

17 Feb 2023

## Monthly News from Eurex Repo

### Market Briefing

Despite 300 bps points of rate rises by now, the most aggressive monetary tightening drive in ECB history, the central bank still battles persistent inflation in the eurozone. Consequently, we've seen a very strong start to the year in our markets. Term-adjusted volumes increased by +40% across all market segments in January, reaching around EUR 250 billion.

Our Repo Market continued its strong growth in GC & Special by more than 50%. In Special Repo, the Bund stays in high demand. We have noticed significant trading volumes for term trades around the 1-month mark. Average daily traded volumes grew by 35% year-on-year in the Repo market while average outstanding increased by 42%.

Average daily traded volumes in Bund Special Repo increased by 53% compared to January 2022.

In GC Pooling, the average daily traded volume nearly doubled to almost EUR 36 billion daily compared to December. Compared to January last year, CG Pooling more than tripled in average daily traded volumes and nearly doubled in outstanding. This shows that, due to higher interest rates and TLTRO repayments, the demand for bank financing and financing products like GC Pooling increases. We also continue to see an increasing number of clients regularly trading GC Pooling compared to the beginning of last year.

In January, the total traded volume of EU bonds recovered by 27% after the year-end decline in December. The strong recovery was mainly due to a huge increase in trading in single ISINs/special repo (+42%), which more than offset the decline in GC volumes (-87%)

Total trading volumes in Supranationals & Agencies almost doubled in January compared to December, reaching the second-highest level after November 2022.

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

### News

**Repo Trading & Clearing 2022/2023: Thriving in a changing world**

A brief overview of the Repo year 2022 with its ups and downs, key figures and market development, with a look at the most influential factors and greatest challenges, as well as an outlook on what to expect in 2023.

[Read more](#)

### **Cleared repo feels boost of monetary normalisation tailwind**

Bob Currie speaks to Eurex Repo's Frank Gast, Carsten Hiller and Jonathan Lombardo about the rediscovery of GC Pooling as a liquidity management solution, steps to attract buy-side customers to cleared repo and the organisation's strategic focus for 2023 and beyond.

[Read more](#)

### **Whitepaper: GC Pooling repo service takes repo funding management efficiencies to a new level**

Summary:

- Tightening liquidity conditions in the Eurozone, following a prolonged period of excess liquidity, is driving banks to reevaluate their funding liquidity sources.
- The features of the Eurex's GC Pooling® repo markets offer banks unmatched efficiencies in the management of scarce financial resources, compared to bilateral and tri-party repo markets.
- The power of multilateral netting and the preferential risk-weights afforded to qualifying central counterparties (QCCPs) brings capital management benefits across all the key measures, including RWAs, leverage ratio and GSIB (global systemically important banks) requirements.
- The exemption of QCCPs from regulatory limits together with preferential risk-weights, gives GC Pooling® a significant edge over bilateral and tri-party repo markets when managing under the revised large exposures regime.
- Eurex's application of the evergreen trading terms to the GC Pooling® product, alongside the collateral substitution feature and broad set of eligible securities makes GC Pooling® a highly efficient solution in the management of Net Stable Funding Ratio ("NSFR") and Liquidity Coverage Ratio ("LCR").

[Read more](#)

## **Recap: GFF Summit 2023 – "Thriving in a changing world"**

2023 started with the major international conference for the secured #funding and securities #financing industry: the Global Funding and Financing Summit, including side events from 31 January until 2 February. Although the GFF Summit in September 2022 was not too long ago, we witnessed a substantial interest in discussing the topics that drive the market. More than 650 attendees and various top-class speakers joined this industry gathering on-site in Luxembourg. It again showed that the GFF Summit is much more than a conference: it's an open forum for us and our clients, an occasion to connect, and an opportunity to discuss and exchange ideas on the latest industry trends and visions for the future.

As rising interest rates and excess liquidity reduction change the market environment substantially, the involvement of economists, such as Christoph Rieger from Commerzbank, formed a crucial part of this year's conference. The panels and fireside chats around collateral scarcity and rethinking collateral management, net zero, tokenization, and EU bonds also gave an excellent overview of the industry topics we need to be aware of.

Again, thanks to all who attended this year's GFF Summit. And, a big thanks to the organizing team for bringing the event to life in such a short amount of time. It is always a huge team effort across the different areas of Eurex, Clearstream, and Deutsche Börse Group overall. Thanks for making this event a success once again!

Let's keep on "thriving in a changing world!"

## **Webcast 2 March 2023, live: What's next? GFF Summit 2023 – the story continues: Part II Panel "Recession, rates and repo: collateral in times of scarcity"**

The GFF Summit 2023 was deemed a success based on the feedback received. Numerous remarks on the panelist selection and topics stated that these were some of the best sessions attendees can recollect from this long-running event.

The Collateral Scarcity panel managed to strike a chord with the community. With the recent ECB announcement on remuneration, we wanted to follow up on this topic. We invited the moderator and panelists to discuss these recent market developments and the consequences that potentially would impact the market.

We kindly invite you to continue the Collateral Scarcity panel discussion and discuss what market developments may come into play over the next three to six months. Please join us for this live webcast session on 2 March 2023 at 16:00 CET/15:00 GMT.

We'd like to thank the panel speakers that offered to contribute to the second session of the panel:

- Panelists:
  - David Brand, RBC
  - Martin Nazary, Bundesrepublik Deutschland Finanzagentur
  - Guido Schlenkenbrock, Point72
- Moderator: Christoph Rieger, Commerzbank

In case you are interested in joining the webinar but have not attended the Summit 2023, please send your registration request to the following mail address: [gffsummit2023@deutsche-boerse.com](mailto:gffsummit2023@deutsche-boerse.com)

We're looking forward to "seeing" you again.

**Save the date! Derivatives Forum Frankfurt 2023**

## Join our panels on liquidity management and repo markets

The Derivatives Forum Frankfurt is the leading European conference focused on trading and clearing for derivatives and securities financing across asset classes featuring thought leadership insights, industry debates, keynote speeches and on-site networking opportunities.

Taking place in Frankfurt on 22-23 March, the [AGENDA](#) includes +80 speakers on 35 panels, keynotes and fireside chats.

[Read more](#)

This year you will be able to join in person or join online and watch selected slots on our virtual platform.

[Register now](#)

### In particular those sessions should be of interest for you:

#### 22 March

##### **Developments in the European Bond Market, 14:25 - 15:10 CET**

Economies across Europe are facing higher interest rates at a time of debt levels unprecedented in modern times. As showed in 2022, decisions can have a dramatic impact on interest rates and government borrowing costs.

Speakers include Thomas Weinberg, Managing Director, **Federal Republic of Germany - Finance Agency** and Frank Gast, Managing Director and Member of the Management Board, **Eurex Repo**

##### **Focus Pension Funds: Central clearing of OTC IR derivatives – a blessing in disguise?, 15:20 - 16:05 CET**

With mandatory central clearing of OTC interest rate derivatives around the corner for pension funds, this panel will look at what this really means in terms of efficiencies and challenges?

Speakers include Matti Leppälä, Secretary General/CEO, Pensions Europe, Jamie Gavin, Head of OTC Prime Clearing – EMEA, Société Générale, Frank Odendall, Head of Securities Financing Product & Business Development, **Eurex**

##### **Managing your liquidity needs, 17:45 - 18:30 CET**

With rising interest rates, the end of Quantitative Easing and the end of the flagship TLTRO III.4 tranche expiring in June 2023, the need for relevant collateralized financing and money market instruments will increase.

Speakers include Katja Renner, FIC Derivatives & Repo Sales Europe, **Eurex Repo**

#### 23 March

##### **Liquidity Management in a volatile interest rate environment, 10:25 - 11:10 CET**

Money market stability and the efficiency of monetary policy transmission are at the crossroads. Where can policy and product innovation bring stability?

Speakers include **Imène Rahmouni-Rousseau**, Director General of Market Operations, **European Central Bank** and Matthias Graulich, Executive Board Member, **Eurex Clearing**

For further questions, please get in touch with the [Eurex Derivatives Forum team](#).

We look forward to welcoming you there.

## Volumes

Daily average outstanding volume in bn EUR reached in January 2023			
GC Pooling: 62.9	Repo: 119.4		All Markets: 182.4
Daily average term adjusted volume in bn EUR reached in January 2023			
GC Pooling: 82.1	Repo: 169.3		All Markets: 251.4
Trades	GC Pooling in EUR	Repo GC in EUR	Repo Special in EUR
Largest	3.0 bn	1.8 bn	1.0 bn
Longest	367 days (200 mn)	34 days (4.5 mn)	365 days (26 mn)

### STOXX® GC Pooling Indices

January 2023	STOXX® GC Pooling EUR ON Index		STOXX® GC Pooling EUR Extended ON Index	
Rate (in %)	High 1.936	Low 1.88	High 1.985	Low 1.9
Vol (in bn EUR)	High 11.7	Low 1.9	High 7.2	Low 3.0
	STOXX® GC Pooling EUR Deferred Funding Rate			
Rate (in %)	High 1.94		Low 1.888	
Vol (in bn EUR)	High 38.0		Low 18.4	

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

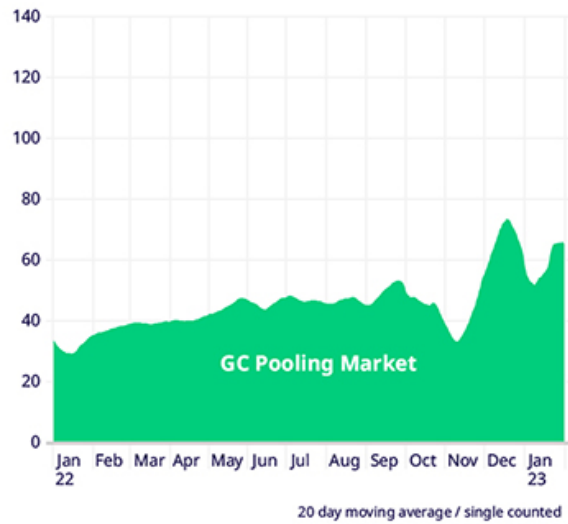
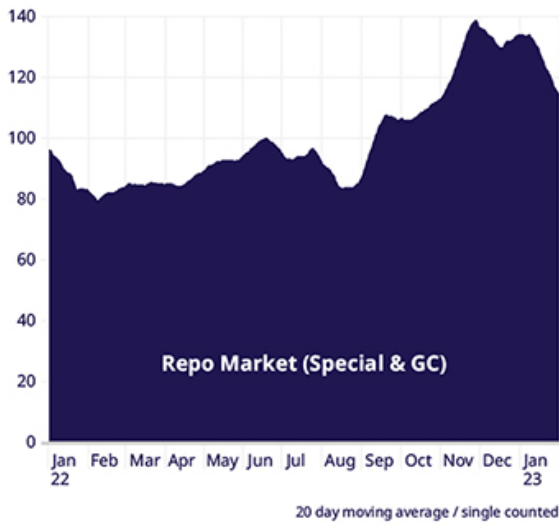
## Participants

Repo Market: 147	GC Pooling Market: 135	HQLAx: 4	Select Invest: 4	Select Finance: 5
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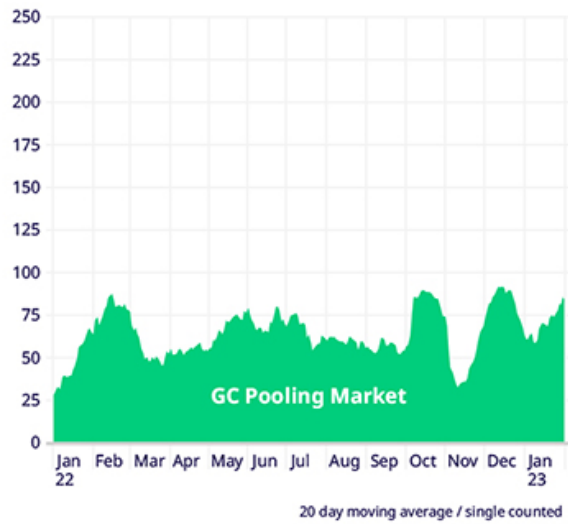
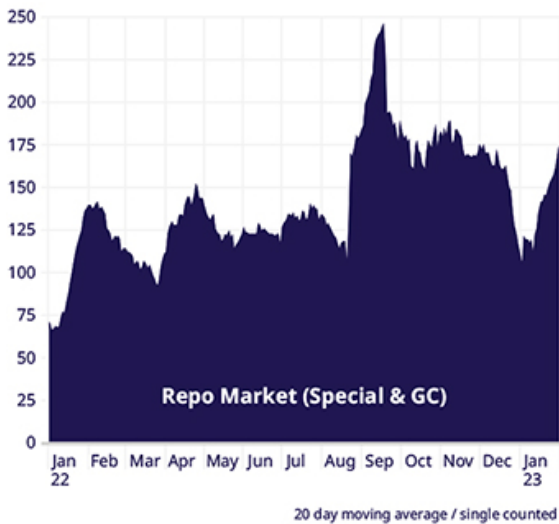
Please find here the current [Participant List Repo and GC Pooling](#) with a summary by markets

## Volume

### Outstanding volumes 2022/2023 (in bn EUR)



### Term adjusted volumes 2022/2023 (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](mailto:repo.trading@eurex.com).

## Systems & Services

## Eurex Repo F7, Simulation and Advanced Simulation, renewal of broker/server certificates

### IMPORTANT: Action required for API/POA applications only!

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

On **Saturday, February 25th, 2023 Eurex Repo will install new broker/server certificates in the F7 Production environment**, as the current Eurex Repo F7 API broker/server certificates for Production will expire.

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

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More news from Eurex Repo

Connect with us on Twitter [@EurexGroup](#), [LinkedIn](#) and [Youtube](#) for more updates.

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