



Національний  
банк України

## Procedures for Regular Review of Ukrainian Money Market and FX Market Indicators



# Regular Review of Indicators: *summary*



**PURPOSE OF REVIEW:** *establish whether the following is needed:*

- ✓ **replacement of current indicators**
- ✓ **adjustment of methodology**
- ✓ **adjustment of other important aspects** (time for calculation. procedure for publication. etc.)



## WHAT NEEDS TO BE REVIEWED

- **Market conditions:** does the market allow for regular calculation of a reliable indicator?
- **Structural changes on the market:** does the existing indicator reflect market reality and meet the needs of market participants?
- **Methodology of indicator:** were any shortcomings, deficiencies or weaknesses of methodology found in its application?
- **Operational aspects:** were any shortcomings or deficiencies of operational aspects of indicator calculation/publication found (unreliable data source, technical failures, etc.)?
- **International experience:** what has changed globally in approaches to indicators definition and calculation? Which international innovations can be applied in Ukraine?



## REGULARITY OF REVIEW

- **semiannual** : no later than February and August, respectively
- **ad-hoc** : in case of sudden major changes in market conditions

# ***Regular Review of Indicators: analytical and other information that is submitted to the Council for Oversight of Money Market and FX Market Indicators***

<b>UONIA</b>	<b>Analytics for consideration by the Oversight Council</b>	<b>UAH/USD exchange rate</b>
<ul style="list-style-type: none"><li>✓ number and amounts of deals, number of participants and their activity in the ICM unsecured segment</li><li>✓ number and volume of deals, number of participants and their activity in other segments (repo, swap)</li><li>✓ UONIA's dynamics compared to other indices</li><li>✓ use of UONIA as an indicator for market agreements conclusion (comparative to other indicators)</li><li>✓ number and volume of excluded deals when calculating UONIA</li><li>✓ cases of use of the methodology for special conditions in UONIA calculation</li><li>✓ changes in deals distribution during the day</li><li>✓ other relevant analytical information</li></ul>		<ul style="list-style-type: none"><li>➤ number and amounts of deals, number of participants and their activity in the UAH/USD segment of Ukrainian FX market</li><li>➤ number and volume of deals, number of participants and their activity in other segments (UAH/USD, hryvnia rates against other currencies)</li><li>➤ dynamics of an official/reference UAH/USD exchange rate comparative to other Forex indicators</li><li>➤ use of the official/reference exchange rate as an indicator for market deals conclusion (relative to other indicators)</li><li>➤ number and volume of deals excluded from calculation of the official/reference exchange rate</li><li>➤ cases of use of the methodology for special conditions in calculation of UAH/USD official/reference exchange rate</li><li>➤ changes in deals distribution during the day</li><li>➤ changes in FX breakdown of deals on Ukrainian FX market</li></ul>

## ***Other data for the Oversight Council to consider***

- ❑ Information on any comments/proposals to change indicators and/or their methodology received from any stakeholders since the previous regular review
- ❑ Information on any found shortcomings in operational aspects of indicators calculation/publication
- ❑ Staff conclusions on necessity/feasibility of making changes to indicators and/or their methodology/procedures

# Regular Review of Indicators: *decisions and consequences*

---

## Possible decisions of the Oversight Council

Indicators and their methodology meet market conditions and needs

Information on findings of a regular review:

- ✓ is placed in a summarized form at the NBU website
- ✓ is provided in an extended form to the Money and Foreign Exchange Markets Contact Group for their information

Indicators and/or their methodology DO NOT meet market conditions and/or needs

It is recommended that NBU staff:

- finalize the proposals on change of the indicator and/or its methodology
- launch the procedure for making changes
- commence the procedure for terminating the calculation of indicators, if necessary

Procedures for indicators calculation and/or publication should be improved

It is recommended that NBU staff:

- submit the drafts of changes to the respective procedures for NBU senior management to consider