

## November 2018 – Ceasing breakdowns for Government bond turnover (D9)

The Reserve Bank plans to discontinue the publication of [Government bond turnover \(D9\)](#) in its current format. From early 2019, we intend to publish only the total turnover for each bond – the ‘repo/other’ and ‘non-repo’ activity breakdown will no longer be published. We are seeking feedback on this proposed change.

Non-repo trades represent secondary market trading where a permanent change of ownership has resulted. It is a proxy for a liquidity measure of government bonds.

Repo trades are arrangements under which one party sells a security at a specified price to another party, with an agreement that the security will be repurchased at a fixed price on a specified future date. The ‘repo/other’ category includes repurchase agreements, in-house transactions, the take-up of new issue bonds, and any other transactions that are not appropriately categorised as ‘non-repo’.

Bond turnover data is sourced from the NZ Clear payment system, which is being replaced next year. In the first rollout, the new system will not have the functionality to identify ‘repo’ trades that are currently reported alongside ‘non-repo’ trades in the D9 table.

There is an agreement with the New Zealand Debt Management (NZDM) for the Reserve Bank to publish weekly secondary market turnover data. We have discussed this proposed change with NZDM, and we are now consulting more widely.

Information on the repo and non-repo trades in the D9 table:

- There is a global market for trading bonds, however, the published data represents only what is settled in the New Zealand system and will only be a subset of total trading in NZ government bonds.
- Typically during the past five years, non-repo activity accounted for about 16 percent of the total government bond market.
- It is likely that secondary market trading activity in the NZ market is under-represented by this data, given it only includes what has been settled in the NZ Clear system, and that repo trades are often complex and difficult to identify and report.

Please see D9 background notes and series description for more information.

We welcome your feedback on this change. Please email any questions, comments, or feedback on your use of this data to [stats-info@rbnz.govt.nz](mailto:stats-info@rbnz.govt.nz).