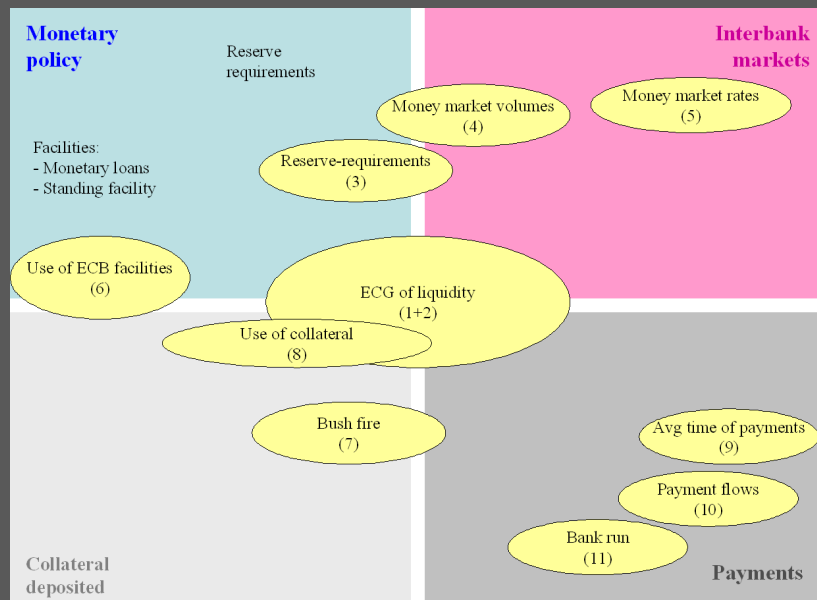


# Discussion of presentation: Indicators for liquidity shortages

Tuomas Nummelin

9<sup>th</sup> Payment and Settlement System Simulation Seminar 2011

# Key points – Tools of doctor TARGET2

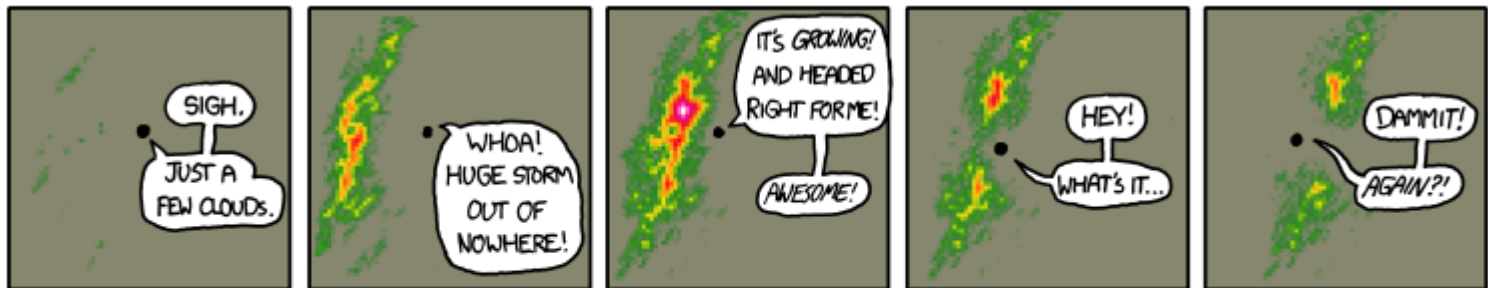


Source: Is this bank ill? The diagnosis of doctor TARGET2, Ronald Heijmans Richard Heuver. August 2, 2011

- How to identify potential liquidity problems?
  - A set of quantitative indicators, covering multiple aspects of liquidity problems
- Uses wide range of the data from different sources
  - Data availability, collateral and RTGS
- Observed changes in behavioural patterns in the historical data when bank encounters the liquidity problems

# Questions for discussion

- Calibration?
  - How big change is relevant?
  - Can it be quantified?
- Possible data availability issues?
- Timeframe?
  - Short term and long term analysis?
  - Detection of problems in time to allow response?



WHEN THE FOLKS AT THE WEATHER OFFICES  
SEE YOU REFRESHING THE RADAR TOO OFTEN,  
THEY START TEASING YOU.

Source: xkcd comics, <http://xkcd.com/831/>

# Thank you!