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LIQUIDITY RISK, NSFR, PRECIOUS METALS

**SOURCE:**  
 European Banking Authority

## EBA Report on the Impact of the NSFR on the Functioning of the Precious Metals Markets

### EBA Sees Limited Impact of the NSFR on the Functioning of the Precious Metals' Markets

- This report provides a discussion about **the possible impact of the NSFR on the functioning of the precious metals market**. The analysis is based on different data sources including Common Reporting (COREP).
- Based on QIS data, **the effect of the NSFR on the precious metals market is limited**.
- Based on the EBA QIS and COREP data, the amount of physically traded commodities reported by the banks is negligible when compared with the market volumes. Also, **the requirement for stable funding generated by these assets is limited in comparison with the total amount of required stable funding** and a reduction of the weighting factor assigned to these assets would have limited impact on the banks and, in particular, it would not materially make the NSFR less stringent.

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