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Money Market and Foreign Exchange  
HG/AVE

## **Repos in Swiss francs - new "SNB GC Basket"**

Dear Sir / Madam

The Swiss National Bank (SNB) currently accepts securities from the SNB GC Basket, the Euro GC Basket and the German Jumbo Pfandbrief GC Basket as collateral for its repo transactions provided the respective securities comply with the SNB's conditions.

These three baskets will be combined into a new basket - the "SNB GC Basket" - on 1 September 2003. On 1 July 2003, the current SNB GC Basket will be renamed "CHF GC Basket". The SNB then intends to exclusively use the new "SNB GC Basket" for its cash provider repos (repo auctions, intraday liquidity and repos at the Lombard rate). The individual baskets may, however, continue to be used.

With business activity on the repo interbank market expanding, unsecured money market operations are increasingly being replaced by secured transactions. The launching of a comprehensive basket containing all the securities eligible as collateral for repos at the SNB will improve monetary liquidity in the Swiss franc repo interbank market, particularly in view of the growing number of foreign repo participants.

In order to enable you to become familiar with the technical innovations, Eurex Repo and SIS SegInterSettle will make the respective adjustments available in the test environment at the beginning of June.

Yours sincerely,  
Banque nationale suisse

Erich Spörndli

Erich Maurer