

13 Jul 2023

Monthly News from Eurex Repo

Market Briefing

In June, the ECB diverged from the Fed, raising rates to the highest level in 22 years. The ECB announced a new rate increase of 25 basis points, taking its deposit facility rate to 3.5%. After the rate change, there was an immediate effect in GC Pooling, the ON rates for GC Pooling EXT Basket traded slightly above €STR while the GC Pooling ECB Basket traded slightly below €STR.

Another important market topic in June was the TLTRO III repayments, where the market was well prepared for the upcoming event.

June 2023 marked another month of strong volume developments at Eurex Repo for the GC Pooling and Repo markets. This resulted in another new overall record in total outstanding volume on 28 June.

Looking at the YoY comparison for the first half of 2023, Eurex Repo's overall outstanding volume increased by 62.9%. When splitting the segments, the GC Pooling market increased by 89.6% and the Repo Market represented an increase of 50.4%.

Comparing June 2023 with June 2022, the outstanding volume increased by 71.9%. This was mainly driven by the GC Pooling Market, which increased by 120.4%.

Eurex Repo's year-to-year average traded volume in 2023 compared to 2022 shows an impressive increase in GC Pooling of 316,6% and in the Repo Market of 30.8%. Comparing June 2023 to June 2022, the average traded volume increased overall by 88.4%. This was significantly driven by the GC Pooling market, with an increase of 297.8%, whereas the Repo Market increased by 15.1%.

In the Repo Market, the Specials term volume continued to be driven by rolls and new trades around netting dates and the new ECB terms from 21 June to 02 August. The main activity here was in Spanish and Italian government bonds. The traded volume of Bund Special Repo increased by 32 % from January to June compared to the same period last year. Due to lower GC activity, EU bond volumes declined from May's record high. However, overall trading activity in EU bonds remains high, with the second-highest recorded monthly volume in June (YTD January – June +119%).

Floating rate repo transactions continued the recent upward trend in core and semi-core Euro government bonds.

In GC Pooling, spreads between the ECB and EXT ECB baskets tightened in June to an average of 5,4bp compared to an average spread of 10.5 in May.

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

News

Managing liquidity needs: the significance of GC Pooling (SFT June 2023)

Eurex's Frank Gast, managing director and member of the management board of Eurex Repo, and Carsten Hiller, head of Central Europe funding and financing, fixed income sales, discuss the past, present and possible future of Eurex's GC Pooling product

[Get access to the whole interview here](#)

Industry events

Annual bwf and ICMA Capital Markets Conference, Frankfurt

The bwf and ICMA Capital Markets Conference will take place on 11 September in Frankfurt

Eurex is proud to sponsor the Annual bwf and ICMA Capital Markets Conference. Featuring keynote speeches from BaFIN and ESMA as well as panel discussions on key market topics including MiFID II / MiFIR Review and sustainability, the conference combined the current regulatory discussion with an analysis of various aspects of the German and European securities markets in order to foster the exchange of ideas and a public debate.

Admission: This event is free to attend and open to all interested market participants. [Register now.](#)

Eurex Get-Together (EGT)

Join our upcoming evening events in:

- Frankfurt, July 13
- Vienna, October 12

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

Volumes

Daily average outstanding volume in bn EUR reached in June 2023			
GC Pooling: 104.2	Repo: 144.7	All Markets: 248.9	
Daily average term adjusted volume in bn EUR reached in June 2023			
GC Pooling: 168.6	Repo: 210.0	All Markets: 378.6	
Trades	GC Pooling in EUR	Repo GC in EUR	Repo Special in EUR
Largest	2.0 bn	2.8 bn	1.4 bn
Longest	368 days (250 mn)	92 days (2.8 bn)	165 days (98 mn)

STOXX® GC Pooling Indices

June 2023	STOXX® GC Pooling EUR ON Index		STOXX® GC Pooling EUR Extended ON Index	
Rate (in %)	High 3.412	Low 3.129	High 3.437	Low 3.194
Vol (in bn EUR)	High 8.9	Low 2.5	High 7.1	Low 0.4
	STOXX® GC Pooling EUR Deferred Funding Rate			
Rate (in %)	High 3.388		Low 3.134	
Vol (in bn EUR)	High 26.5		Low 7.5	

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

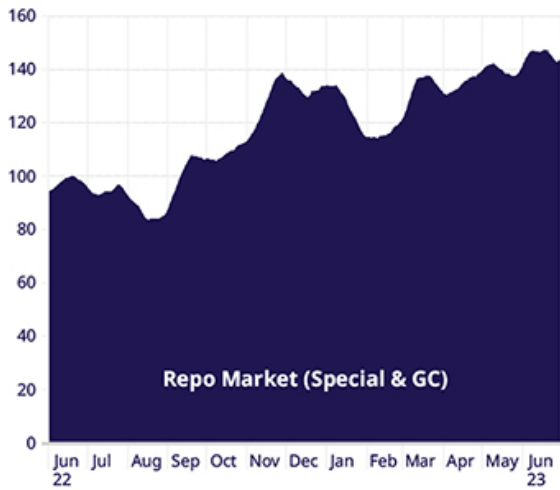
Participants

Repo Market: 149	GC Pooling Market: 133	HQLAx: 4	Select Invest: 4	Select Finance: 5
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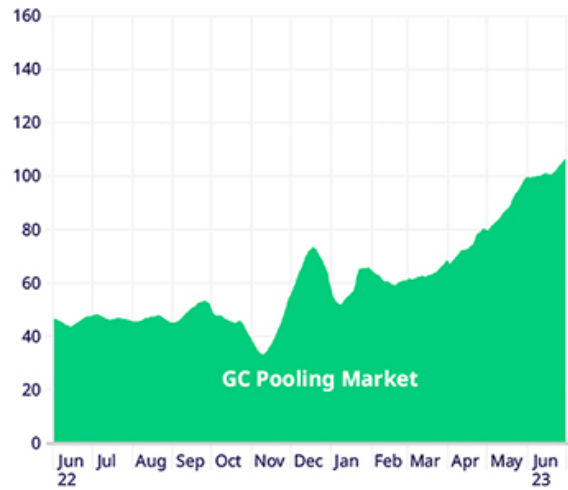
Please find here the current [Participant List Repo and GC Pooling](#) with a summary by markets.

Volume

Outstanding volumes 2022/2023 (in bn EUR)

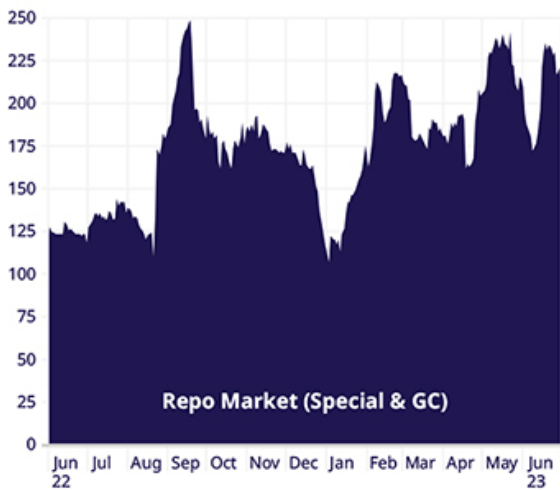


20 day moving average / single counted

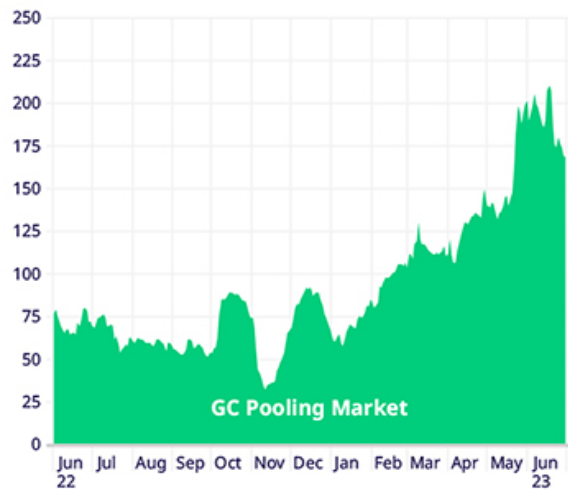


20 day moving average / single counted

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

Removal of fractional allocations in GC Pooling as of July 4, 2023.

Eurex Repo wants to draw your attention to the removal of fractional allocations in Clearstream's Collateral Management System CmaX for Eurex Repo GC Pooling transactions and Eurex Clearing margin contributions.

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

Update of Eurex Clearing's Concentration and Wrong-way risk limits as of June 27, 2023.

Eurex Repo wants to draw your attention to the newly published Eurex Clearing Circular 043/23 about the update of Concentration and Wrong-way risk limits for the additionally monitored risks.

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

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