A comparative analysis of the European repo market before and after the recent financial market turmoil

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May 27th, 2008

Data sources: ECB Surveys, ICMA Surveys, Clearstream Banking, Euroclear Bank, JP Morgan
1. Introduction: growth of the European repomarket
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**ICMA**
Sample 59 institutions participated in last 3 surveys: Dec 06-Dec 07: -11.5%
Sample 61 institutions participated in Dec 06 and Dec 07 survey: -1.2%
Sample 65 institutions participated in June 07 and Dec 07 survey: +5.8%

**Euroclear**
Dec 06 – Dec 07: +6.1%
June 07 – Dec 07: -4%

**Clearstream**
Dec 06 – Dec 07: +24%
June 07 – Dec 07: +9.8%

**JPM**
June 07 – Dec 07: +50%
2. **Respondents**

![Concentration analysis chart]


- **Others**, **Top 21-30**, **Top 11-20**, **Top 10**

- The chart shows the concentration analysis of respondents from different time periods. Each bar represents a different time period, with segments indicating the percentage contributed by different categories of respondents.
3. Currency analysis

ICMA CURRENCY ANALYSIS

CLEARSTREAM TRIPARTY

EUROCLEAR TRIPARTY

JPM TRIPARTY

Other  JPY  SEK/DKK  USD  GBP  EUR

Other  JPY  SEK/DKK  USD  GBP  EUR

Other  JPY  SEK/DKK  USD  GBP  EUR

Other  JPY  SEK/DKK  USD  GBP  EUR
4. Maturity analysis
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5. Repo versus Reverse repo
6. Counterparty analysis

ICMA Jun-05
- Voice broker: 24.8%
- ATS non anonymous: 10.4%
- Other: 21.2%
- Direct: 54.0%

ICMA Jun-06
- Voice broker: 20.4%
- ATS non anonymous: 12.0%
- Other: 20.7%
- Direct: 58.9%

ICMA Jun-07
- Voice broker: 19.0%
- ATS non anonymous: 11.4%
- Other: 21.7%
- Direct: 59.3%

ICMA Dec-07
- Voice broker: 24.9%
- ATS non anonymous: 10.5%
- Other: 21.2%
- Direct: 54.1%

ECB Jun-05
- Voice broker: 25%
- Direct: 32%
- ATS: 43%

ECB Jun-06
- Voice broker: 26%
- Direct: 25%
- ATS: 49%

ECB Jun-07
- Voice broker: 20.8%
- Direct: 29.7%
- ATS: 49.5%
7. Counterparty analysis – triparty repo

ICMA Jun 2005 (81 banks)
- 89.60%
- 10.40%

ICMA Jun 2006 (79 banks)
- 88.70%
- 11.30%

ICMA Jun 2007 (77 banks)
- 88.20%
- 11.80%

ICMA dec 2007 (68 banks)
- 90.90%
- 9.10%

ECB TOTAL 2005 (96 BANKS)
- 89.65%
- 10.35%

ECB TOTAL 2006 (158 BANKS)
- 89.29%
- 10.71%

ECB TOTAL 2007 (158 BANKS)
- 86.00%
- 14.00%

ECB CASH BORROWING 2005
- 90.28%
- 9.72%

ECB CASH BORROWING 2006
- 84.57%
- 15.43%

ECB CASH BORROWING 2007
- 83.15%
- 16.85%

ECB CASH LENDING 2005
- 89.00%
- 11.00%

ECB CASH LENDING 2006
- 94.50%
- 5.50%

ECB CASH LENDING 2007
- 89.56%
- 10.44%
8. Counterparty analysis – cross border business

ICMA JUN-05
- Anonymous: 10.4%
- Domestic: 36.7%
- Eurozone: 28.0%
- Others: 24.8%

ICMA JUN-06
- Anonymous: 8.7%
- Domestic: 34.6%
- Eurozone: 28.5%
- Others: 28.1%

ICMA JUN-07
- Anonymous: 10.3%
- Domestic: 32.0%
- Eurozone: 25.7%
- Others: 32.0%

ICMA DEC-07
- Anonymous: 10.5%
- Domestic: 34.7%
- Eurozone: 26.2%
- Others: 28.5%

ECB JUN 2005
- Others: 20%
- National: 37%
- Euro area: 43%

ECB JUN 2006
- Others: 18%
- National: 30%
- Euro area: 52%

ECB JUN 2007
- Others: 21%
- National: 37%
- Euro area: 42%
8. **Counterparty analysis – cross border business**
9. **Collateral analysis – Issuer country**

**ICMA 2007 (Jun)**

- **Euro zone**: 64.1%
- **US non-domestic**: 14.4%
- **UK**: 12.8%
- **Sweden (incl. MBS)**: 1.3%
- **Denmark**: 0.4%
- **Other countries**: 13.7%
- **Unknown origin**: 3.0%

**Euroclear triparty collateral - Issuer country**

**JUN 2007**

- **Eurozone**: 66%
- **UK**: 12%
- **US**: 5%
- **Other OECD**: 12%
- **Other non-OECD**: 6%
- **ICMA 2007 (Jun)**

**ICMA 2007 (Dec)**

- **Euro zone**: 64.5%
- **US non-domestic**: 13.7%
- **UK**: 16.0%
- **Sweden (incl. MBS)**: 1.1%
- **Denmark (incl. MBS)**: 0.3%
- **Other countries**: 14.4%
- **Unknown origin**: 2.1%

**Euroclear triparty collateral - Issuer country**

**DEC 2007**

- **Eurozone**: 65%
- **UK**: 7%
- **US**: 5%
- **Other OECD**: 12%
- **Other non-OECD**: 11%
9. Collateral analysis – Issuer country
10. Collateral analysis – ECB figures
11. Collateral analysis - Eurozone
11. Collateral analysis - Eurozone

CLEARSTREAM COLLATERAL ANALYSIS EURO ZONE JUN 07

CLEARSTREAM COLLATERAL ANALYSIS EURO ZONE DEC 07

Euroclear triparty collateral - Jun07

Portugal, 2%  Finland, 2%  Others, 1%

Belgium, 2%  Greece, 2%

Austria, 3%  Spain, 5%

Luxembourg, 8%

Italy, 8%  Ireland, 6%

Netherlands, 15%

France, 17%

Germany, 29%

Euroclear triparty collateral - Dec07

Portugal, 2%  Finland, 2%  Others, 1%

Belgium, 4%

Greece, 3%

Austria, 5%

Spain, 5%

Luxembourg, 6%

Italy, 7%

Ireland, 7%

Netherlands, 13%

France, 14%

Germany, 31%
12. **Collateral analysis – Government paper vs others**

**ICMA JUN 2005**
- Govies: 85.7%
- non Govies: 14.3%

**ICMA JUN 2006**
- Govies: 84.3%
- non Govies: 15.7%

**ICMA 2007 (Jun)**
- Govies: 83.7%
- non Govies: 16.3%

**ICMA 2007 (Dec)**
- Govies: 81.3%
- non Govies: 18.7%

**Euroclear triparty collateral - Issuer type**

**JUN 2007**
- Sovereign: 37%
- Supranational: 2%
- Corporate: 61%

**DEC 2007**
- Sovereign: 55%
- Supranational: 2%
- Corporate: 43%
12. **Collateral analysis – Government paper vs others**

CLEARSTREAM JUN 07
- Agency & Corporate: 85.29%
- Government & Sovereign: 13.00%
- Supranational: 1.71%

CLEARSTREAM DEC 07
- Agency & Corporate: 90.95%
- Government & Sovereign: 7.66%
- Supranational: 1.39%
13. Collateral analysis – Rating breakdown

Euroclear triparty collateral - Rating breakdown

**JUN 2007**

- AAA: 41%
- AA: 18%
- A: 15%
- A1: 8%
- A2: 3%
- BBB: 11%
- <BBB: 4%
- UNR: 2%

**DEC 2007**

- AAA: 48%
- AA: 18%
- A: 15%
- A1: 9%
- A2: 3%
- BBB: 11%
- <BBB: 2%
- UNR: 2%

CLEARSTREAM JUN 07

- AAA: 53%
- AA: 17%
- A: 16%
- <BBB: 8%
- BBB: 2%
- not rated: 4%

CLEARSTREAM DEC 07

- AAA: 40%
- AA: 22%
- A: 25%
- <BBB: 9%
- BBB: 2%
- not rated: 2%
14. **Repo rate analysis**

*Interest rate*

![Graph showing interest rates for different periods from June 2005 to December 2007 with categories fixed rate, floating rate, and open.](graph_image)
15. O/N tri-party repo: spread versus OIS