

14 Feb 2022

Monthly News from Eurex Repo

Market Briefing

In line with December, sustained elevated repo market volumes again marked the start of 2022. January saw a significant increase of 62.1% across all Eurex Repo markets compared to Jan 2021. This was mainly driven by term trading in all segments and strong trading activity in the Euro government bonds. GC Pooling average term-adjusted volumes increased by 7% to EUR 67 billion average term-adjusted volume compared to January 2021.

January's highlight was the significant increase by 119% of the average-term adjusted volumes in the Repo Market segment to EUR 134 bn compared to the previous year. January saw strong growth in Euro government bonds trading with Germany up by 49% and France up by 145% and trading volumes in Spanish government bonds increasing 440-fold from EUR 1.76 bn to EUR 775 bn. In EU Bonds, we continue to see an increase in the number of participants quoting. We observed a YoY increase in trading volumes of 257% and plus 25% versus December 2021. The total volume of EU bonds traded in January was slightly below the record high in November.

Repo rates have normalized in January following the turn of the year. On the Special Repo side, many German government bonds continue to trade with repo rates below -1%, creating spread opportunities. Occasional other Euro government bonds also dipped below -1%, but most stayed within a corridor of -0.60 and -0.80%. EUR GC Pooling saw demand in the order book term up to year-end 2022, led mainly by cash taker with term GC Pooling repo spreads increasing to approx. 13bps between Overnight to year-end 2022.

Frank Gast - Managing Director, Eurex Repo

Products

Additional opportunities with GC Pooling International Maximum Quality Basket

Eurex Repo further enhanced the GC Pooling INT MXQ basket's utility by reducing the minimum issue size for Covered Bonds to EUR 250 million in Dec 2021. The GC Pooling INT MXQ basket allows to monetize

global assets through CCP cleared cross-currency repos and raise, or place, EUR, USD, GBP or CHF cash against government, supranational & covered bonds from 14 countries and denominated in 10 different currencies.

96 Covered bonds that previously were not part of the INT MXQ basket due to their low issue size are now included. The distribution for the 96 newly included covered bonds is as follows:

Country	No. of additional ISINs	Total Issued Amount (EUR)
Switzerland	81	31,630,831,254
Canada	2	647,917,067
Australia	7	3,050,950,854
Germany	1	352,286,338
Denmark	3	1,501,013,799
Norway	2	645,858,287

[Read the Briefing Note 12/2021 here.](#)

cPME Video Tutorial

Eurex Clearing offers portfolio margining for repo transactions executed in the Repo Market segment of Eurex Repo. Margin requirements can be estimated pre-trade on a portfolio basis via Eurex Clearing's Cloud Margin Estimator (cPME). The following link guides you to a video tutorial that shows how Eurex Repo participants can export their portfolios from the F7 trading platform for instant upload to the cPME GUI, with additional steps to add single or multiple new trade lines.

[Watch the full video tutorial here.](#)

Publications

European Repo in 2021 – Eurex and beyond

After the unprecedented events of 2020, some measure of calm returned to financial markets in 2021 despite the continuing, and in many respects intensifying, pandemic. As we get started into 2022, we take a look at what 2021 held for Eurex Repo and the broader European market.

[Read the full article here.](#)

Eurex REPO 2021 Market Report

The year 2021 saw steady volumes at Eurex Repo and growth in the Repo Market segment despite excess liquidity adversely impacting wholesale funding markets.

[Read our detailed discourse on key figures and market development here.](#)

Shaping the future of the funding and financing industry: Eurex strengthens representation in industry bodies

Over the recent weeks, Eurex Repo and Eurex Clearing have further increased their representation in various industry committees.

We are delighted to announce that Frank Gast, Managing Director and Member of the Management Board of Eurex Repo, has been elected to the International Capital Markets Association (ICMA)'s [European Repo and Collateral Council \(ERCC\) Committee](#). "It is a great honor to be elected to the ERCC. I would like to thank everyone very much for their support and trust in me. I'm looking forward to strengthening established relationships and fostering new ones and to jointly working on the development of the repo market," says Frank Gast.

The ERCC election follows after several Eurex Repo and Eurex Clearing representatives have taken on roles in industry committees: in addition to Jonathan Lombardo's long-standing chairmanship to the International Securities Lending Association ISLA, Kaltrina Hamza is now part of ICMA's ERCC Operations Committee. In January, Frank Odendall joined ECB's Money Market Contact Group, and Carsten Hiller and Gerard Denham became members of ICMA's Task Force on Repo and Sustainability.

This will allow us to drive our commitment to help shape the future of funding and financing beyond our immediate business topics – such as our Repo Partnership Program or the extension of our buy-side coverage through ISA Direct & ISA Direct Indemnified. We will work towards developing solutions, fostering innovations, and strengthening the repo market's contribution to sustainable finance.

Podcast: Secured funding and financing in motion with Eurex Repo

Secured funding & financing, the growth of GC Pooling, and the Eurex Repo Partnership Program and cleared repo for buy-side firms: Eurex Repo's Frank Gast and Carsten Hiller joined Clearstream's Christian Rossler and Andrew Keith Walker for the latest episode of the Clearstream GFF podcast.

[Tune in here for the GFF podcast episode 8.](#)

Volume

Daily average outstanding volume in bn EUR reached in January 2022			
GC Pooling: 32.8	Repo: 84.1		All Markets: 117.0

Daily average term adjusted volume in bn EUR reached in January 2022			
GC Pooling: 66.9	Repo: 133.7		All Markets: 200.6

Trades	GC Pooling in EUR	Repo GC in EUR	Repo Special in EUR
Largest	1.0 bn	2.6 bn	1.2 bn
Longest	330 days (200 mn)	181 days (275.9 mn)	181 days (48.8 mn)

STOXX® GC Pooling Indices

January 2022	STOXX® GC Pooling EUR ON Index		STOXX® GC Pooling EUR Extended ON Index	
Rate (in %)	High -0.521	Low -0.626	High -0.504	Low -0.551
Vol (in bn EUR)	High 1.3	Low 0.3	High 3.8	Low 1.5
	STOXX® GC Pooling EUR Deferred Funding Rate			
Rate (in %)	High -0.529		Low -0.581	
Vol (in bn EUR)	High 6.9		Low 4.1	

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

Participants

Repo Market: 150	GC Pooling Market: 140	HQLAx: 4	Select Invest: 4	Select Finance: 5
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We welcome the following new participants to our markets:

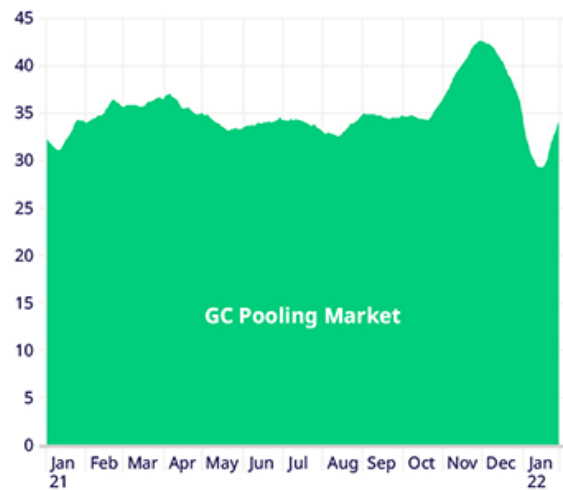
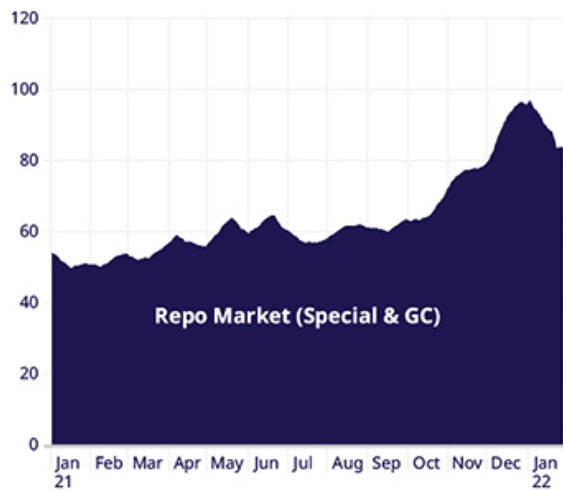
Jefferies GmbH and Nomura International Plc joined the GC Pooling market as of 05.01.2022.

Basler Kantonalbank joined the GC Pooling market as of 07.02.2022.

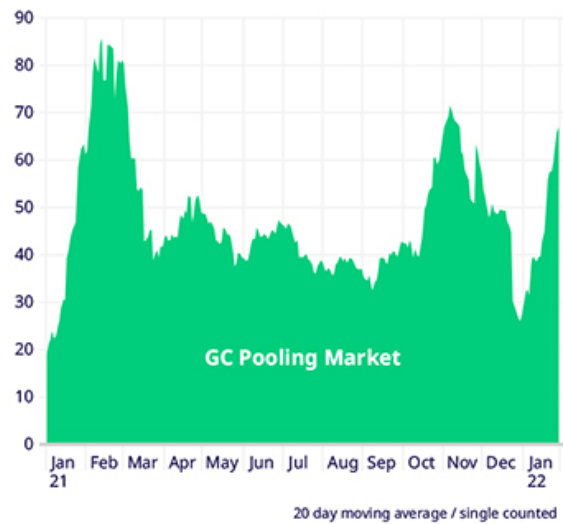
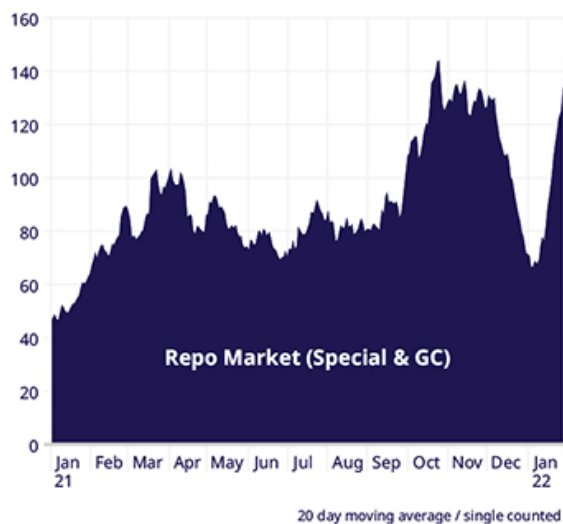
Please find here the current [Participant List Repo and GC Pooling](#) with a summary by markets

Volumes 2020/2021

Outstanding volumes 2021/2022 (in bn EUR)



Term adjusted volumes 2021/2022 (in bn EUR)



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.

Systems & Services

Technical Information: Eurex Repo F7 Simulation and F7 Advanced Simulation renewal of broker/server certificates

The following change only affects API/POA applications. **The usage of the F7 Trader GUI is not affected by this change.**

On Wednesday, **February 23rd, 2022** Eurex Repo will install new broker/server certificates in the **F7 Simulation** and in the **F7 Advanced Simulation** environment, as the current Eurex Repo F7 API broker/server certificates for Simulation will expire in March 2022.

[read the technical information here](#)

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More news from Eurex Repo

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