

09 Dec 2020

Monthly News from Eurex Repo

Market Briefing

On 2 November 2020, we introduced the first Green Bond GC Basket eligible for trading on our Repo market. The market for Green bonds has gone from strength to strength since its first issuance in 2007 by EIB under the Climate Awareness Bond label. By introducing this basket, Eurex aims to respond to market demand by facilitating this trend. The Green Bond GC Basket is also an excellent complement to our buy-side strategy as well as Eurex's market-leading ESG strategy. The basket has been designed based on several discussions with industry bodies, asset managers as well as bank treasury desks. It will be interesting to follow the discussion and development of ESG related initiatives in the repo industry. We are glad that we have kicked-off this discussion.

The USD GC Pooling segment is receiving tremendous support from our clients. We will continue to offer this strategically important market segment for cleared repo in Europe under the new admission criteria. We're very grateful to all the clients that have already signed up. Please contact our sales team for more information and the onboarding process.

Please also see our newly released video on [ISA Direct for Repo](#). Several large buy-side institutions are about to join our cleared repo markets to benefit from access to a broad counterparty base combined with professional risk management.

Year-end positioning already got underway in November via a large number of 1-2 month transactions across all market segments, including some six month+ transactions related to the CRR2 go-live date in June 2021.

The average term-adjusted volumes for November 2020 compared to November 2019 are also in. The Repo market is plus 88 percent. YTD term adjusted volumes across all markets have grown by 13.5 percent.

Frank Gast - Managing Director, Eurex Repo

Volume

Daily average outstanding volume in bn EUR reached in November 2020			
GC Pooling: 34.0	Repo: 59.4		All Markets: 93.4

Daily average term adjusted volume in bn EUR reached in November 2020			
GC Pooling: 50.1	Repo: 110.1		All Markets: 160.2

Trades	GC Pooling in EUR	Repo GC in EUR	Repo Special in EUR
Largest	0.6 bn	2.6 bn	0.8 bn
Longest	395 days (250 mn)	92 days (56 mn)	182 days (344 mn)

STOXX® GC Pooling Indices

November 2020	STOXX® GC Pooling EUR ON Index		STOXX® GC Pooling EUR Extended ON Index	
Rate (in %)	High -0.508	Low -0.543	High -0.492	Low -0.503
Vol (in bn EUR)	High 3.9	Low 1.2	High 1.9	Low 0.5
	STOXX® GC Pooling EUR Deferred Funding Rate			
Rate (in %)	High -0.506		Low -0.524	
Vol (in bn EUR)	High 7.0		Low 3.1	

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

Participants

Repo Market: 155	GC Pooling Market: 143	HQLA ¹ : 3	SecLend Market: 13	Select Invest: 4	Select Finance: 5
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Please find the current [LIST OF PARTICIPANTS](#) for the Repo, GC Pooling, HQLA^X and SecLend Market.

Systems & Services

Eurex Repo's trading system F7

On November 30 the mandatory F7 Release roll-out was released.

Release 3.4 of Eurex Repo's F7 includes major enhancements to core trading affecting F7 trading GUI and F7 API users. For more information about the technical roll-out please see the [TECHNICAL INFORMATION](#) published on November 20, 2020.

Release Schedule for 2021:

Release	Type	In Simulation	In Production	Remarks
3.5	Optional	01.03.2021	12.04.2021	GUI & optional API enhancements
3.6	Mandatory	11.10.2021	29.11.2021	GUI & API enhancements

More information on the release schedule for 2021 can be find in the latest [TECHNICAL INFORMATION](#).

More information about F7 can be found on our website: [Trading System F7](#)

Products

Efficient financing of Green Bonds

As of 2 November 2020, Eurex introduced a first green bond basket eligible for trading in the repo market. The market for green bonds has gone from strength to strength since the first issuance in 2007 by the EIB under the label Climate Awareness Bond (CAB).

What are the key takeaways?

- Green initiative: First centrally cleared green bonds repo basket providing both sell and buy-side firms the opportunity to manage their money market positions in an ESG compliant way.
- Burgeoning market: Outstanding green bonds now exceed USD 700bn, of which USD 150bn were issued in 2020 (including notable inaugural bonds by multiple European governments).
- Portfolio margining: Eurex Clearing grants margin offsets for some bonds within the same margin group.

News

Explaining ISA Direct for Repo

Eurex's ISA-Direct – the direct clearing access model for the buy-side – gives institutional investors direct access to centrally cleared repo markets, allowing them to interact with more than 160 counterparties to repo over thousands of ISINs in multiple currencies. Watch our video to discover the benefits our buy-side tailored solution can provide.



Repo goes green

In this Securities Finance Times' article, Carsten Hiller explains why Eurex Repo has launched a new Green Bond GC Basket and outlines what is needed to bring the repo market into the modern ESG sphere.

[Read more](#)

We are live! Eurex extends the trading hours of further products into the Asian time zones

As of 7 December 2020, we have extended the trading hours of an additional four futures products into the Asian time zones - 10-year Euro-OAT EURO STOXX® Banks, STOXX® Europe 600, and VSTOXX® Futures. Read [more](#).

Events

Dec 09: EU bond issuance and the impact on the derivatives landscape - Webcast

The successful launch of the first tranche of SURE Bonds and market participants' overwhelming interest increases the likelihood of an easy upside issuance. This would make the EU the world's largest Supranational issuer and one of the largest pan-European issuing entities. It will also become the largest global issuer of green bonds.

Join the debate with industry experts on 9 December to discuss the implications of this issuance, its impacts on the derivatives market, and the opportunities and challenges a relatively fast pace of new debt issuance creates for market participants.

Register now

Jan 21: What comes after the CCP discounting switch - Webcast

Despite the severe disruptions to businesses across 2020, financial market participants have continued to make meaningful progress towards IBOR transition and the use of RFRs. A crucial part of this reform was the CCP discounting switch, but with this now accomplished firms can start to reflect on what the next practical steps in their projects should be.

Whilst there are many uncertainties, we can now reflect upon what 2021 will look like from a business perspective and the challenges that will have to be negotiated. How, for instance, should firms go about implementing the ISDA fallback or alternatives? What are the implications for portfolio management, and from a market perspective what does this mean for liquidity and trading opportunities?

Register now

Feb 02 - 04: GFF Summit 2021

Save the date for our virtual GFF Summit 2021 - Join panel discussions, networking opportunities and info sessions on this year's theme "An open eco-system for all".

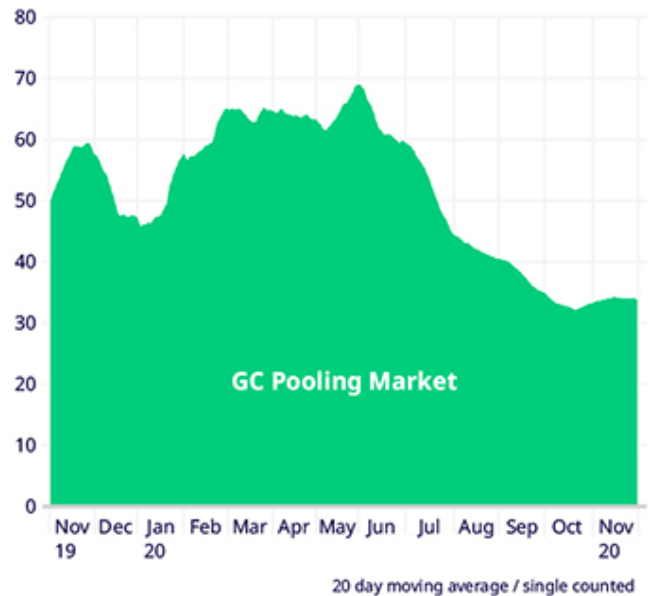
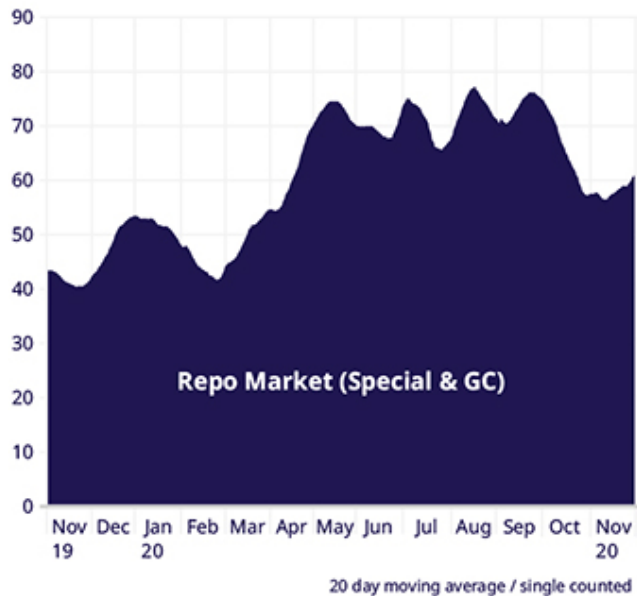
Webcast Replay: CCP Switch - successful transfer is simple

Transferring your OTC Interest Rate Derivatives portfolios to a CCP based in the EU27 opens up key strategic opportunities for your organization. The prerequisite for this is a smooth transfer process. This webcast consists of two sessions: First, industry experts share their hands-on experience in preparing and

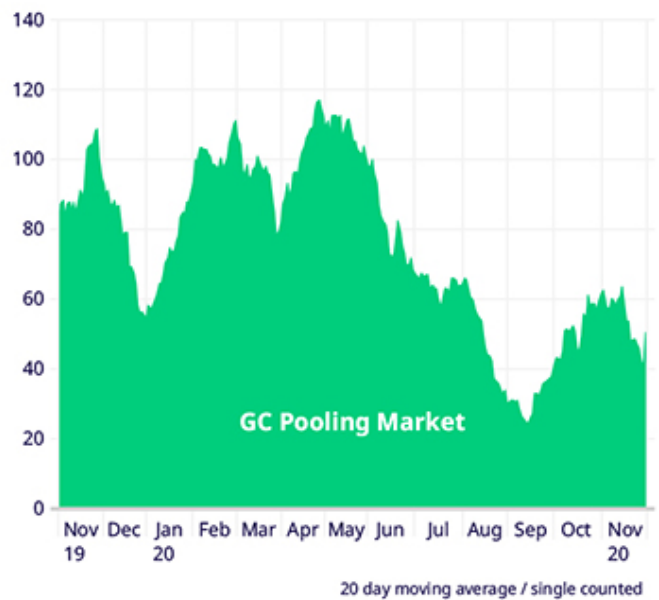
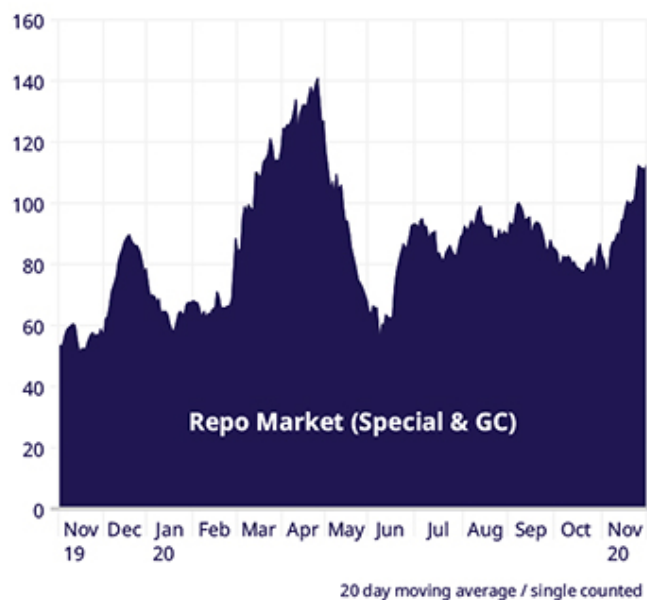
executing a CCP Switch. The second session focuses on tackling valuation issues via the D2C platform Trad-X, including a demo of the possibilities it offers.

Volumes 2019/2020

Outstanding volumes 2019/2020 (in bn EUR)



Term adjusted volumes 2019/2020 (in bn EUR)



Training

GC Pooling and Repo Market

Trader examination and training for the Repo and GC Pooling Market for existing and new participants is available online. For the exam registration please click [HERE](#).

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.

SecLend Market

Eurex Repo offers ongoing training sessions to prospective SecLend traders from legally admitted market participants. The training includes basic knowledge about seclend trading and the practical use of the system. Training sessions can be provided on request.

Services & Contacts

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