

## TMPG Meeting Minutes

April 1, 2015

### TMPG attendees

Jim DeMare (BAML)

Michael Garrett (Wellington)

Beth Hammack (Goldman Sachs)

Jim Hraska (Barclays)

Gary Kain (American Capital Agency)

Steven Meier (State Street Global Advisors)

Murray Pozmanter (Depository Trust & Clearing Corp)

Gerald Pucci (Blackrock)

Stuart Wexler (ICAP)

Tom Wipf (Morgan Stanley)

### FRBNY attendees

Michelle Ezer

Frank Keane

Lorie Logan

Susan McLaughlin

Radhika Mithal

Anna Nordstrom

Brett Rose

Ernst Schaumburg

Janine Tramontana

Nate Wuerffel

- The meeting commenced with an acknowledgement of the many contributions made by departing member Brian Egnatz from HSBC.
- The TMPG discussed recent market developments including reactions to the [March FOMC meeting](#) and related communications, the possible implications of ongoing central bank asset purchase programs and negative rates on market functioning, and money market functioning over the quarter-end.
- Members then discussed a draft of the TMPG’s white paper on automated trading in Treasury markets and related updates to the Group’s best practice recommendations. The TMPG reviewed the revisions to the white paper and discussed the key updates to the best practice recommendations. A discussion on the planned publication of the white paper ensued and the Group decided to release a consultative paper the following week with a month long public comment period.<sup>1</sup> Members also discussed outreach to industry groups and official agencies and noted that the TMPG would release a final white paper and best practice recommendations after the consultation period.
- The TMPG received an update from the working group formed to study the use of reference rates relevant to TMPG covered markets. The Group discussed the working group’s initial potential best practice recommendations around the use of benchmarks in the TMPG covered markets, including proposed recommendations regarding transactions conducted at to-be-determined levels, using benchmarks that are compliant with [IOSCO Principles for Financial Benchmarks](#), diligence by users regarding the suitability of benchmarks used, information sharing considerations, and practices to manage conflicts of interest. Members also highlighted the importance of benchmark providers complying with the IOSCO

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<sup>1</sup> The TMPG subsequently released the consultative white paper, [Automated Trading in Treasury Markets](#), on April 9, 2015.

Principles. The working group noted its intent to compare its initial draft best practice recommendations against the code of best market practices in the Global Preamble released recently by the foreign exchange committees in major financial centers across the globe.<sup>2</sup> The Group also discussed the case studies currently underway on the use of the fed funds open, the 10 a.m. repo average rate and the aggregate bond indices.

- TMPG members then reviewed summary statistics related to its [agency MBS margining recommendation](#), which remained in line with the statistics reported last quarter.
- The next TMPG meeting will take place on Wednesday, May 13, from 4:00-6:00 PM.

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<sup>2</sup> On March 30, 2015 eight foreign exchange committees in the major financial centers released a revised "[Global Preamble: Codes of best market practice and shared global principles](#)." The Global Preamble provides globally harmonized best practices guidance for the foreign exchange market and also incorporates a number of the Financial Stability Board's FX benchmark recommendations.