

13 Oct 2023

Monthly News from Eurex Repo

Market Briefing

Market Highlights: In September 2023, Eurex's repo markets continued their strong performance, with term-adjusted volumes reaching an impressive EUR 385.1 billion. This marked a remarkable 58.3% increase compared to the same month last year.

The European Central Bank (ECB) continued monetary policy tightening contributed to this momentum by implementing a 25-basis points rate hike on 14 September, elevating the deposit facility rate to 4.00%. This policy shift significantly boosted demand for repo transactions, resulting in a substantial 95% increase in average traded volume compared to the first nine months of last year. Notably, this surge culminated in a new daily traded volume record on Eurex Repo, surpassing the previous record held since 2011.

The GC Pooling market thrived in this environment, achieving average term-adjusted volumes of EUR 197.5 billion for September, marking an impressive threefold increase compared to the previous year.

Outstanding Volumes: Outstanding volumes for the first nine months of this year surged impressively by 66% compared to the same period last year. GC Pooling's outstanding volume stood out with a staggering 106% increase, underscoring the robust market dynamics. The Repo Market also demonstrated substantial growth, with volumes increasing by nearly 47%.

Spreads and Collateral: In September, the spread between the overnight GC Pooling EXT and the ECB basket remained relatively stable, averaging around 3bps.

The average spread in the overnight rate between the ECB basket and the €STR fixing declined to approximately 3bps, primarily due to a low GC Pooling rate over the quarter-end (excluding the quarter-end, the spread was around 4bps). We observed a similar trend in the overnight spread of the EXT basket against €STR, which tightened to 6 bps (excluding the quarter-end, it was +6.9 bps).

The quarter-end went as market participants expected, with ample liquidity and trading levels within the anticipated range. Bund specials traded around 16/17 bps more expensively, while other specials "richened" by 13-15 bps.

The STOXX GC Pooling deferred funding rate over the quarter-end stood approximately at €STR -8bps, accompanied by robust turnover.

Eurex – Home of Term Repo: The remarkable increase in GC Pooling term-adjusted volumes of 137% year-to-date (YTD) was primarily driven by 6, 9, and 12-month trades in the ECB and ECB EXT baskets.

Especially notable were the 6-month tenors, trading in the ECB basket at around €STR-swap +3/5bps and in the EXT basket at around +7/8bps. The longest-term trades observed were in the ECB basket, maturing in March 2025.

Term-adjusted volumes in the repo market (GC and Special) also saw a YTD increase of 37%. Unlike September last year, there wasn't much activity around year-end coverage. Volumes in German Bunds decreased in terms, but this was potentially offset by term trades in other EUR government bonds extending into November and December.

Once again, significant trading volumes were seen in the new ECB terms (the maintenance period from 20th Sep to 02nd Nov), primarily involving Spanish and French government bonds. The longest transactions in the single ISIN market were traded in French govies, extending out to one-year terms.

Additionally, this month saw higher volumes of open repos and open variable rate trades versus €STR (which have been live on Eurex for many years), especially in SSAs and corporate bonds.

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

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.

Rates and Repo North America 2023, 2 November, New York

Eurex joins the 7th annual Rates & Repo in North America, a live event in New York City. This is a conference 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.

Frank Odendall (Eurex Repo) will join the panel discussion, repo on chain and collateral mobilization.

The poster features the FINADIUM and EUREX logos at the top left. The main text reads: "Join Eurex and Frank Odendall to discuss Repo on chain and collateral mobilization Thursday, November 2nd in New York City". A circular portrait of Frank Odendall is shown on the left, with his name and title: "Frank Odendall Head of Securities Financing Product & Business Development, Eurex". The background includes a city skyline at night and a microphone. At the bottom right, it says "RATES & REPO NORTH AMERICA 2023".

FINADIUM | **EUREX**

Join Eurex and Frank Odendall to discuss
Repo on chain and collateral mobilization
Thursday, November 2nd in New York City

Frank Odendall
Head of Securities Financing Product & Business Development, Eurex

RATES & REPO NORTH AMERICA 2023

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

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!

The banner features the text "GFF Summit 2024" in white against a background of glowing blue and yellow light trails. At the bottom, the EUREX and clearstream logos are displayed.

GFF Summit 2024

EUREX clearstream

Volumes

Daily average outstanding volume in bn EUR reached in September 2023			
GC Pooling: 117.8	Repo: 135.9		All Markets: 253.6
Daily average term adjusted volume in bn EUR reached in September 2023			
GC Pooling: 197.5	Repo: 187.6		All Markets: 385.1
Trades	GC Pooling in EUR	Repo GC in EUR	Repo Special in EUR
Largest	5 bn	3.0 bn	1.0 bn
Longest	365 days (0.1 bn)	32 days (1.1 bn)	368 days (193 mn)

STOXX® GC Pooling Indices

September 2023	STOXX® GC Pooling EUR ON Index		STOXX® GC Pooling EUR Extended ON Index	
Rate (in %)	High 3.947	Low 3.672	High 3.97	Low 3.716
Vol (in bn EUR)	High 11.0	Low 1.6	High 8.9	Low 0.3
	STOXX® GC Pooling EUR Deferred Funding Rate			
Rate (in %)	High 3.955		Low 3.700	
Vol (in bn EUR)	High 29.0		Low 9.8	

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

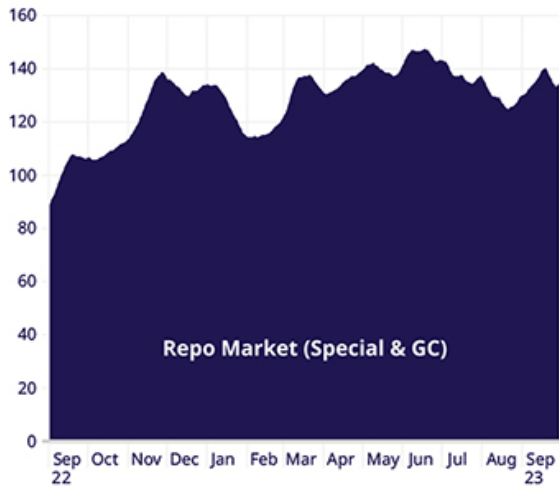
Participants

Repo Market: 153	GC Pooling Market: 134	HQLAx: 6	Select Invest: 4	Select Finance: 7
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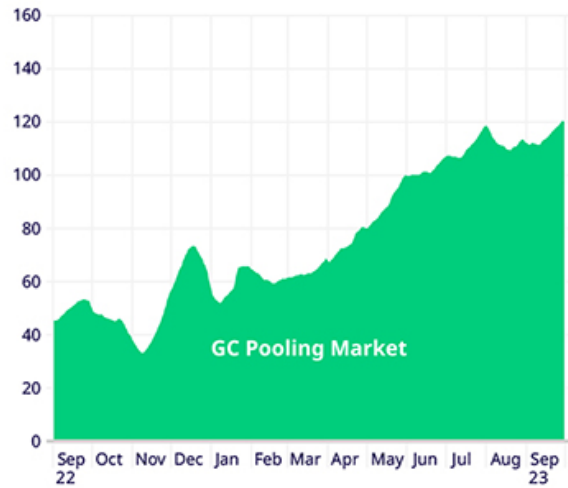
Please find here the current [Participant List Repo and GC Pooling](#) with a summary by markets.

Volume

Outstanding volumes 2022/2023 (in bn EUR)

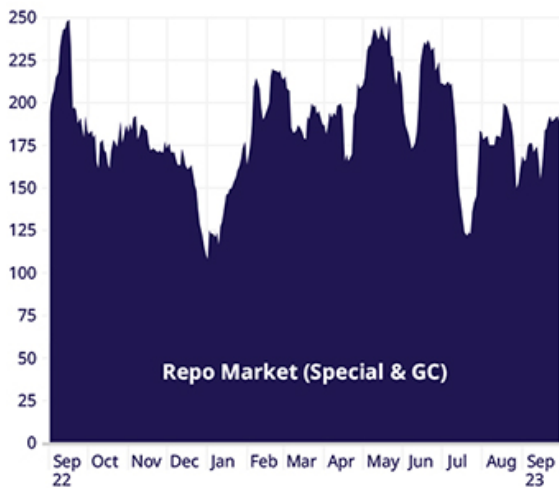


20 day moving average / single counted

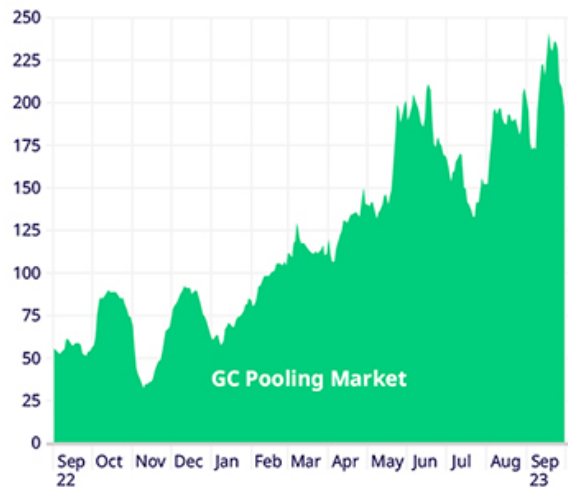


20 day moving average / single counted

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

Eurex Repo F7 simulation update v4.0 – FIX Upgrade and Mandatory API Upgrade

To further enhance its trading infrastructure, Eurex Repo is planning to launch F7 release 4.0.

The Eurex Repo F7 simulation environment will be updated to version F7 release 4.0 on October 12th 2023 at 12:00 CEST.

Eurex Repo will conduct internal tests on October 13th, 2023 and the **Simulation** period will commence **starting Monday, October 16th, 2023 with v004.040.000.**

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

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More news from Eurex Repo

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