The repo market in Mexico: empirics and stylized facts

María Usi Lópeza, Serafín Martínez-Jaramilloa,∗, Fabrizio López-Gallo Deya

aBanco de México, Av. 5 de Mayo No.1, Col. Centro, Ciudad de México

Abstract

This paper is a thorough description of the repo market in Mexico, a funding market of significant importance for Mexican commercial banks, brokerage houses, and development banks, and which, unlike the repo markets in Europe and the U.S., is an OTC market with no central counterparty or tri-party repo repos. In this paper, we describe the counterparties which are involved in repo transactions, as well as distribution by collateral type, and provide some further metrics on the trading volume and other informative statistics on haircuts and rates. Given that Banco de México possesses information on individual repo transactions from 1998, we also study the evolution of this market, paying particular attention to the financial crisis that started in 2007. This is one of a few descriptive papers on this market due to the extremely detailed and granular data base on repo transactions in Mexico. The main contribution of this paper is to document and describe the structure of a market for which there exists a long history of individual repo transactions and which is of great importance from the perspective of the funding structure of banks.

∗The opinions expressed in this paper do not reflect the views of Banco de México or the Financial Stability General Directorate. The authors would like to express their gratitude to the anonymous referees for their comments and to the colleagues from the statistics division at the Financial Stability General Directorate for their support with the database; in particular, to Luis H. García García and Mario A. Reyna Cerecero. Additionally, we would like to thank our colleagues from the Central Bank Operations General Directorate. In particular, we are grateful to Raúl Álvarez del Castillo Penna for sharing with us his insights on the Mexican repo market. Last but not least we appreciate Gerardo Gage’s research assistance.

Corresponding author

Email address: smartin@banxico.org.mx (Serafín Martínez-Jaramillo)
دریافت فوری متن کامل مقاله

امکان دانلود نسخه تمام متن مقالات انگلیسی
امکان دانلود نسخه ترجمه شده مقالات
پذیرش سفارش ترجمه تخصصی
امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
امکان دانلود رایگان ۲ صفحه اول هر مقاله
امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
دانلود فوری مقاله پس از پرداخت آنلاین
پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات