

14 Sep 2023

Monthly News from Eurex Repo

Market Briefing

Market Highlights: August 2023 was yet another strong month for Eurex's repo markets, especially considering the summer period. Term-adjusted volumes reached an impressive EUR 358 billion. Comparing August 2023 to the same month last year, we witnessed a remarkable increase of 49%. The ongoing tightening of monetary policy by the ECB, leading to higher interest rates and TLTRO III repayments, notably boosted demand for repo transactions. The GC Pooling market, in particular, thrived in this environment, achieving average term-adjusted volumes of EUR 201.3 billion for August, more than three times higher compared to the previous year.

Outstanding Volumes: Outstanding volumes for the first eight months of this year surged by 67% compared to the same period last year. This growth reflects the robust functioning of the market and the ample liquidity available to meet the needs of market participants. Notably, GC Pooling's outstanding volume soared by an astonishing 103%, underlining the strong market dynamics. The Repo Market also demonstrated substantial growth, increasing by nearly 50%.

Spreads and Collateral: In August, the spread between the overnight GC Pooling EXT and the ECB basket widened slightly from 2.3 bps to 3.2 bps. Meanwhile, the €STR spread versus the ECB basket remained largely stable, averaging +3.7 bps. Simultaneously, the €STR versus the ECB extended basket widened from 6 bps to 7 bps on average in August. Overall, high-quality collateral remains relatively "cheap."

Despite this trend towards "cheapening" of collateral and less "specialness" in the market, the average trading volume for Bund specials increased YTD by a remarkable 18%.

Eurex – Home of Term Repo: The impressive increase in GC Pooling term-adjusted volumes of 126% YTD is primarily driven by 9 and 12-month trades, particularly within the ECB basket.

Term-adjusted volumes in the repo market (GC and Special) also saw a YTD increase of 43%. This growth was mainly fueled by term trades in specials, including one-month trades in Spanish government bonds and high volumes in non-standard terms, extending until the end of September, mid-October, and even the end of December. Italian BTPs saw the highest volumes in these terms, followed by French, Spanish, and German government bonds.

We are glad to welcome several new clients in our repo markets.

New Direct Clearing Members:

- **Danmarks Nationalbank** (DCM)
- **Palafox Trading LLC / Citadel** (DCM)

New ISA Direct Members:

- **ASR Levensverzekering** (ISA Direct)
- **Clearstream Holding AG** (ISA Direct Light)
- **DeVolksbank NV** (ISA Direct)

Frank Gast - Managing Director, Member of the Management Board, Eurex Repo

News

Talking about Repo – what is happening in the market?

From the changed interest rate environment to the ECB's new remuneration scheme and new regulatory challenges, we had plenty of interesting points to discuss with Frank Gast, Member of the Management Board of Eurex Repo and Frank Odendall, Head of Securities Financing Product & Business Development at Eurex.

[Read more](#)

Industry events

Fixed Income Leaders Summit, Barcelona

Eurex is proud to sponsor the Fixed Income Leaders Summit in Barcelona, 2-4 October.

In this workshop "CCP cleared repo access for the buy-side" Jasper Steger (MN) and Frank Odendall (Eurex) discuss opportunities & challenges in the repo market for the buy-side in Europe and MN Services' experience on Eurex cleared repo.

FI Fixed Income LEADERS SUMMIT

02 October | Buy Side Innovation Day
03 - 04 October | Main Conference
Barcelona
Day 1: 15.00-16.00

CCP cleared repo access for the buyside (open to buy side only)

What are the opportunities and challenges?
Case study of MN's experience on Eurex cleared repo?
What is the outlook for CCP cleared repo?



Jasper Steger
Senior Investment Manager
MN



Frank Odendall
Head of Securities Financing
Product & Business Development
Eurex

Frank Gast (Eurex Repo) will join the panel discussion, how can you effectively integrate REPO into your investment strategy to minimise risk in volatile markets and better demonstrate performance to clients?

I'M SPEAKING:

FI Fixed Income LEADERS SUMMIT

02 October | Buy Side Innovation Day
03 - 04 October | Main Conference
Barcelona

The Biggest Buy Side Fixed
Income Conference

BOOK NOW



Frank Gast
Managing Director,
Member of the Management Board
Eurex Repo

[Please visit the conference website for further information.](#)

Eurex Get-Together (EGT) and Repo Bar

Join our upcoming evening events in:

- Frankfurt, November 8 (Repo Bar)
- Vienna, November 23 (EGT)

In case you are interested to attend, please send an email to Repo.Sales@eurex.com.

Save the date: GFF Summit 2024 – 30 January - 1 February

We are thrilled to announce that the Global Funding and Financing (GFF) Summit will be back on 30 January to 1 February 2024 in the European Convention Center in Luxembourg. Interested in joining? We will inform you as soon as registration opens, but make sure to save the date and mark your calendar already today.

Can't wait? Follow [#GFFSummit](#) on LinkedIn to stay up to date and to have a look at our past events or tune in to the [GFF podcast](#), available on all your favorite streaming platforms.

Any questions? Don't hesitate to [reach out to us](#).

We look forward to seeing you in Luxembourg!



Volumes

Daily average outstanding volume in bn EUR reached in August 2023

GC Pooling: 110.3	Repo: 127.0	All Markets: 237.3
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Daily average term adjusted volume in bn EUR reached in August 2023

GC Pooling: 201.3	Repo: 156.8	All Markets: 358.1
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Trades	GC Pooling in EUR	Repo GC in EUR	Repo Special in EUR
Largest	5 bn	1.6 bn	1.1 bn
Longest	366 days (1.3 bn)	32 days (450 mn)	187 days (175 mn)

STOXX® GC Pooling Indices

August 2023	STOXX® GC Pooling EUR ON Index		STOXX® GC Pooling EUR Extended ON Index	
Rate (in %)	High 3.711	Low 3.462	High 3.749	Low 3.48
Vol (in bn EUR)	High 9.2	Low 2.0	High 7.4	Low 0.6
	STOXX® GC Pooling EUR Deferred Funding Rate			
Rate (in %)	High 3.726		Low 3.462	
Vol (in bn EUR)	High 19.7		Low 7.4	

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

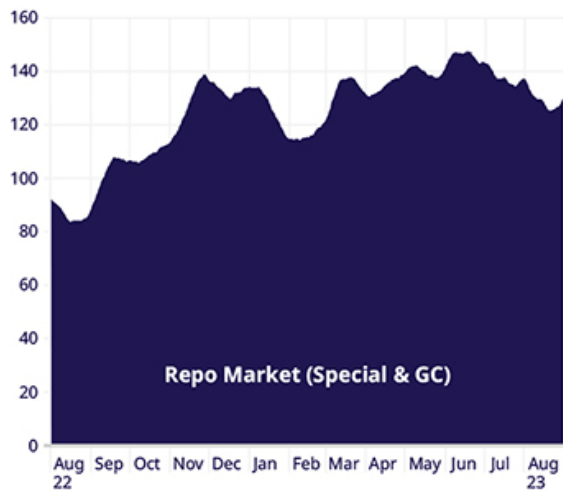
Participants

Repo Market: 153	GC Pooling Market: 133	HQLA: 6	Select Invest: 4	Select Finance: 7
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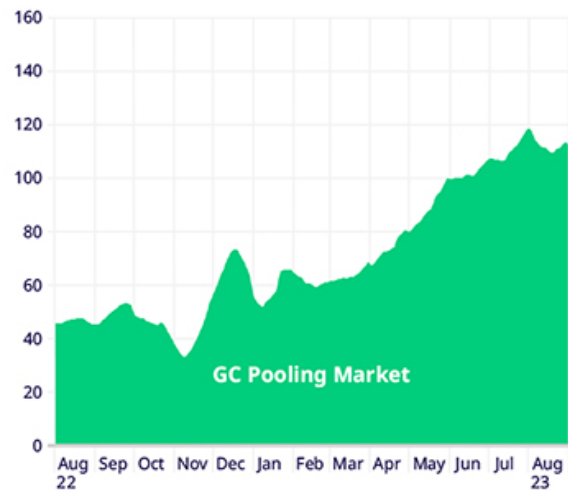
Please find here the current [Participant List Repo and GC Pooling](#) with a summary by markets.

Volume

Outstanding volumes 2022/2023 (in bn EUR)

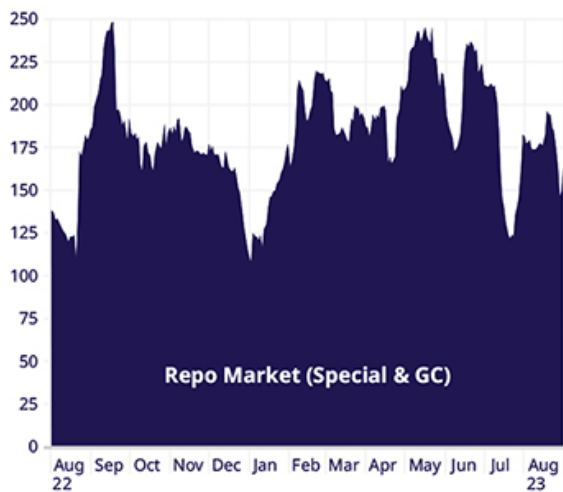


20 day moving average / single counted

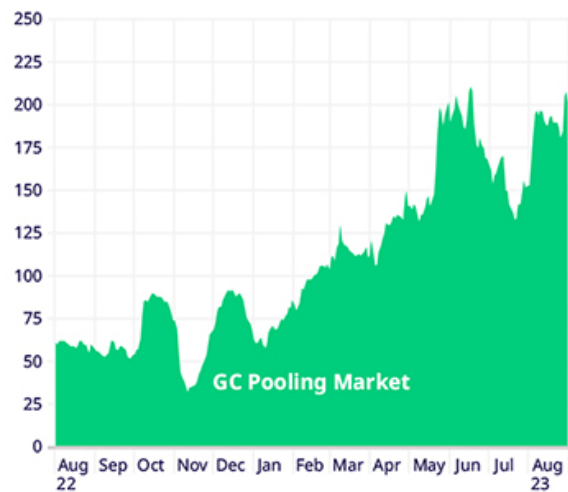


20 day moving average / single counted

Term adjusted volumes 2022/2023 (in bn EUR)



20 day moving average / single counted



20 day moving average / single counted

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

Adequate compliance measures in connection with the usage of Eurex Repo GmbH's services

The Functional Information outlines the importance of adequate compliance measures that are connected to the usage of services of Eurex Repo GmbH.

As part of Eurex Repo GmbH's maintenance and continuous development with regard to compliance and the management of associated risks, Eurex Repo GmbH would hereby like to remind all trading participants of the necessity to apply adequate compliance measures in connection with the usage of Eurex Repo GmbH's services by trading participants and their representatives.

[For more information please read the full Functional Information here](#)

Services & Contacts

	Area	Phone	E-mail
Management	Frank Gast	+49 69211 14050	frank.gast@eurex.com
	Matthias Graulich	+49 69211 18078	matthias.graulich@eurex.com
Functional Helpdesk	Eurex Repo	+41 43430 7220	Repo.Trading@eurex.com
	Eurex Clearing CCP Hotline	+49 69211 11940	ccp@eurex.com
	Eurex Clearing Risk Operation	+49 69211 12452	risk@eurex.com
	Xemac/CmaX	+49 69211 11410	gsfprague@clearstream.com
	CmaX	+352 2433 8113	cmax@clearstream.com
Technical Helpdesk	Deutsche Börse Customer Technical Support (F7)	+49 69 211 10877	cts@deutsche-boerse.com
	Xemac/CmaX System	+49 69211 11910	sysclhelp@deutsche-boerse.com
	Xemac/CmaX	+49 69211 11730	tmr-zos@deutsche-boerse.com
Business & Product Development	Frank Odendall	+49 69211 16487	EXR_ProductDevelopment@eurex.com
Sales	Eurex Repo Frankfurt Carsten Hiller Ingo Deisenroth Esen Rose	+49 69211 13182 +49 69211 14193 +49 69211 13172	Repo.Sales@eurex.com
	Eurex Repo London Dale Fullilove Katja Renner	+44 207862 7238 +44 207862 7233	Repo.Sales@eurex.com
	Eurex Repo Paris Alexandra Morelle Gwennaëlle Massin	+331 5527 6769 +331 5527 6774	Repo.Sales@eurex.com
	Eurex Repo Zug André Ammann	+41 43 430 7112	Repo.Sales@eurex.com
	Eurex Repo Chicago Timothy Gits Nicholas Smith	+1 312 544 1494 +1 312 544 1019	Repo.Sales@eurex.com
	Eurex Repo Asia Iris Hui Stefan Ullrich	+852 25 30 78 08 +65 65 97 30 79	Repo.Sales@eurex.com
	Gabriele Ristau Yasemin Ucar	+49 69211 15741 +49 69211 12862	Repo.Accountmgmt@eurex.com
	Katja Massinger Elen Sargsyan Jacqueline Bedenbecker Meike Marie Klingebiel	+49 69211 12602 +49 69211 18521 +49 69211 12483 +49 69211 15722	onboarding-team@deutsche-boerse.com
STOXX	STOXX Customer Support	+41 58 399 5900	customersupport@stoxx.com

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Eurex Repo GmbH
Managing Directors/Geschäftsführer:
Frank Gast, Matthias Graulich
Gesellschaft mit beschränkter Haftung with registered
seat in/mit Sitz in Frankfurt am Main.
Commercial register/Handelsregister:
Local court/Amtsgericht Frankfurt am Main HRB 49370.