

News from the International Capital Market Association (ICMA)

Dreikönigstrasse 8, CH-8002 Zurich

www.icmagroup.org

Please see foot of release for contact details

13 November 2019

ICMA European repo survey sets market size at EUR 7,761 billion

The European Repo and Collateral Council (ERCC) of the International Capital Market Association (ICMA) has today released the results of its 37th semi-annual survey of the European repo market. The survey, which calculates the amount of repo business outstanding on 5 June 2019, from the returns of 55 offices of 51 financial groups, sets the baseline figure for European market size at EUR 7,761 billion, down by 1.1% on the December 2018 survey figure of EUR 7,846 billion. Year on year this is an increase of 5.6% from the June 2018 survey which set the figure for market size at EUR 7,351 billion.

Commenting on the survey, Godfried De Vidts, Senior Advisor to ICMA's ERCC, said: "The repo market is crucial for liquidity and fluidity in cash and collateral. While the headline numbers paint a picture of a robust market, what they do not reveal is the underlying vulnerability that we see around certain events such as year-end. This was the message delivered to the recent EC Expert Group on pension scheme arrangements".

[Download the 37th ICMA ERCC European Repo Market Survey](#)

Other trends highlighted in the survey:

There was a drop in the volume of business through voice-brokers to a new all-time low, reflected in an increase in electronic business transacted over automatic repo trading systems (ATS).

The share of cross-border business in the survey decreased slightly and domestic business more so, reflecting a surge in CCP-cleared and therefore anonymous repo.

Tri-party repo in the survey continued to recover, rising to 8% of the survey total. This could reflect the end of QE by the ECB.

The share of EU government bonds as collateral rose to their highest level since 2002, driven largely by Italian government securities. The share of German collateral touched a record low however.

In the latest survey, respondents were asked to report the total number of repo master agreements which they had in place and the number of these agreements which were the ICMA's Global Master Repurchase Agreement (GMRA). Some 78% of the agreements reported were GMRAs confirming the status of this agreement as a global standard.

The June 2019 European repo market survey suggests that recovery which has been in progress since 2016 has paused, albeit at a volume close to the survey's record level. This slowdown in the repo market activity may have reflected the impact on financial markets of

increased uncertainty in the global economy and the effect of inverting yield curves on fixed-income trading. The exception is Italian government bonds, which recaptured share in the repo market and performed very strongly in the first half of 2019. German securities on the other hand look to have suffered from increasingly negative yields.

For more information about the European repo market and the repo product please see [FAQS on repo](#)

Contact details for further information

Margaret Wilkinson

+44 20 7213 0323

+44 7931 100 499

pressoffice@icmagroup.org

International Capital Market Association (ICMA)

ICMA is the trade association for the international capital market with over 580 member firms from 62 countries. It performs a crucial central role in the market by providing industry-driven standards and recommendations for issuance, trading and settlement in international fixed income and related instruments. ICMA works closely with regulatory and governmental authorities, both at the national and supranational level, to help to ensure that financial regulation promotes the efficiency and cost effectiveness of the capital market.

www.icmagroup.org

[@ICMAGroup](#)

ICMA European Repo and Collateral Council (ICMA ERCC)

The ICMA ERCC is a grouping established under the auspices of ICMA to bring together the major institutions active in Europe's cross-border repo and collateral markets and currently numbers 100 firms. It is the forum where the repo dealer community meets and forges consensus solutions to the practical problems of a rapidly evolving marketplace, consolidating and codifying best market practice. Membership of the ERCC is open to any ICMA member firm which has dedicated repo or collateral market activity, is willing to abide by the rules and has sufficient professional expertise, financial standing and technical resources to meet its obligations as a member.