



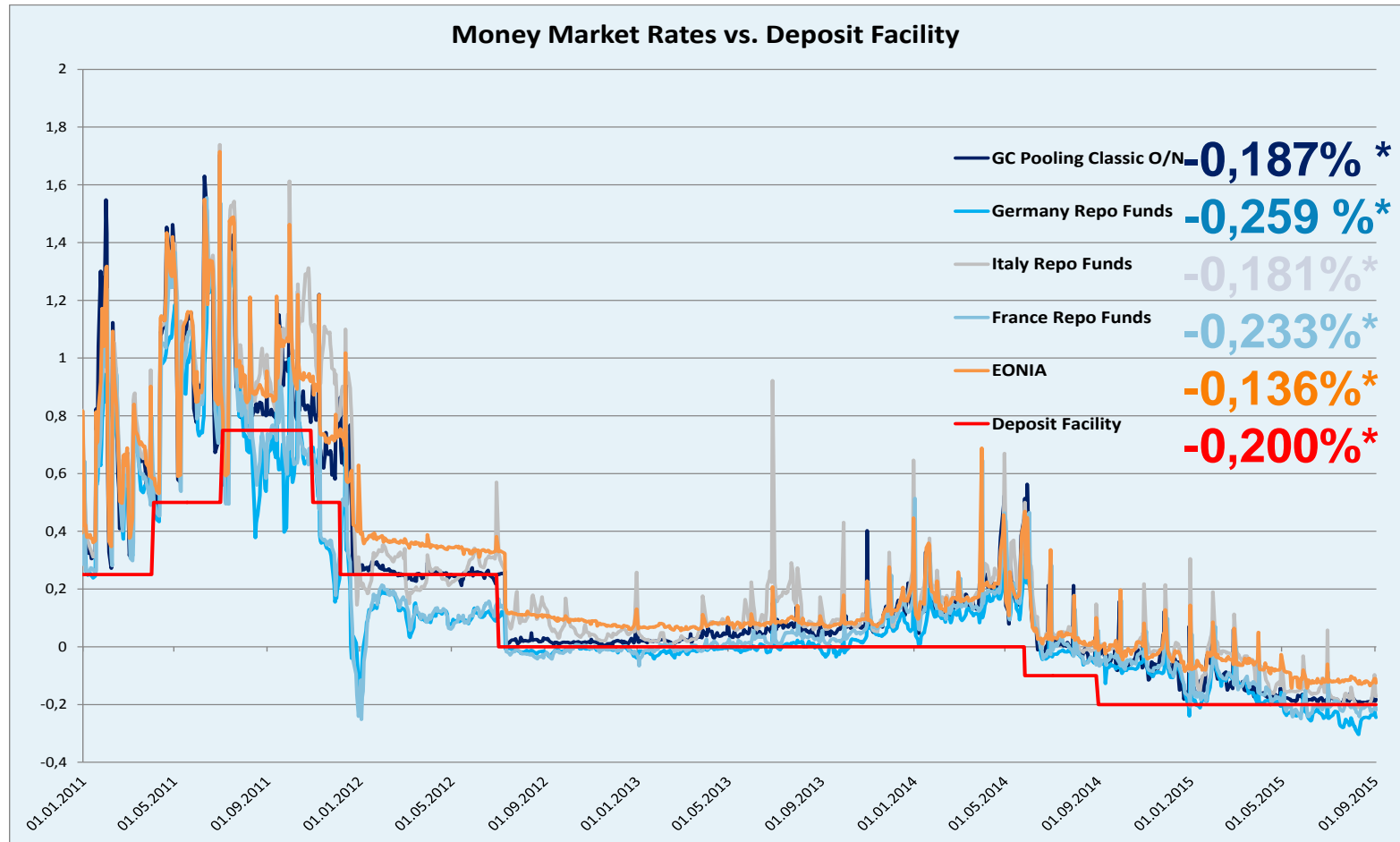
Harald Endres

Drivers of divergences in repo market rates and the spread to the ECB deposit facility

Frankfurt 9th September 2015

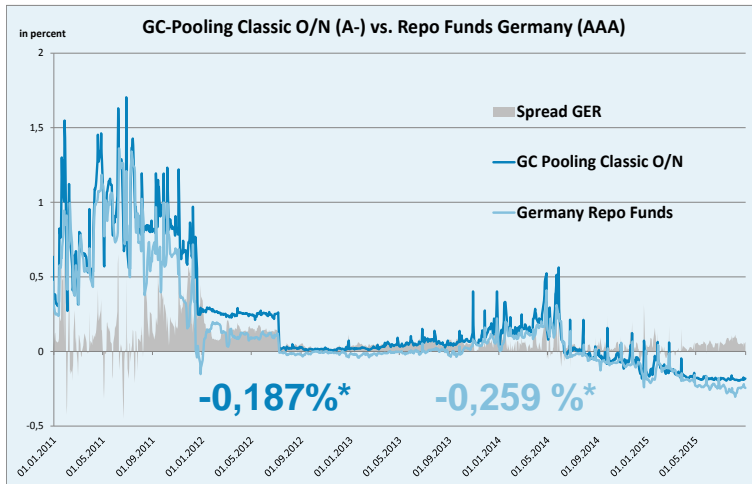
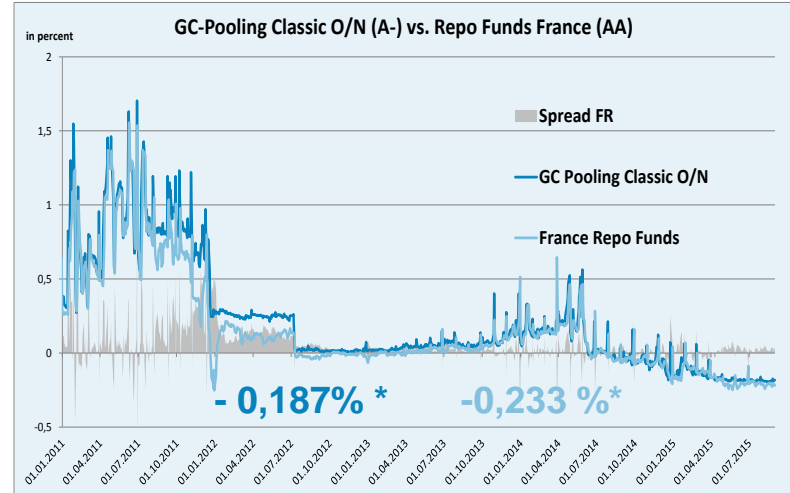
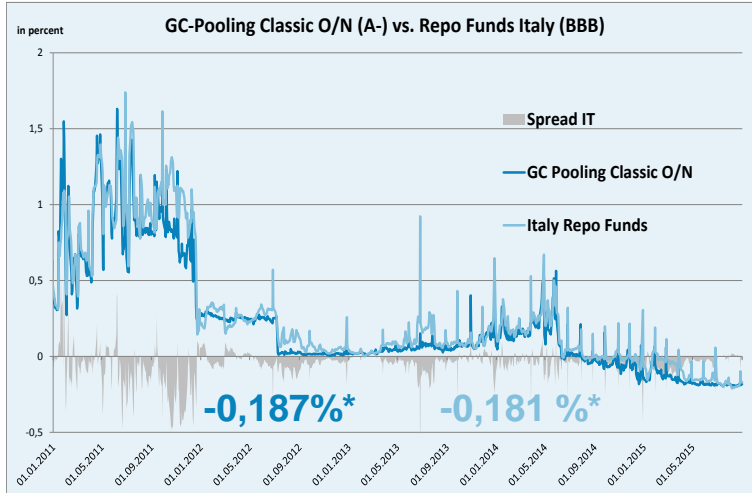
Money Market Contact Group (MMCG)

Money Market Rates



Source: Bloomberg/ECB * Data 07. Sept. 2015

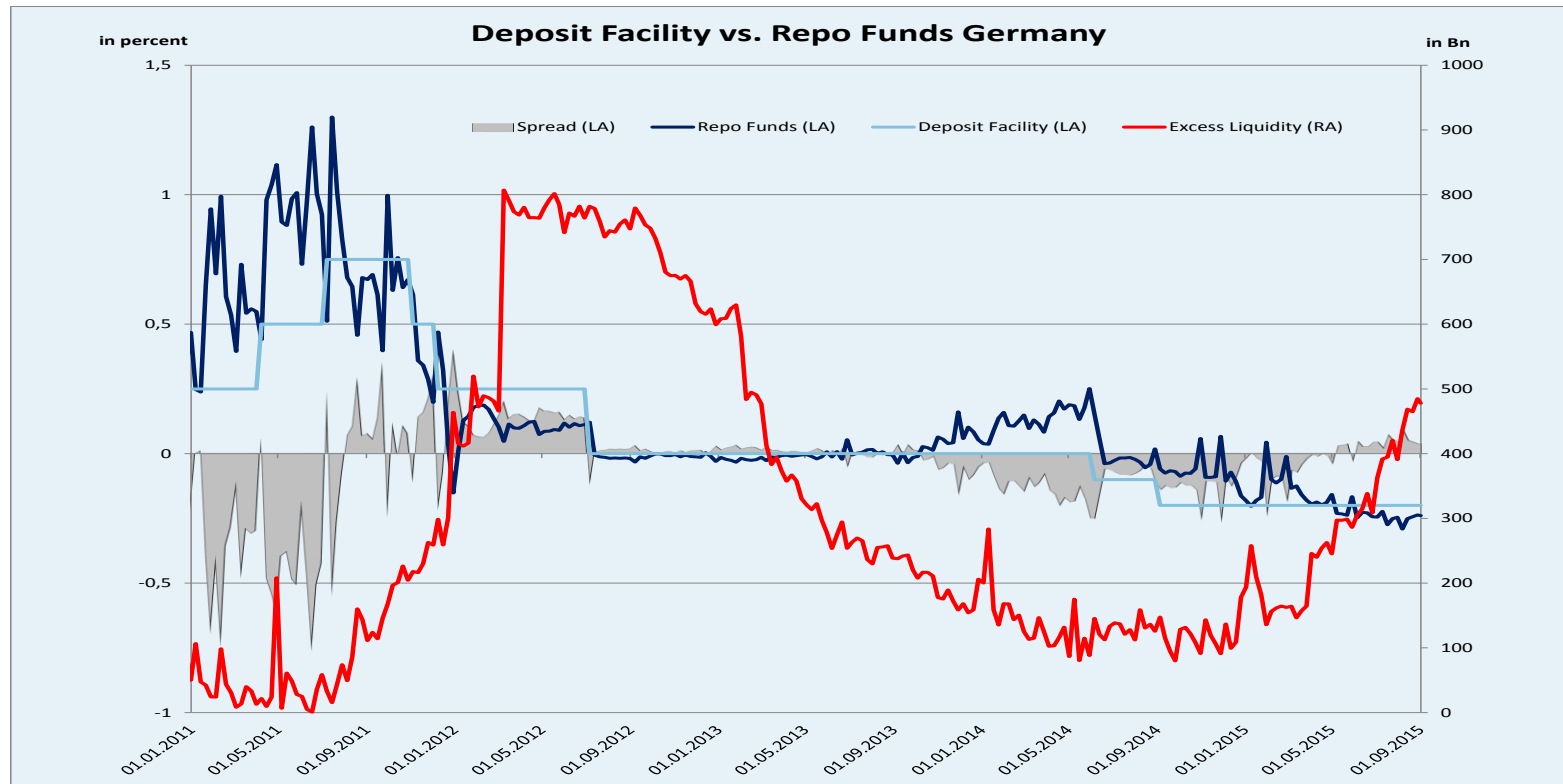
GC Pooling O/N vs. Repo Funds IT/FR/GER



- No squeeze of Bonds in market
Reporates visible
- SPREADS correspond in relation to the different Rating (AAA/AA/A/BBB)
- *Data 07. Sept. 2015

Source: Bloomberg/ECB


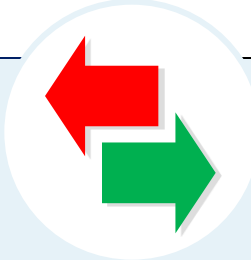
Deposit Facility vs. Repo Funds Germany



- Currently only a small negative impact of PSPP on Repo Specials
- Excess liquidity has more influence on market repo rates

Source: Bloomberg/ECB

Why RepoFundsRate trades below ECB Deposit Rate?

		<h2>STOXX® GC Pooling</h2>
<ul style="list-style-type: none">▪ BrokerTEC + MTS▪ Sovereign bonds (IT,FR,GER)▪ 90% SPECIALS 10% GC (remove 25% of outlying trades)▪ Reuse possible (Central banks/Clearinghouse)▪ Trading Strategies▪ SPECIALS = no economic floor		<ul style="list-style-type: none">▪ Eurex▪ Sovereign bonds/ Supranational/ Jumbo Pfandbrief/ Agencies▪ 100% General Collateral (basket A-) ▪ No external – reuse possible ▪ Interbank Liquidity management ▪ Deposit facility = economic floor