

Spanish Repo Market

ECB MMCG Helsinki Jun13, Jose Rull

The Spanish repo market is divided in two

1. The **Domestic market** with Spanish institutions and Meffrepo
2. The **International market** with International institutions clearing through LCH and Eurex

Small volume international institution with domestic Spanish banks
up to 3 months and haircut around 8%

Spanish Repo market volume

	1 day	1 week	1 month	term	TOTAL
02-may	14.417	831	2.444	216	17.908
03-may	18.535	925	413	191	20.064
06-may	19.045	2.255	1.890	0	23.190
07-may	19.989	866	810	0	21.665
08-may	16.387	2.082	388	18	18.875
09-may	18.651	2.026	82	9	20.768
10-may	18.785	411	125	536	19.857
13-may	18.759	2.210	795	0	21.764
14-may	9.885	10.010	1.006	0	20.901
15-may	11.214	3.832	121	0	15.167
16-may	19.506	665	1.375	98	21.644
17-may	18.151	3.563	728	15	22.457
20-may	18.630	1.900	1.452	220	22.202
21-may	15.278	2.696	278	174	18.426
22-may	19.101	1.343	133	240	20.817
23-may	17.266	2.639	783	60	20.748
24-may	22.009	1.011	81	377	23.478
27-may	13.784	728	789	250	15.551
28-may	22.442	1.890	862	1.175	26.369
29-may	18.478	1.827	421	300	21.026
30-may	13.738	2.086	887	9	16.720
31-may	19.695	1.180	263	0	21.138
Nominal value of monthly trades					450.735
Data, Bank of Spain					

Volume daily average 20bn€

Different rates for each segment

%	Domestic	LCH	GC Pooling X level
O/n	0,10	0.10	0,08
week	0,20	0.14	0.10
1m	0,40	0.16	0.12
2m	0,45	0.18	0.14
3m	0.48	0.22	0.15
6m	-	0.26	0.20
9m	-	-	0.25
12m	-	-	0.30

Limits for Spanish Institutions clearing Spanish Collaterals

	Threshold and limits	Total Margins aprox
LCH Ltd	5bn	30%
LCH SA	5bn	20%
Eurex	2bn	Ecb hc

Any increase of LCH positions means 10% additional margins

Maximun Spanish institutions outstanding position in international CCP's Nov11, now minimum level.

Two alternatives for the Spanish domestic institutions

1. Spanish Tesoro excess liquidity
2. ECB refinancing operations

A point of confidence coming from Eurex

1. Eurex has recently increase the limit from 0.5bn to **2bn** for Spanish Collaterals (50% of the total position)
2. Eurex has introduced a new segment in the euromaket for Spain GC and Specials