

Repo market update

September 2023

Global repo volumes fall during September.

Over the past month, data from S&P Global Market Intelligence Repo Data Analytics showed that global volumes in both repo and reverse repo markets decreased whilst haircuts and average terms increased.

Repo volumes: Volume -12.3%, Weighted Average Haircuts +0.02%, Average term increase of 8 days (87.19 days current average).

Reverse repo: Volume -3.3%, Weighted Average Haircuts +0.06%, Average term increase of 6 days (134.39 days current average).

EMEA

Across the EMEA region, government bond repo volumes decreased by 11% and reverse repo volumes declined by 4.8% over the month. These moves were led lower by a sharp decrease in activity across both Spanish (-20%) and Italian government bond (-15%) repo activity.

A 36% decrease was also seen across French investment grade corporate bond repo volumes over the period despite spreads widening over the month.

US

Activity across US treasuries was mixed over the month as repo volumes declined by 18% whilst reverse repo volumes increased by 3.5%. Specials activity in the treasury market remained focused on the short end of the curve with the 2023, 2024 and 2026 issues becoming more expensive. Treasuries in the 5 years+ issues cheapened over the month.

Across the corporate bond markets, repo activity across the USD denominated high yield and investment grade bonds generally cheapened over the month with rates

S&P Global

Market Intelligence

declining by 6%. Volumes in both USD denominated investment grade and high yield corporate bonds remained unchanged over the period.

APAC

Government bond markets experienced an increase in volumes during the month of September. Reverse repo volumes increased by 4.3% and repo volumes increased by 2%.

Japanese government bond repo volumes increased by 5% over September whilst reverse repo volumes increased by 8%.

Across the corporate bond markets, the most notable market moves were seen across USD denominated China high yield corporate bond repo activity (+20%), and USD denominated Korea high yield reverse repo (+36%).

For more information regarding this data set please contact:

Global-EquitySalesSpecialists@spglobal.com