Exhibits for Comments on Presentations by:

- Federal Reserve Board
- Office of Financial Research, U.S. Treasury
- U.S. Bureau of Economic Analysis
- U.S. Bureau of Labor Statistics

Financial Statistics Session
(FESAC Meeting, Dec 12, 2014)

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FINANCIAL SYSTEM CHARACTERISTICS

• Huge
• Highly Differentiated
  • Institutions
  • Instruments
• Complicated
• Interconnected
• Vitally Important
FINANCIAL CORPORATE BUSINESS
(GROSS VALUE ADDED, % GDP)
2013: 7.3%
FINANCIAL SECTOR PRETAX CORPORATE PROFITS
($ Billions, Log Scale)
2014: $510 billion
FINANCIAL SECTOR PRETAX CORPORATE PROFITS
(% Total Profits)
2014: 24.7% e
NEEDS OF FINANCIAL STATISTICS USERS DIFFER

- Policymakers
- Regulators
- Researchers
- Macro Analysts/Forecasters
- Public
Presentations of Office of Financial Research And Federal Reserve

• What are priorities?
  Fed Governor Lael Brainard: “…rising leverage, widening maturity mismatches, and the erosion of underwriting standards often provide important warning signals.” (Dec 3, 2014)

• Bilateral Repos
• Money Market Mutual Funds
• Hedge Funds
• Disclosure issues
• Crowded positions/trades
• International exposure
• Tools for finding/analyzing data
U.S. FED FUNDS AND REPOS OUTSTANDING
2014:2Q: $2811b
U.S. MONEY MARKET MUTUAL FUNDS

Households

Y/Y %   2014:2Q: 0.9%
Figure 6-6. Qualified Hedge Fund Borrowing by Strategy Type ($ billions)
Multistrategy and equity funds borrow the most

Figure 6-5. Qualified Hedge Fund Gross/Net Asset Ratios

Relative value funds have reduced leverage

Presentations of Bureau of Economic Analysis and Bureau of Labor Statistics

• Priorities and timetables
• Extension to savings institutions and credit unions
• Shadow Banking
• ABS, Finance Companies, Repos
• Use of financial industry data sources
• Clearing house data on derivatives
• Issues on several PPIs (eg, portfolio management)
• Encourage coverage of additional finance industries
U.S. PPI
Securities Brokerage
Oct: 104.3
U.S. PPI
Securities Brokerage
Y/Y %  Oct: 1.3%
Housing and Financial Statistics

“If you look at the financial difficulties that lead to financial crises they typically involve real estate.”

Stan Fischer, Fed Vice-Chairman, Dec 2 2014

- Housing statistics are dispersed across many statistical agencies.
- Many needed housing statistics are either missing or incomplete in the public domain.