



September 10, 2015

Minutes of the Telbor Committee meeting held on September 3, 2015

Committee members: Zahi Elias (banks' representative), Sharon Lavi (Tel Aviv Stock Exchange), Ketty Cohen (Bank of Israel Market Operations Department), and Roy Stein (Bank of Israel Research Department – Committee Chairperson)

Other participants: Michal Rot-Levy (Bank Hapoalim), Liraz Refaely (First International Bank), and Dan Trister and Ian Klotnick (Israel Discount Bank)
Absent: Ran Abraham (Mizrahi-Tefahot Bank)

The issues that were discussed:

1. Roy Stein reported to participants that the Bank of Israel has the ability to monitor, on an ongoing basis, the activity of contributor banks in the Telbor market, based on the reports issued by the Bank's Information and Statistics Department. The reports bring together detailed data on contributor banks' open positions, their transactions, and quotes.
2. Based on the Committee's request, banks have begun to receive from the Bank of Israel, on a quarterly basis, information on transaction volume for all the contributor banks and on their relative share in the market (similar to data issued to banks from reports on foreign currency derivative transactions).
3. In the previous meeting, it was decided to temporarily narrow the spread to 4 basis points (± 2), both for loan and deposit transactions for overnight as well as for interest rate derivative transactions, in order to maintain the effectiveness of the commitment to execute transactions on the basis of Telbor quotes, even in an interest rate environment very near to zero. Representatives of the banks reported that the narrowing of the spread did in fact maintain the effectiveness of the commitment. The Committee is due to meet in November in order to examine if there is room to defer the date set for the contraction to end—the end of November 2015.
4. The Committee discussed whether it is technically possible to quote interest rates and execute transactions in a negative interest rate environment, should one be produced. It was decided that the contributor banks and Reuters will examine this.