



ICMA

International Capital Market Association

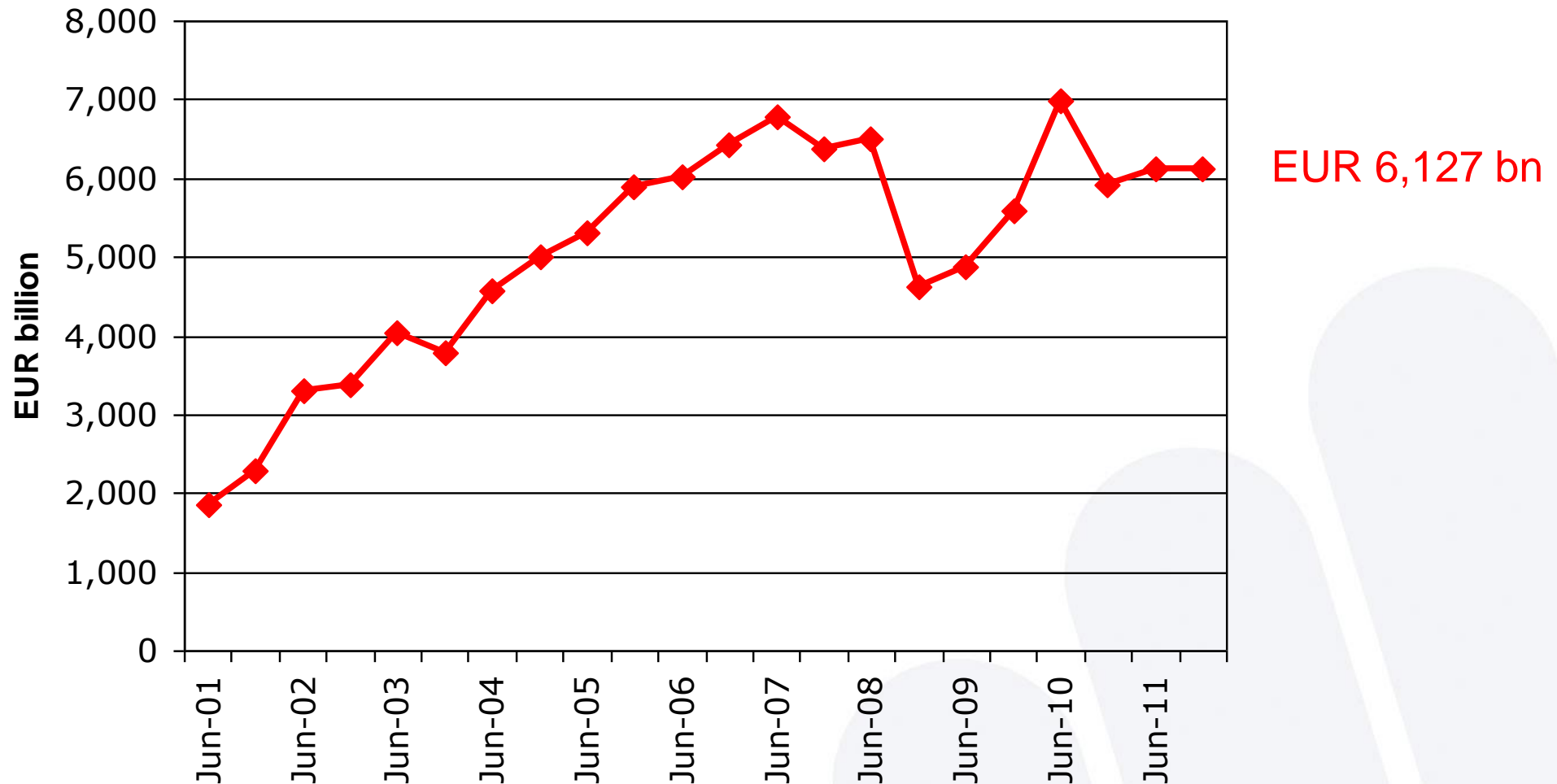
Developments in the international repo markets

Godfried De Vidts, Chairman of ICMA European Repo Council

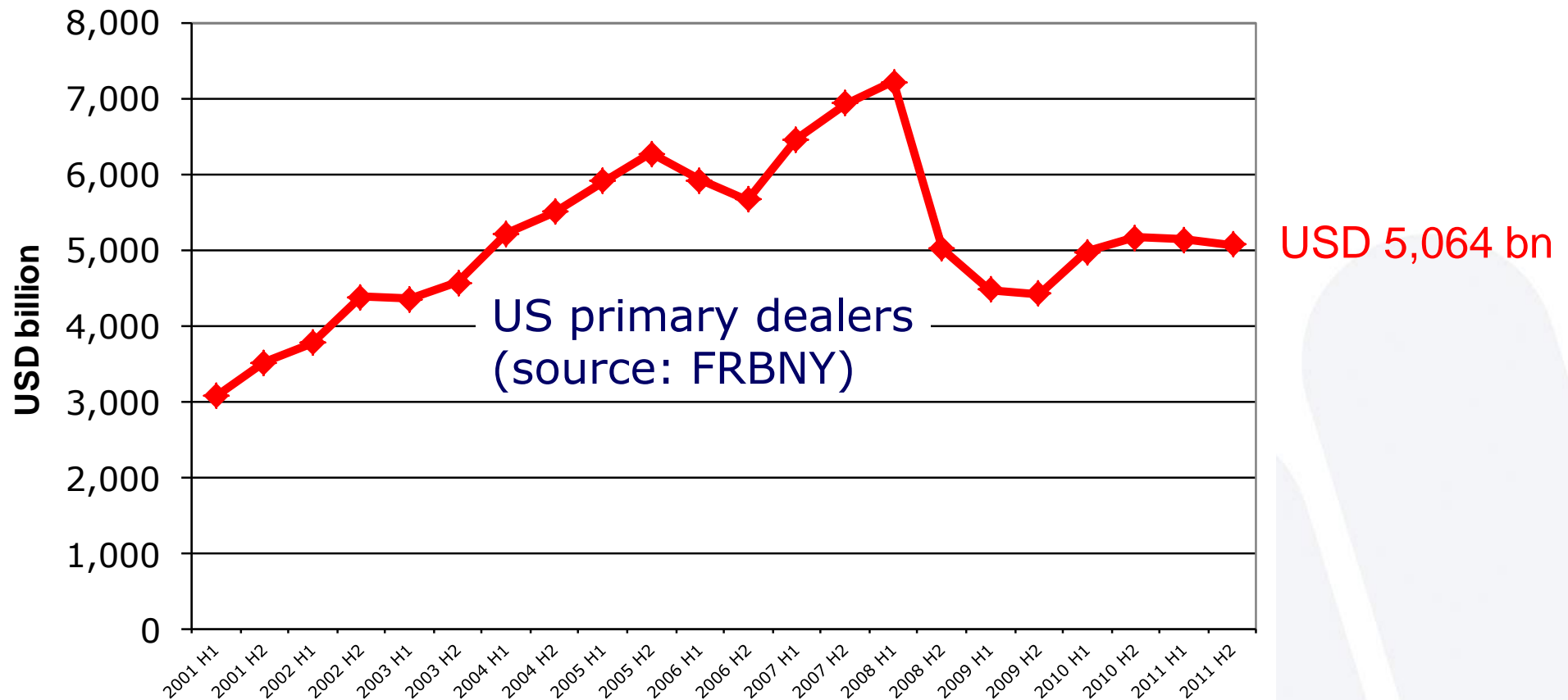
**Development of Repo Market
Roundtable**

**Kyiv, Ukraine
7 June 2012**

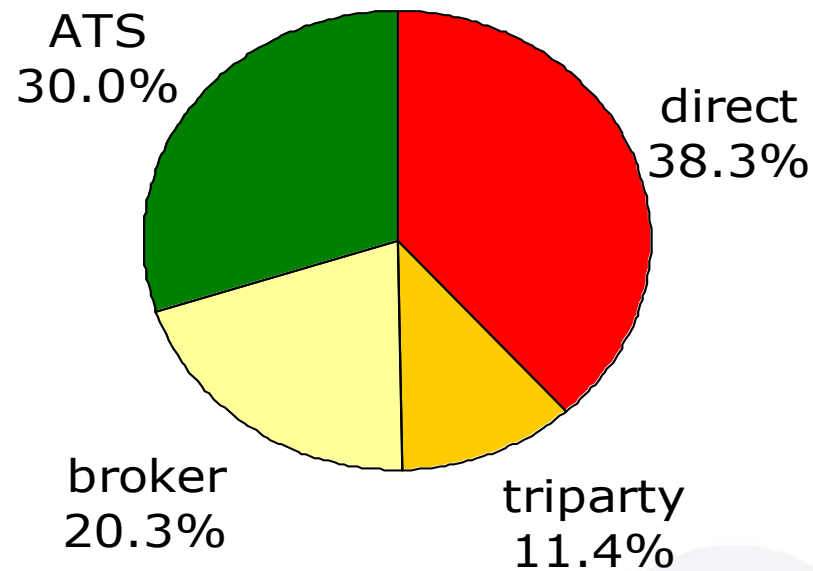
Headline numbers



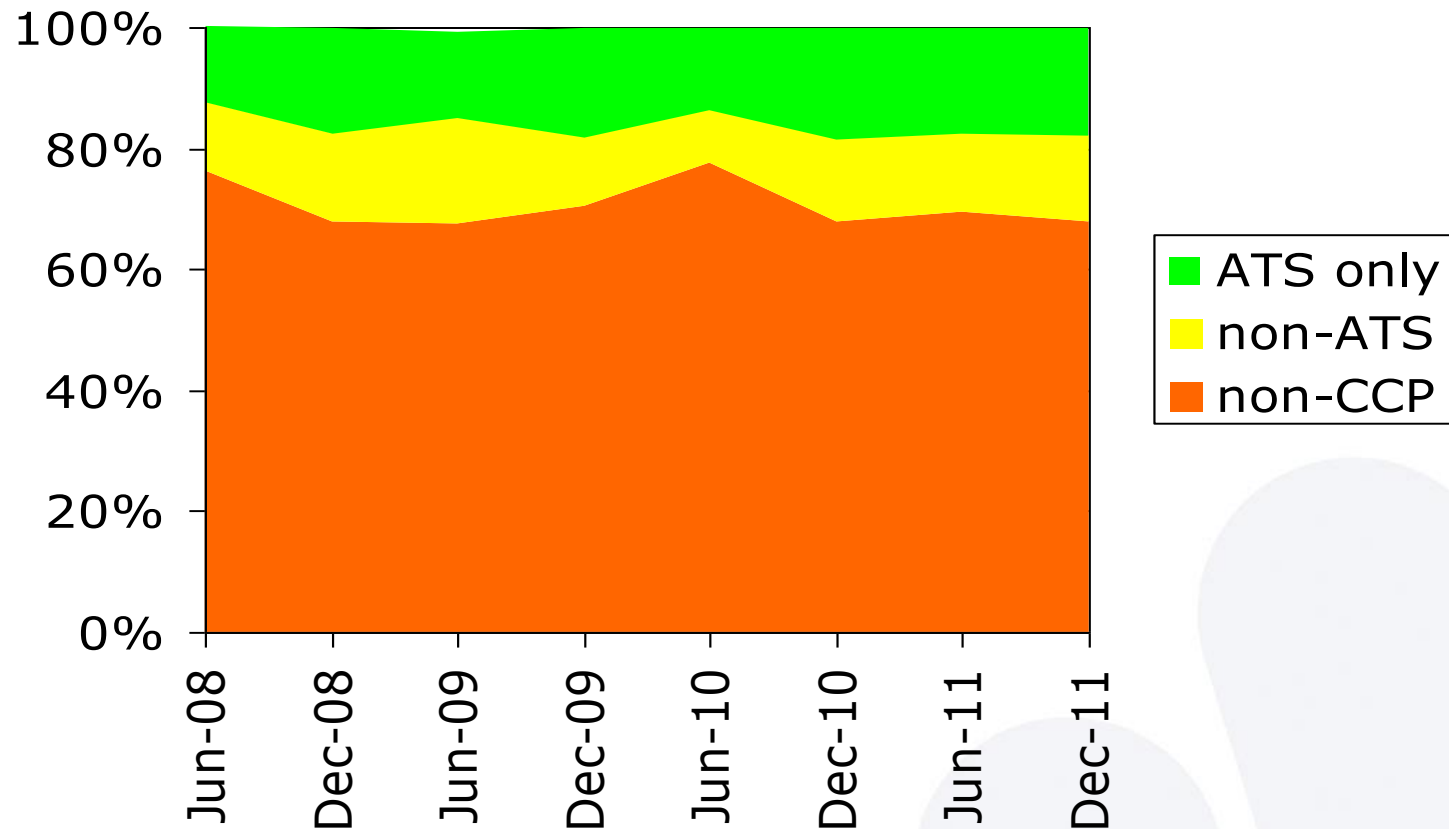
US Markets



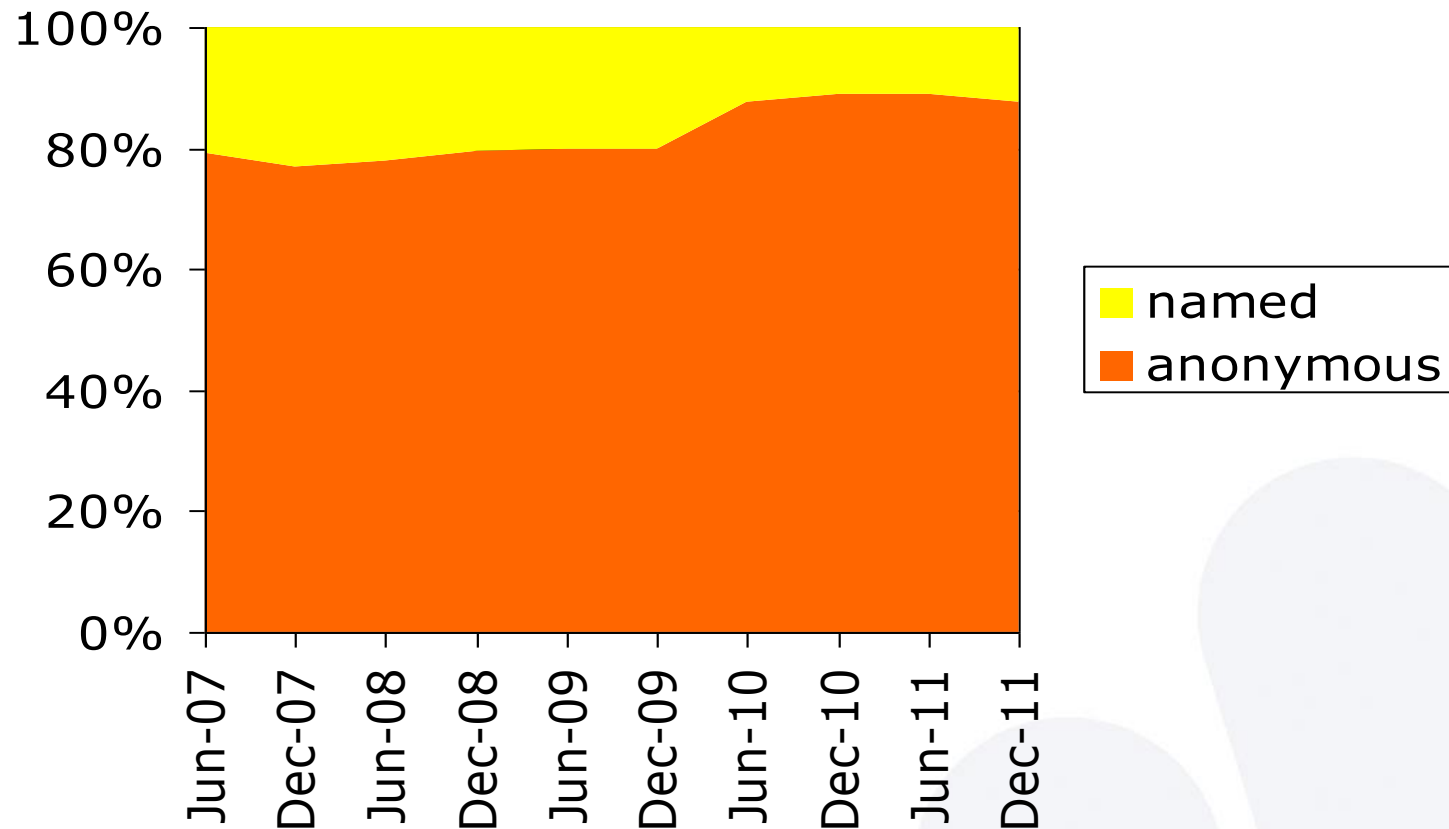
Counterparty analysis



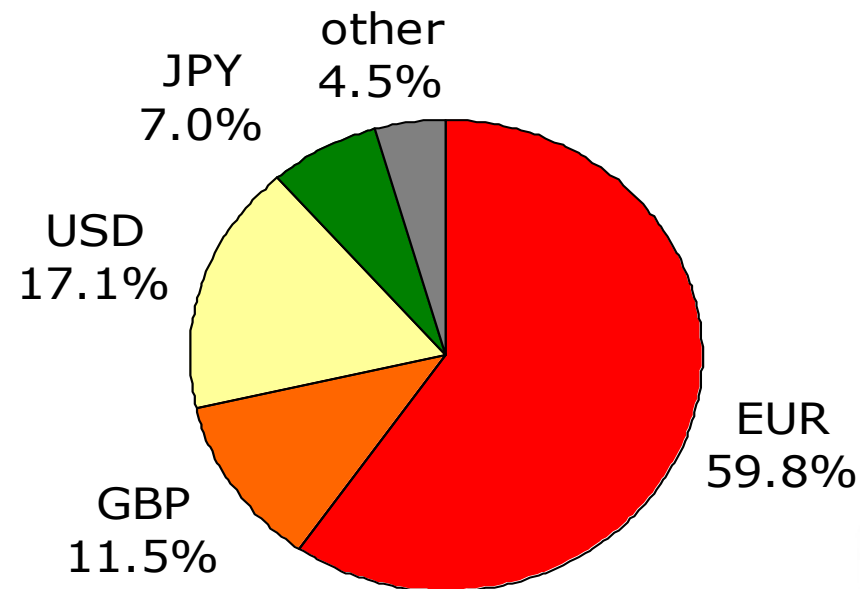
Business cleared across CCP



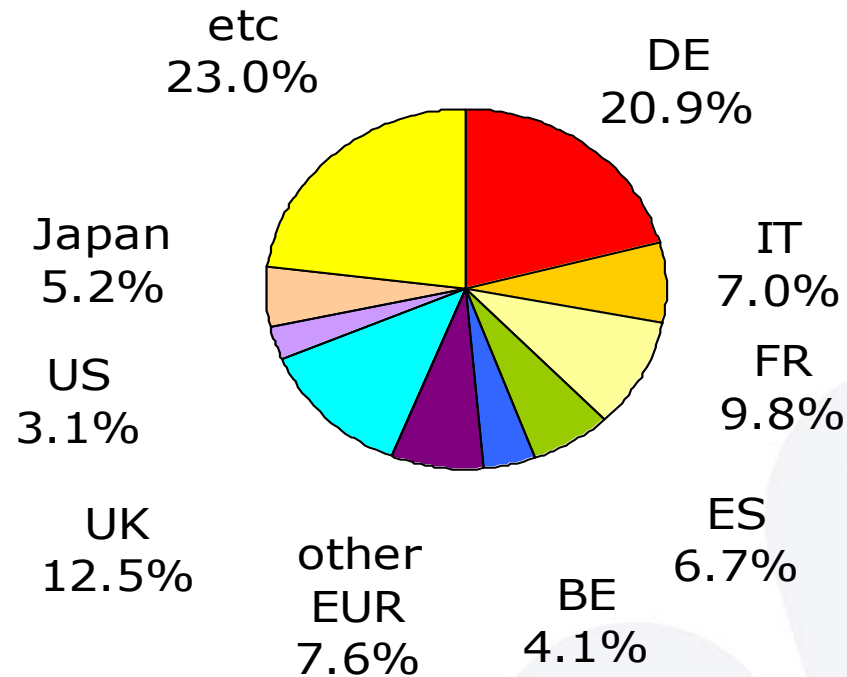
Anonymous ATS business



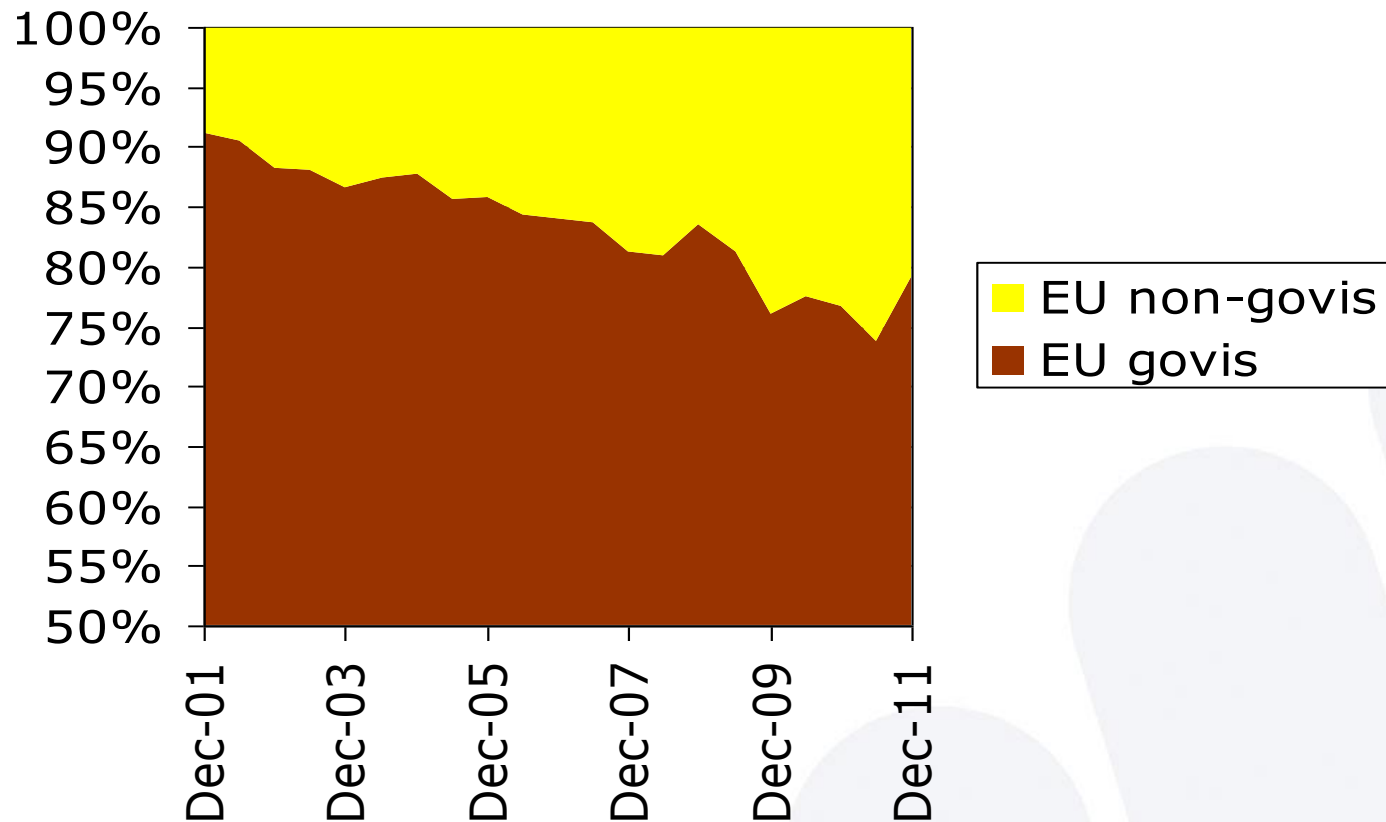
Currency analysis



Collateral analysis

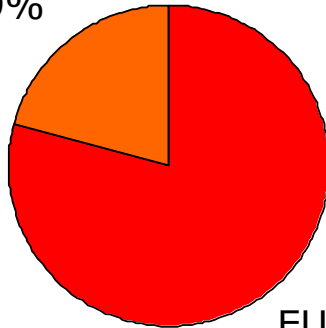


Collateral analysis



Collateral comparison

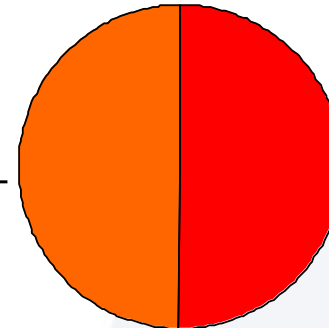
EU non-
govis
20.9%



EU govis
79.1%

banks

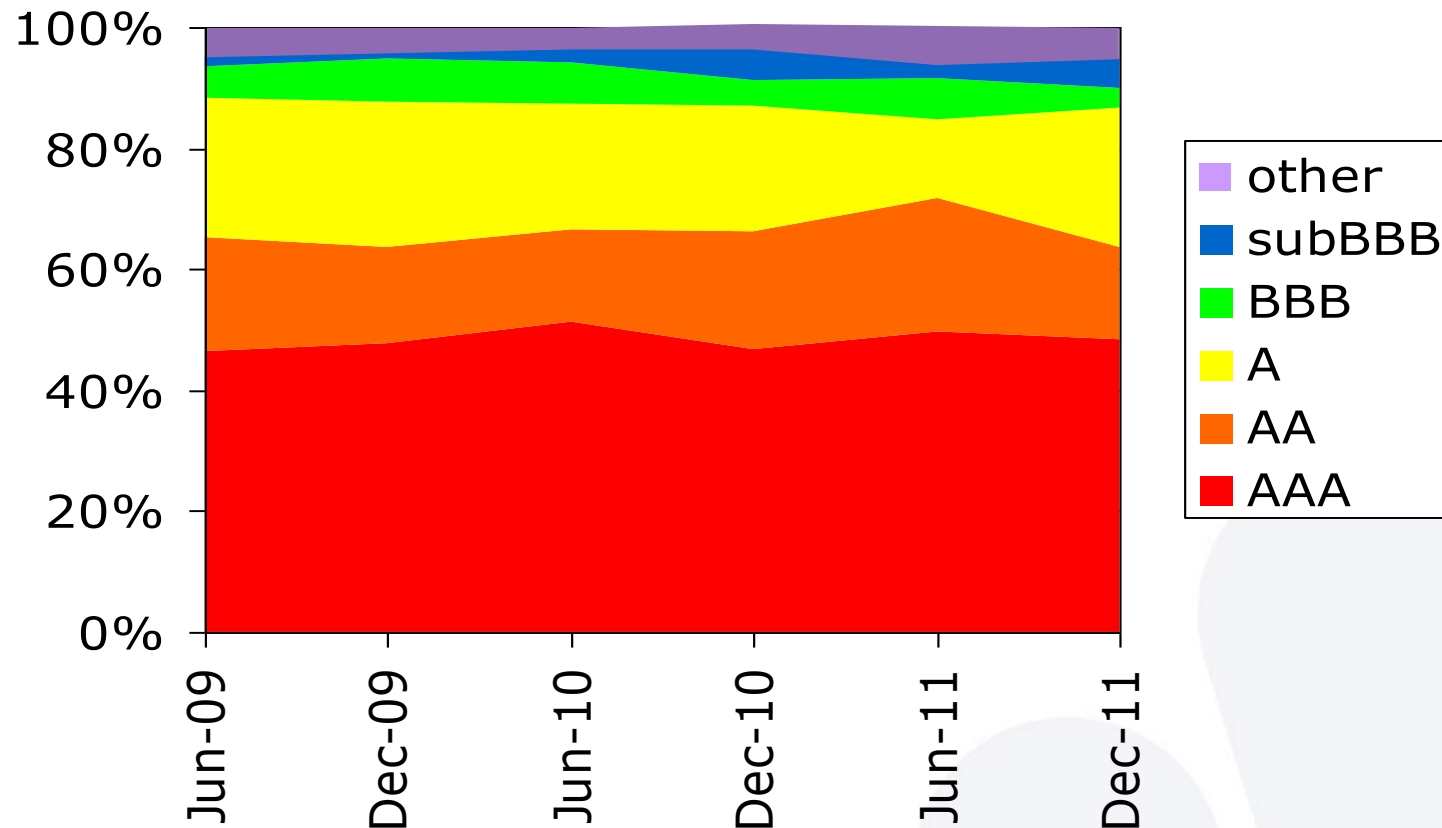
EU non-
govis
49.7%



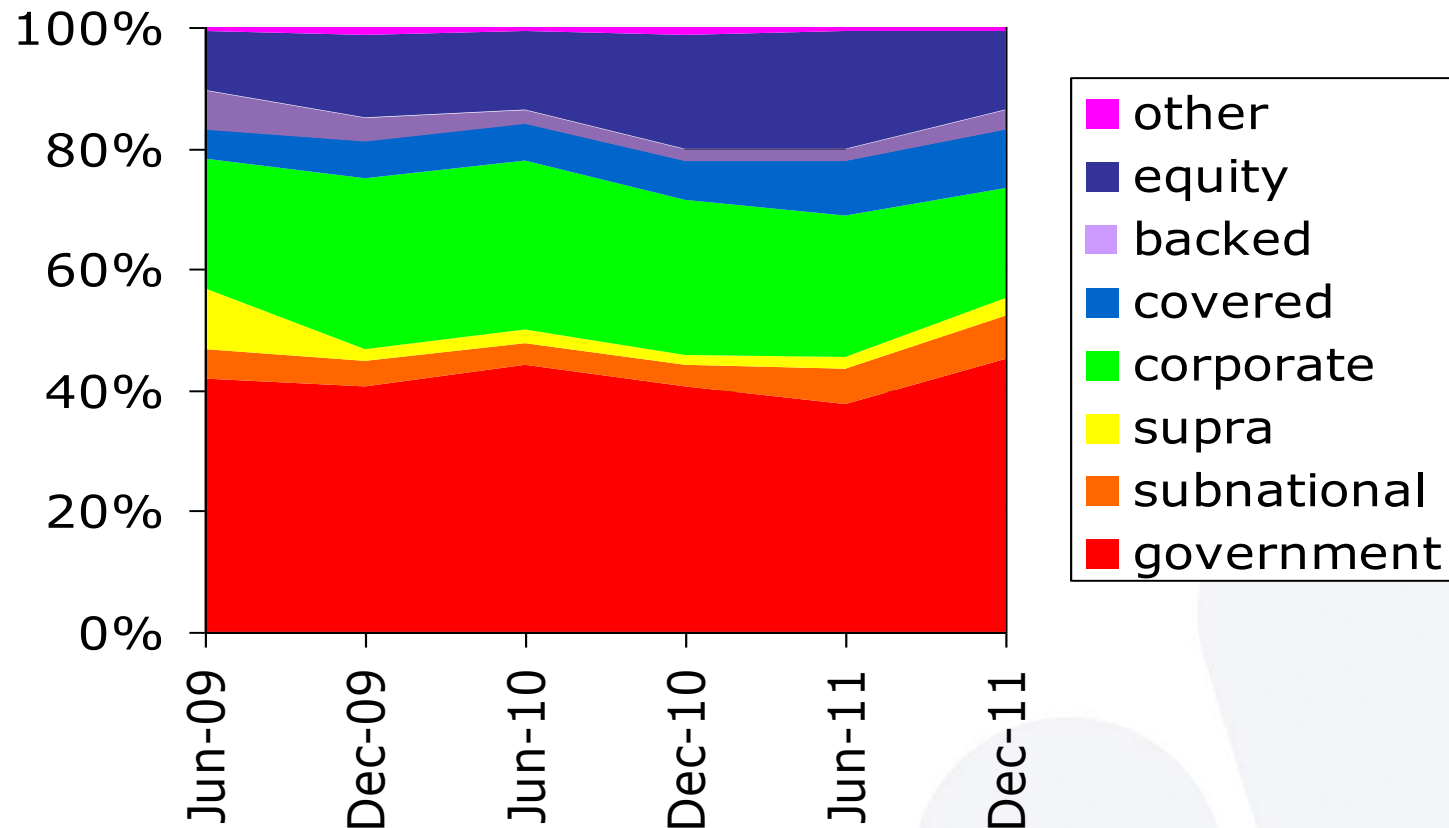
EU govis
50.3%

tri-party

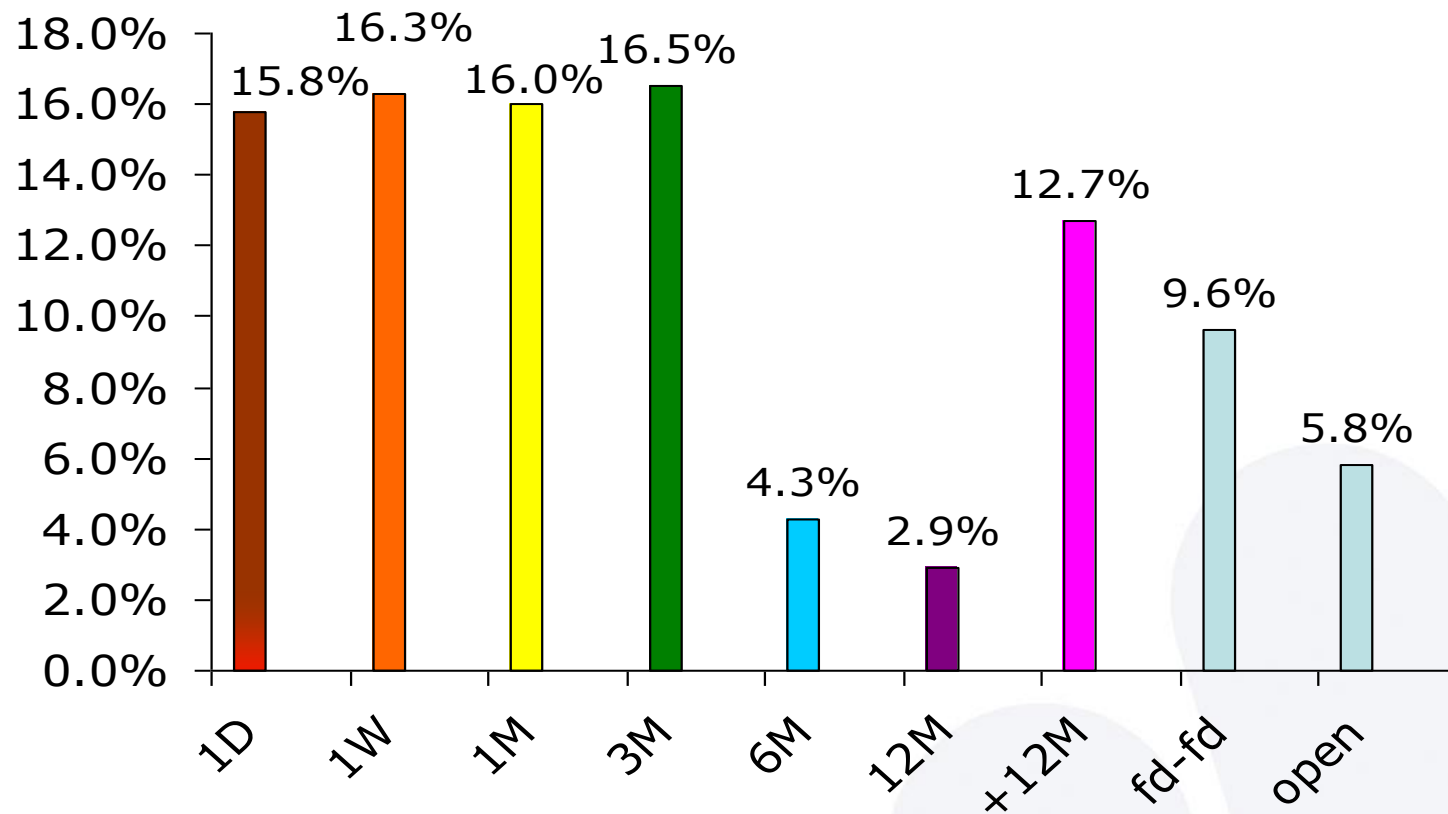
Collateral analysis (tri-party)



Collateral analysis (tri-party)



Maturity analysis



- **Distribution of liquidity through repo markets can still be problematic**
- **Potential lack of collateral (liquidity buffer, LTRO, FSB, CCP, bilateral clearing, etc.)**
- **LCR eligible basket for trading purposes**
- **Repo desk provides collateral for all other products**
- **Project of interoperability between the ICSDs independent**
- **New collateral types – credit claims**

- **EMIR/MiFID**
- **CSD regulation/Mandatory buy-ins (nuclear)**
- **T2S**
- **FSB working group re. repo – haircuts potentially to be mandatory, an issue to real economy**
- **Commercial vs central bank money study**
- **Eurosystem initiative re. collateral procedures**



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Actions taken

- **ICMA MPC re. settlement fails**
- **Affirmation of trades initiative**
- **Repo Margin guidelines recommendation**
- **FTT (Financial Transactions Tax) – a bridge: too far for repo markets**
- **Collateral initiatives coordination forum (CICF)**
- **Repo's acted in crisis as expected (there was NO run on repo)**



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Contacts

ERC AGM and ERC Committee meetings on website

Contacts and information:

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