

08 Mar 2023

Monthly News from Eurex Repo

Market Briefing

February continued our market's very strong start of the year with an increase of 127% in average traded volumes across all markets compared to February 2022. The term-adjusted volumes increased by +66.7% across all market segments in February, reaching around EUR 321.7 billion compared to 193 billion in February 2022. We also saw strong growth volume growth in our Dealer to Client business, with YTD outstanding volumes more than double compared to 2022.

February volumes are particularly highlighted by a sharp increase in the GC Pooling average traded volume, reaching 38bn compared to 8.3 bn in February 2022. The increasing number of participants actively trading in this market also supported the rising volumes in GC Pooling. Indeed, as the market absorbed recent ECB decisions and policy announcements, EUR GC Pooling saw the return of terms trading throughout the curve rather than being condensed into one-day terms. Therefore, in addition to already strong short-dated volumes from one-week to one-month terms, we saw, throughout February, highly animated nine and twelve months GC Pooling terms trades, with a range of participants in both the ECB and EXT ECB baskets. Interestingly, we saw very little spread between the baskets in these long-dated terms.

Our Repo Market also continued its strong growth in GC & Special, with an 83% increase in the average term-adjusted volume compared to the previous year. During the month, we noticed that core and semi-core Euro Governments bonds were actively traded one week to one month, with three-month forward trades continuing in German (Bunds traded volume in February +54% compared to February 2022) and French govts March – June. The peripheral Euro government bonds were extremely active from one week to one month term, particularly sub ten-year Spanish and sub ten-year Italian paper. SSA's continued to be popular from three months term down to one day and, increasingly, open term.

EU GC and Specials continued to rise in volume (+54% compared to January) and in the number of executions, demonstrating the further development of this asset class.

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

News

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](#)

Industry events

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.

Your Eurex Team

Meet us at the Finadium Rates & Repo Europe 2023 in London

The first annual Rates & Repo Europe will take place at London Stock Exchange Group on 29 March 2023. This live event is for cash investors, dealers, market intermediaries, technology firms and other service

providers. Engage with peer professionals and service providers in a changing markets, regulatory and technology environment. Upgrade your understanding of the rates and repo space at this unique industry event for European market participants.

Frank Odendall, Head of Funding & Financing Product & Business Development,

Panel: Client Clearing in 2023

15:15 -16:00 BST

- How is the market adapting to sponsored repo in Europe?
- Would a European version for mandatory clearing of government repo offer any value?
- As new balance sheet regulations come into force, can client clearing offer banks balance sheet relief?

The banner features the logos for FINADIUM and EUREX at the top left. On the left side, there is a silhouette of a person standing on a ladder and taking a photograph. The central text reads: 'Join Eurex and Frank Odendall to discuss Client Clearing in 2023', followed by 'Wednesday, 29 March 2023 at London Stock Exchange Group'. On the right side, there is a circular portrait of Frank Odendall. Below the portrait, his name and title are listed: 'Frank Odendall, Head of Securities Financing Product & Business Development, Eurex'. At the bottom left, a blue banner contains the text 'Rates and Repo Europe'.

[Register now](#)

Daily average outstanding volume in bn EUR reached in February 2023		
GC Pooling: 60.6	Repo: 120.9	All Markets: 181.5

Daily average term adjusted volume in bn EUR reached in February 2023		
GC Pooling: 111.9	Repo: 209.8	All Markets: 321.7

Trades	GC Pooling in EUR	Repo GC in EUR	Repo Special in EUR
Largest	2.0 bn	1.5 bn	1.0 bn
Longest	368 days (250 mn)	42 days (854 mn)	364 days (43 mn)

STOXX® GC Pooling Indices

February 2023	STOXX® GC Pooling EUR ON Index		STOXX® GC Pooling EUR Extended ON Index	
Rate (in %)	High 2.458	Low 1.929	High 2.483	Low 1.958
Vol (in bn EUR)	High 7.5	Low 2.0	High 9.3	Low 4.0
	STOXX® GC Pooling EUR Deferred Funding Rate			
Rate (in %)	High 2.468		Low 1.944	
Vol (in bn EUR)	High 46.5		Low 18.5	

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

Participants

Repo Market: 147

GC Pooling Market: 135

HQLAx: 4

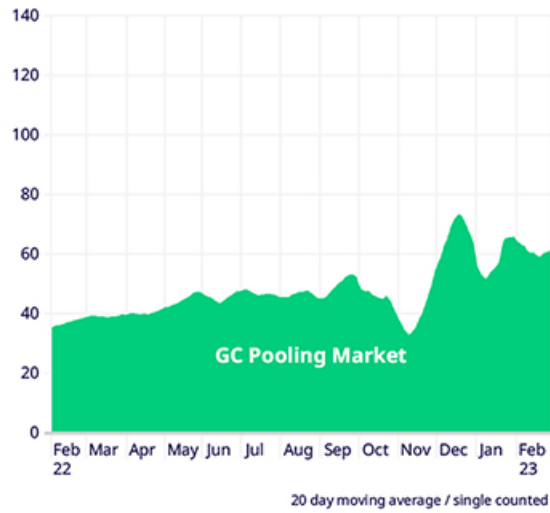
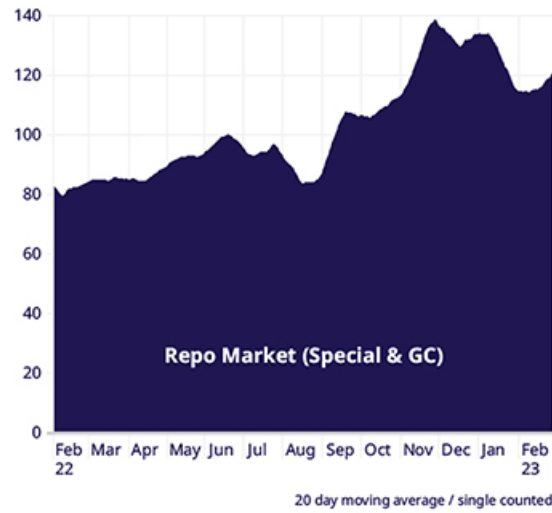
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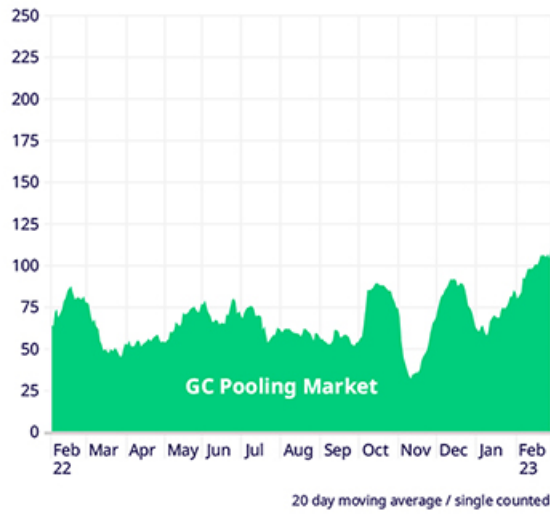
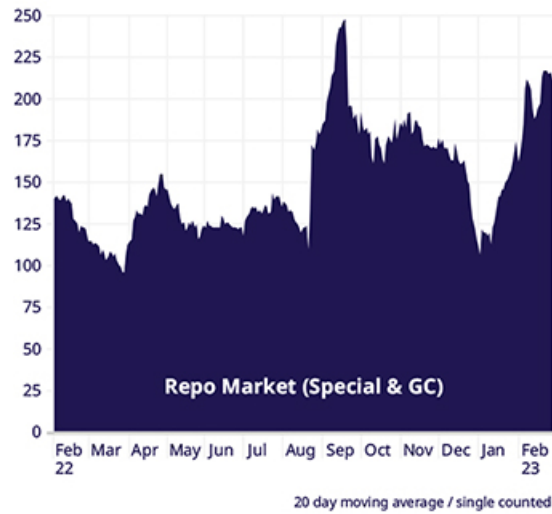
Please find here the current [Participant List Repo and GC Pooling](#) with a summary by markets

Volume

Outstanding volumes 2022/2023 (in bn EUR)



Term adjusted volumes 2022/2023 (in bn EUR)



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

Eurex Repo F7 simulation update v3.9 – FIX Upgrade and Optional API Upgrade

To further enhance its trading infrastructure, Eurex Repo is planning to launch F7 release 3.9.

The Eurex Repo F7 simulation environment will be updated to version F7 release 3.9 on March 9th 2023 at 13:00 CET.

Eurex Repo will conduct internal tests on February 10th, 2023 and the **Simulation** period will commence **starting Monday, March 13th, 2023 with v003.940.000.**

Release 3.9 includes GUI enhancements as well as **FIX Gateway upgrade and optional API upgrade.**

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

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