

1. Record Nr.	UNINA9910817191103321
Autore	Aitken James
Titolo	Counterparty Risk, Impact on Collateral Flows and Role for Central Counterparties // James Aitken, Manmohan Singh
Pubbl/distr/stampa	Washington, D.C. : , : International Monetary Fund, , 2009
ISBN	1-4623-6484-5 1-4527-7428-5 1-4518-7320-4 1-282-84385-0 9786612843853
Edizione	[1st ed.]
Descrizione fisica	1 online resource (17 p.)
Collana	IMF Working Papers
Altri autori (Persone)	SinghManmohan
Disciplina	332.63232
Soggetti	Credit - Risk assessment Risk management - United States Banks and banking - United States Finance - United States Asset and liability management Banking Banks and Banking Banks and banking Banks Central counterparty clearing house Clearinghouses Collateral Currencies Depository Institutions Derivative markets Derivative securities Finance Finance: General Financial Institutions and Services: Government Policy and Regulation Financial institutions Financial Instruments Financial markets General Financial Markets: General (includes Measurement and Data) Government and the Monetary System Industries: Financial Services Institutional Investors

International Finance Forecasting and Simulation  
International finance  
International Financial Markets  
International liquidity  
Investment Decisions  
Loans  
Micro Finance Institutions  
Monetary economics  
Monetary Systems  
Money and Monetary Policy  
Money  
Mortgages  
Non-bank Financial Institutions  
Payment Systems  
Pension Funds  
Portfolio Choice  
Regimes  
Standards  
United States

Lingua di pubblicazione	Inglese
Formato	Materiale a stampa
Livello bibliografico	Monografia
Note generali	At head of title: Monetary and Capital Markets Department. "August 2009."
Nota di bibliografia	Includes bibliographical references.
Nota di contenuto	Contents; I. Introduction; II. Counterparty Risk; Figures; 1. Illustrative Repricing of Derivatives When a Large Financial Institution Fails; III. The Changing Profile of Counterparty Risk in the United States; IV. The Adverse Impact of Counterparty Risk on Global Liquidity; 2. Counterparty Liabilities of Major U.S. Banks; Tables; 1. Snapshot of Reduced Collateral Posting Among LCFIs; 2. Securities Lending by Major Custodians; V. Regulatory Thrust for a Central Counterparty; 3. Cash Holding by Major LCFIs; VI. Conclusions and Policy Implications; Appendixes 1. Methodological Issues in Computing Connectedness in Counterparty RiskReferences
Sommario/riassunto	Counterparty risk in the United States stemming from exposures to OTC derivatives payables (after netting) is now concentrated in five banks?Goldman Sachs, JPMorgan, Bank of America, Morgan Stanley and Citi. This note analyzes how such risks have shifted over the past year. We estimate that the adverse impact of counterparty risk on high-grade collateral flows and global liquidity due to decrease in rehypothecation, reduced securities lending, and hoarding of cash by major banks is at least \$5 trillion. In order to mitigate counterparty risk, there have been regulatory initiatives to establish central counterparties (CCPs). From a policy perspective, counterparty risk remains large at present and recent experience has shown that OTC derivative positions are not supported by sufficient capital, constituting a major risk for participants in this market.

