

14 Jul 2021

## Monthly News from Eurex Repo

### Market Briefing

With excess liquidity close to 4.3tn, term business in June 2021 decreased by 23.4% compared to June 2020.

Positive to mention is the substantial increase in average daily traded volume by 28% compared to May 2021. Even GC Pooling increased by 17%, while the Special & GC segment improved by 33%. Especially in the first week of June, we saw huge trading activity with double numbers of daily trades. The Bund Special segment could increase the average daily traded volumes by 44%.

Frank Gast - Managing Director, Eurex Repo

### News

#### **Towards A Sustainable Repo Market**

Gerard Denham, Senior Vice President, Funding & Financing Business Development at Eurex, outlines the latest developments in sustainable finance, the role of the repo market and the progress of the Eurex Repo Green Bond General Collateral Baskets.

**Read more**

## Repo Trading and the Value of Balance Sheet Netting ([derivsource.com](https://derivsource.com))

Repurchase agreements or repos are balance sheet intensive products. In a bid to support both direct access to repo markets amongst the buy side and deliver greater capital benefits for banks and dealers, Eurex has launched a balance sheet netting solution for repo trades. Dale Fullilove, Senior Vice President, Sales & Relationship Management at Eurex and Richard Glen, General Manager, Head of Collateral Management – Banking, Funding and Financing at Clearstream, share how the balance sheet netting solution meets accounting standards and can provide capital efficiency through the greater interlinking of its GC Pooling and Special repo services and enhancements to the Eurex and Clearstream infrastructure.

[Read more](#)

## Whitepaper: Capital efficiencies through direct access repo clearing models for the buy-side

Banks and other complex financial institutions continue to face challenges in meeting return on equity (ROE) expectations. This is due to the substantial balance sheet de-risking and unprecedented regulatory reform in the wake of the global financial crisis of 2007/08 and subsequent market conditions such as the European sovereign debt and the recent COVID-19 crises.

The trading of repurchase agreements (repo) is a cornerstone of the wholesale financial markets. Repo markets provide a core source of funding, facilitate collateral mobilization, and are a key transmission mechanism for monetary policy. However, post-crisis reforms to banking institutions' capital and liquidity requirements have profoundly impacted the repo market.

This whitepaper provides a case study that explores Eurex's repo clearing models for sell-side and buy-side clients and the opportunities they afford for balance sheet, leverage, and risk-based capital optimization.

[Read more](#)

Volume

Daily average outstanding volume in bn EUR reached in June 2021			
GC Pooling: 34.3		Repo: 62.6	
All Markets: 96.8			
Daily average term adjusted volume in bn EUR reached in June 2021			
GC Pooling: 46.0		Repo: 74.0	
All Markets: 120.0			
Trades	GC Pooling in EUR	Repo GC in EUR	Repo Special in EUR
Largest	0.8 bn	2.5 bn	1.3 bn
Longest	229 days (100 mn)	92 days (100.4 mn)	92 days (149.4 mn)

#### STOXX® GC Pooling Indices

June 2021	STOXX® GC Pooling EUR ON Index		STOXX® GC Pooling EUR Extended ON Index	
Rate (in %)	High -0.535	Low -0.945	High -0.5	Low -0.855
Vol (in bn EUR)	High 2.0	Low 0.5	High 3.9	Low 1.0
	STOXX® GC Pooling EUR Deferred Funding Rate			
Rate (in %)	High -0.533		Low -0.774	
Vol (in bn EUR)	High 8.3		Low 3.3	

For more STOXX GC Pooling indices please see [www.gontigo.com](http://www.gontigo.com) and for the vendor codes please click [here](#).

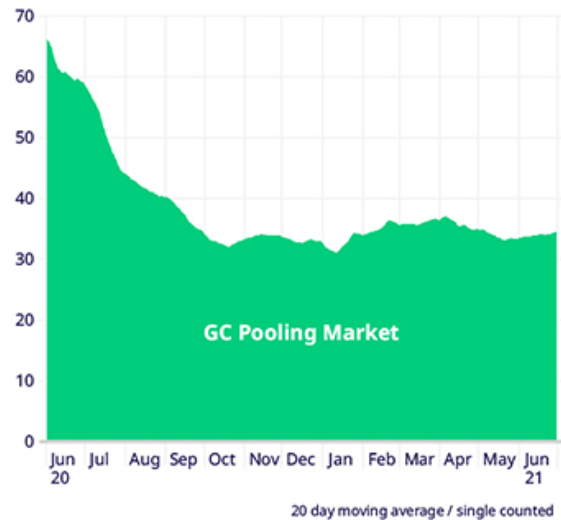
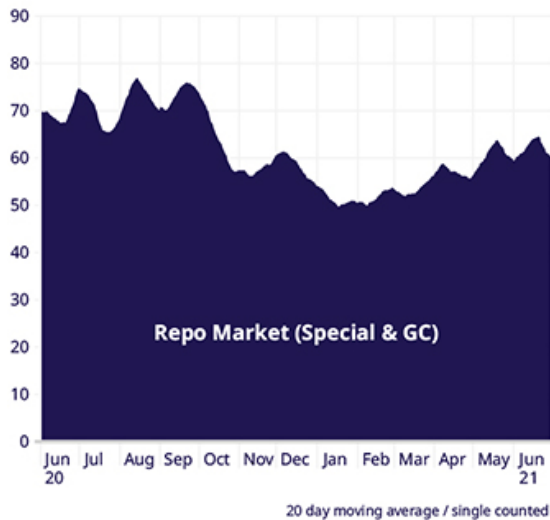
## Participants

Repo Market: 150	GC Pooling Market: 136	HQLAx: 3	Select Invest: 4	Select Finance: 3
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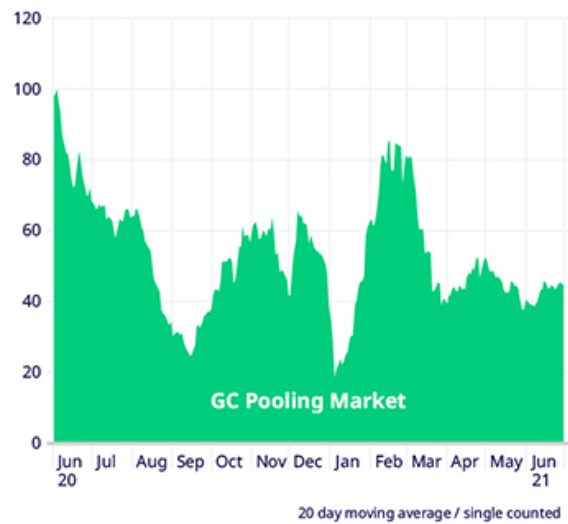
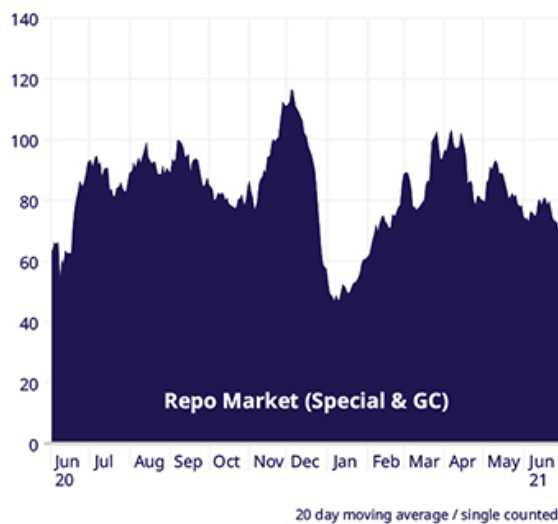
Please find here the current [Participant List Repo and GC Pooling](#) with a summary by markets

## Volumes 2020/2021

Outstanding volumes 2020/2021 (in bn EUR)



Term adjusted volumes 2020/2021 (in bn EUR)



## Webcasts

### Recording: Eurex ISA direct landscape for the buy-side

Nearly every element of the post-financial crisis regulatory reform seems to impact the repo market adversely. Measures such as the Leverage Ratio and G-SIB requirements place significant constraints on repo trading and force banks to ration their scarce balance sheet capacity. Alongside the interbank market challenges, the constraints have a substantial impact on buy-side clients because of the directional nature of their repo trading.

Clearinghouses can offer significant relief through multilateral netting. With Eurex's innovative ISA Direct's buy-side clearing models, there are substantial capital savings opportunities and relief from banks' regulatory constraints. Eurex's Indemnified Clearing model, the latest extension to the ISA Direct suite, further extends the range of eligible counterparties. Now, entities that don't fulfil the ISA Direct eligibility criteria, e.g., non-EU regulated funds, can directly access the clearinghouse. Therefore, the entire universe of buy-side clients, ranging from traditional real money to more leveraged accounts, can now expand their cash & collateral management toolkit through centrally cleared (reverse) repos at Eurex Clearing. Join our webcast to learn how you can benefit from improved repo liquidity & capacity, streamlined operational processes and reduced risk.

In this cast, moderator **Cornelius Müller** (Head of Marketing, Eurex) hosts a roundtable discussion with our in-house experts:

- **Clive D'Souza**, Expert Regulatory & Capital, Eurex
- **Frank Odendall**, Head of Funding & Financing Product & Business Development, Eurex
- **Philip Simons**, Head of Fixed Income Sales, Eurex.

**Watch now**

## Training

### GC Pooling and Repo Market

Regular Repo and GC Pooling system trainings are offered and can be provided on request. The trainings include basic knowledge about repo trading and the practical use of the system. For more information please contact [repo.trading@eurex.com](mailto:repo.trading@eurex.com).

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## More news from Eurex Repo

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