



SUERF Webinar

Repo market: Turmoil at the core of the financial system?

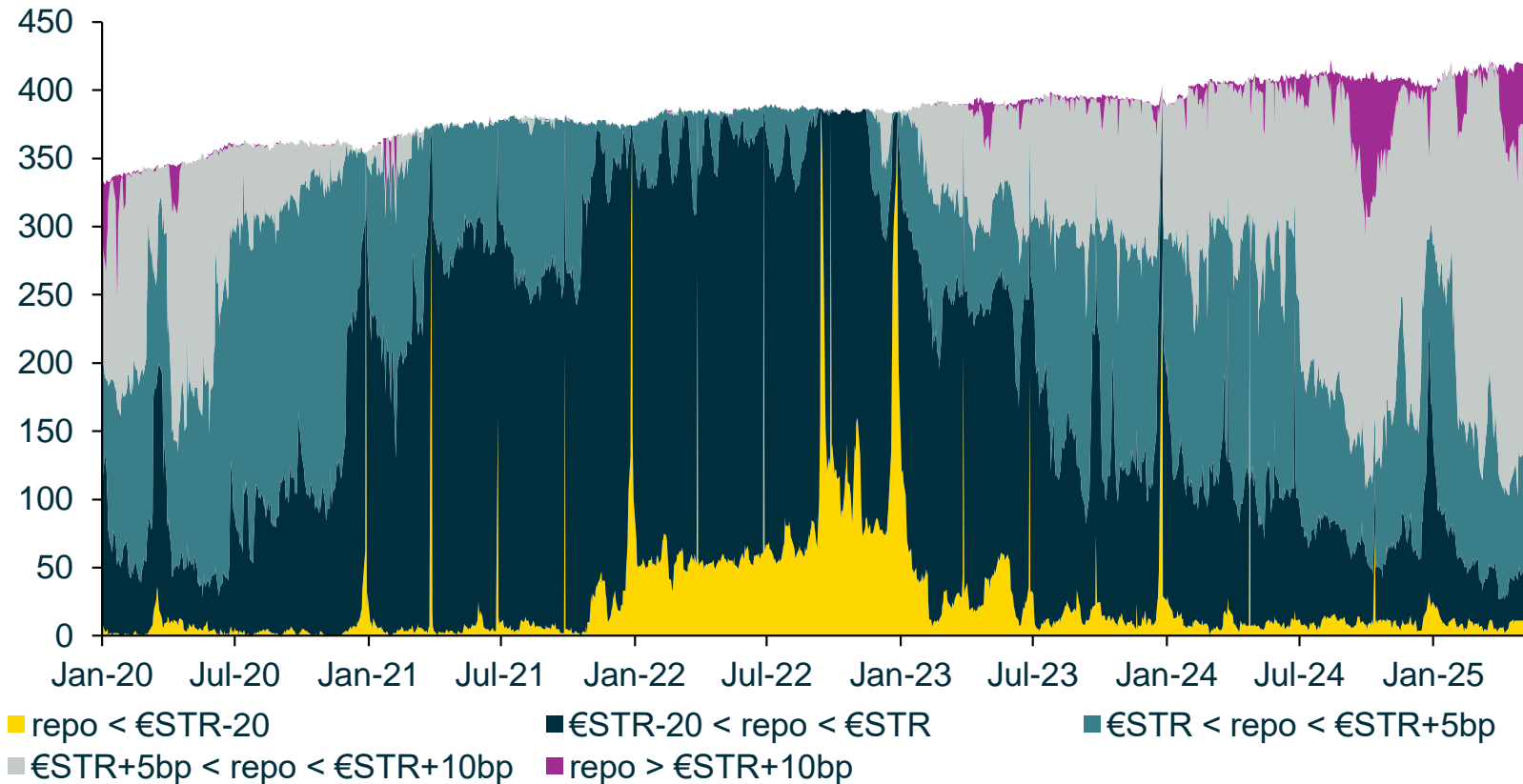


Christoph Rieger, 8 May 2025

From collateral scarcity to abundance!



Number of bonds in respective repo bucket, SN settlement of EGB collateral (DE, FR, IT and ES)

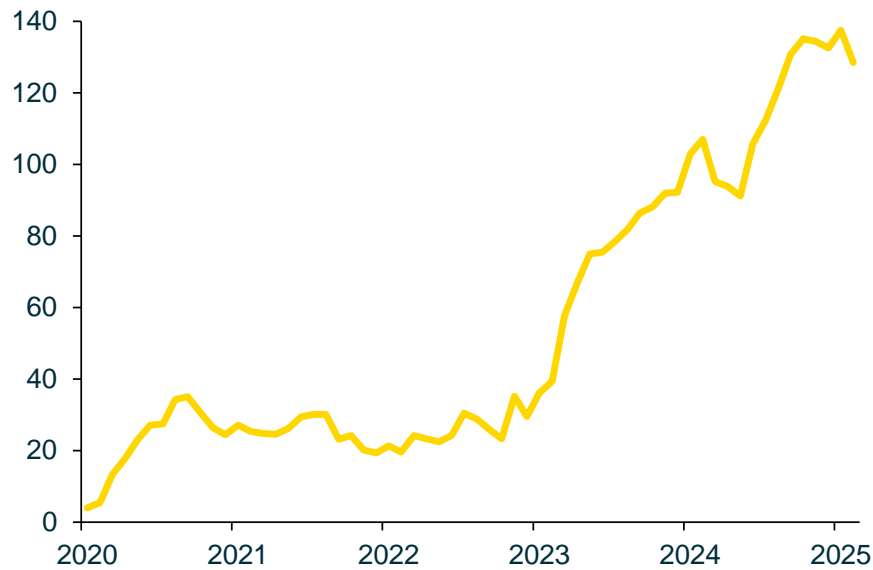


Source: Commerzbank Repo desk & Research

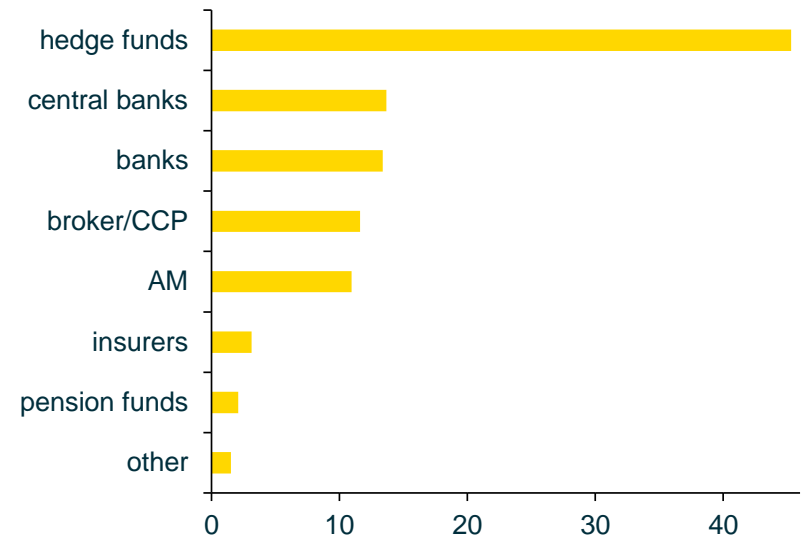
Don't ignore the hedge funds!



Cumulative net secondary purchases of German government bonds since 2020, in € bn



Net secondary purchases of 10y Bunds in 2024, in € bn

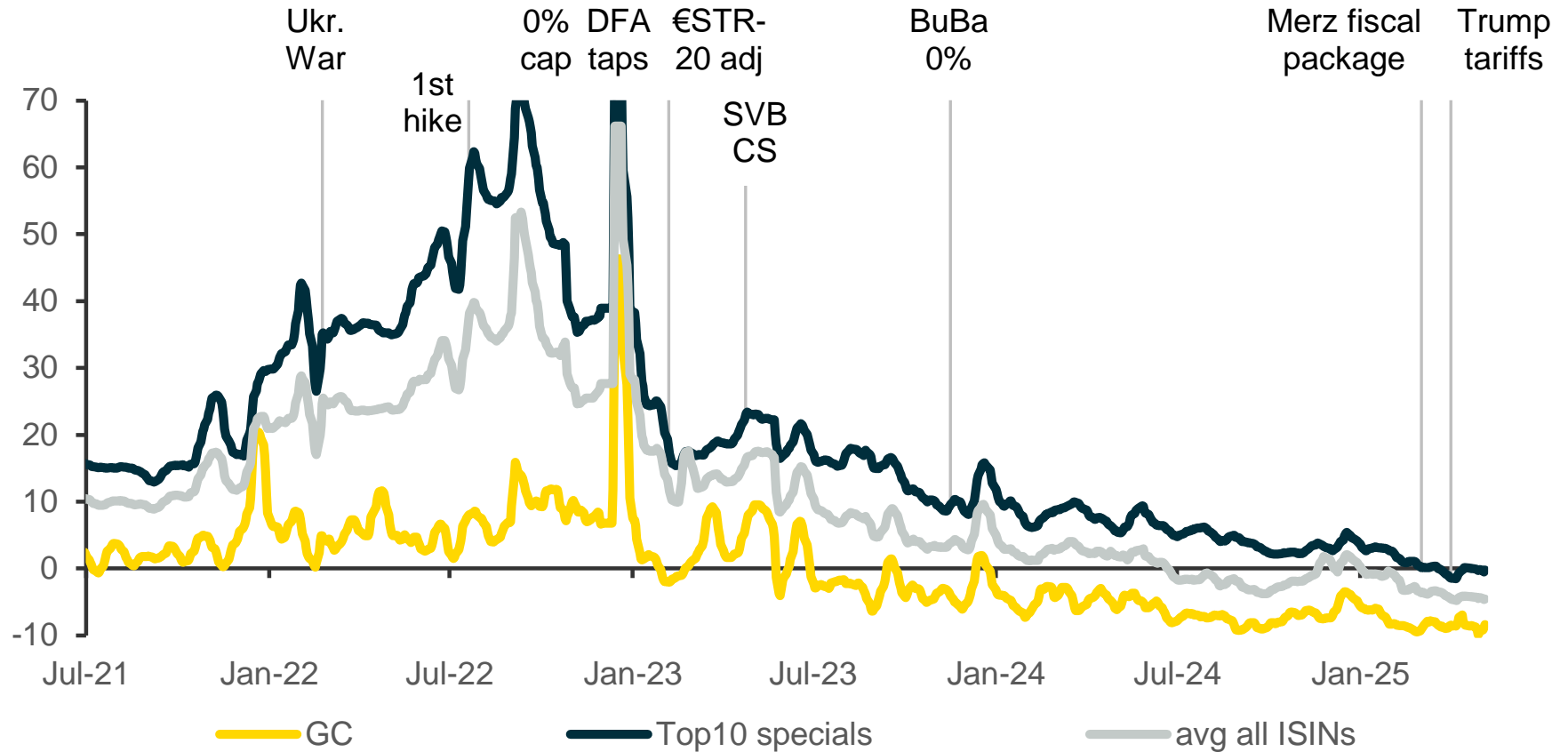


Source: DFA, Commerzbank Research

Unsecured rates below secured rates!



1d Bund repos vs. €STR, in bp

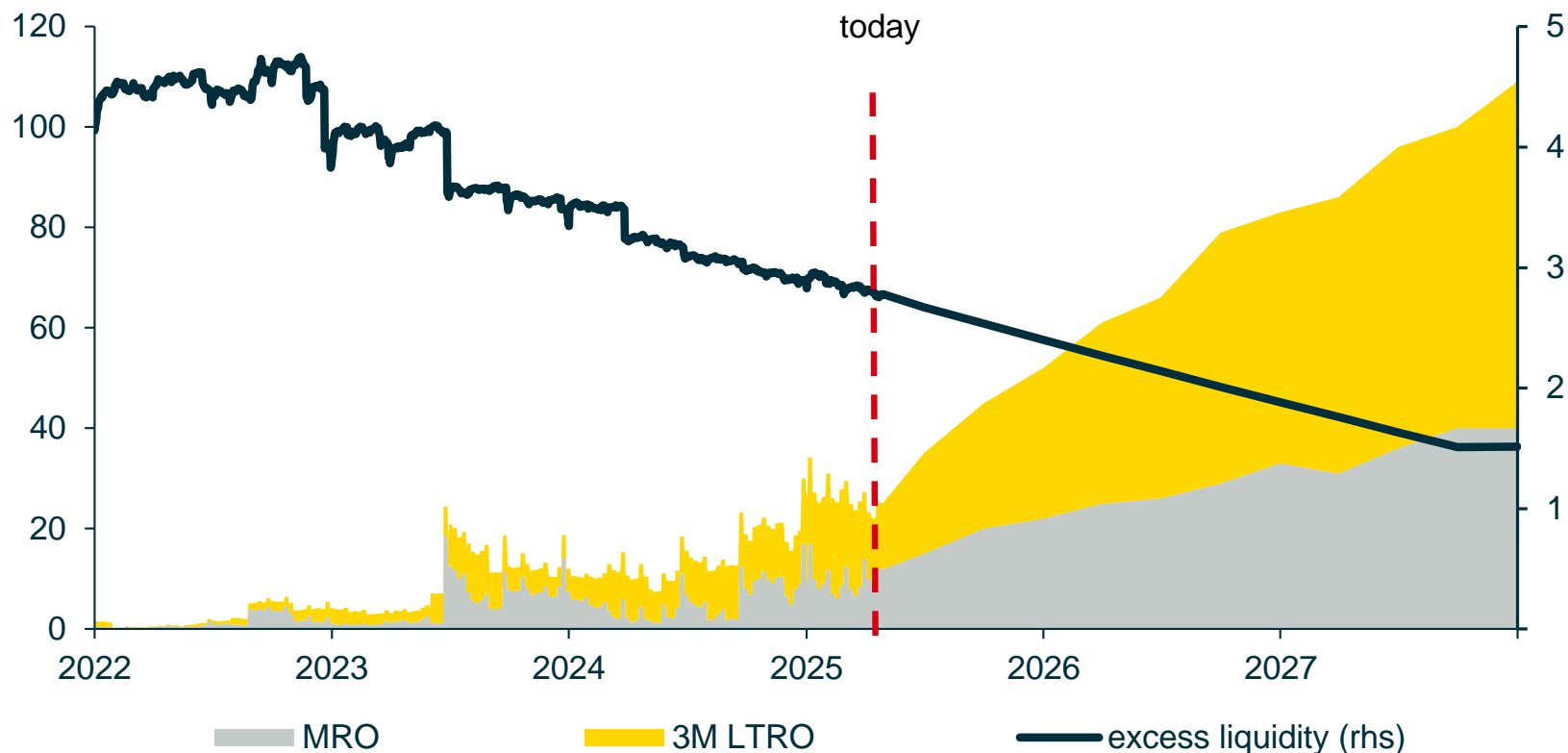


Source: Commerzbank Repo desk & Research

ECB borrowing about to take off?



Outstanding ECB MRO and 3M LTROs, in € bn, including median projection from SMA, and excess liquidity, in € trn, including Commerzbank projection



Source: ECB, Bloomberg, Commerzbank Research

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Overweight (OW) We expect outperformance versus the benchmark in spread and/or total return terms
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Benchmark: Unless stated otherwise, the benchmark is the iBoxx € Corporate for IG-rated names/instruments, and the iBoxx € High Yield core cum crossover LC for HY-rated names/instruments

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Marketweight	55%	83%
Underweight	18%	100%

Source: Commerzbank Research

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Underweight	42%	0%

Source: Commerzbank Research

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