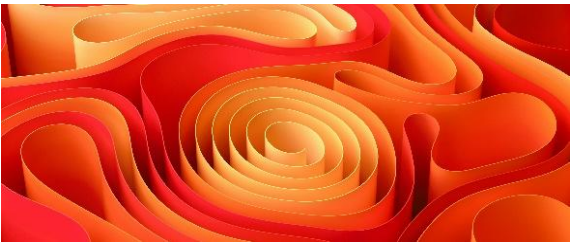
Pills

Regulatory/Supervisory Pills | N.158 November 2026

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TOPICS:

Market risk

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ICMA Survey Shows the European Repo Market Acting as Systemic Shock-Absorber in H1 2026

- The ICMA published its 51st **European Repo Market Survey**, examining market developments during the **first half of 2026**. Based on responses from 60 financial institutions, the survey highlights continued market expansion, evolving trading structures and resilience amid geopolitical and economic uncertainty.
- **Market Growth and Liquidity**. The European repo market reached a record €14.92 trillion in outstanding transactions, representing increases of 9.3% since December 2025 and 19.9% year-on-year. Growth was driven by increased liquidity demand, government bond issuance, quantitative tightening and geopolitical tensions, particularly the Middle East conflict. Despite heightened volatility, repo rates remained broadly stable.
- **Trading and Clearing**. Voice-brokered transactions increased to 16.2% of outstanding positions, reflecting greater demand for execution flexibility. Conversely, automated trading systems declined to 24.3%, their lowest share in 16 years. Tri-party repo expanded to €1.61 trillion, while centrally cleared positions increased, supported by renewed activity in eurozone government bonds and potentially expanding hedge fund clearing arrangements.
- **Collateral and Maturity Trends**. US Treasuries remained the largest collateral category, although core eurozone government bonds gained market share. Tri-party collateral haircuts generally increased, reflecting changing market conditions. Repo maturities shifted towards shorter durations, particularly two-to-seven-day transactions, as participants prioritised liquidity.
- **Regulatory Implications**. Although the survey introduces no new regulatory requirements, its findings are relevant to supervisory monitoring of liquidity risk, counterparty exposures, collateral management and central clearing.