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Abstract

This document studies the sources of liquidity used by financial entities that participate in the large-value payment system to meet their daily obligations. For this purpose, we design and implement an algorithm that breaks down the cash unit of these entities into different concepts of liquidity source, through rules associated with the concepts of payments received (sources) and sent (uses). The values assigned by the algorithm show that at the aggregate level the preferred sources are liquidity savings, dynamics, and overnight balances. At the entity level, there are differences in preferences that can be attributed to the type of business they carry out, the availability (regulation and macroeconomic conditions) and the costs of the sources.