplete.

**OFR Data Gaps Framework**

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<th>Identify Financial Stability Data Needs</th>
<th>Determine Data Gaps</th>
<th>Prioritize and Fill Data Gaps</th>
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<td>Work in support of the Council</td>
<td>Inventory data available to supervisors</td>
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<td>Other collaborations</td>
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* Ensure security, confidentiality, and privacy of data

* OFR 2012 Annual Report
Views on emerging data needs:

**Repo markets**: OFR is investigating ways to improve the quality and scope of data in repo markets.

- Since the crisis, data have improved, but quality and quantity of repo data remain insufficient for tri-party, DVP, and GCF repo markets.

- Need data on six characteristics of repo and securities lending trades at the firm level: principal amount, interest rate, collateral type, bid-ask spreads, haircut, tenor, and counterparty.
Views on emerging data needs (Cont’d):

**OTC derivatives markets:** OFR with other public agencies have access to DTCC trade warehouse transaction-level and position data on credit for US counterparties and reference entities.

- Global scope and price information not complete.
- Data quality can be improved.
- OFR is investigating ways to improve scope and quality through FSOC and regulatory collaboration.

**Data Comparability:**

- Enhanced standardization of data for greater comparability (apples-to-apples).
- Improved data quality for better “fit for purpose.”
- Greater mutually agreed-upon data definition for unambiguous shared meaning.