



28 Jan 2020

J.P. Morgan successfully joins Eurex GC Pooling as pilot client for balance sheet netting

J.P. Morgan – one of the Eurex Partnership Program design partners and member of the new Repo Board Advisory Committee – has successfully completed onboarding for Eurex GC Pooling as a pilot client for balance sheet netting, a joint offering from Eurex Repo and Clearstream. This was a major step in rolling out additional balance sheet netting opportunities between the GC Pooling and Repo (GC & Special) market for Eurex Repo clients.

GC Pooling is a highly liquid market for secured funding and offers the possibility of reusing received collateral for further money market transactions. Balance sheet netting allows market participants to offset certain securities finance transactions against one another and, as such, is an important way to reduce balance sheet consumption.

“The established volumes of GC Pooling, when combined with the possibility of more efficient netting, should be a positive driver on the overall repo specials market volumes on the Eurex platform. We welcome this exciting development which closes the loop on the ability to net balance sheet between GC Pooling and Specials.” says Lav Lukic, Global Head of Rates Repo Trading at J.P. Morgan

“We greatly appreciate J.P Morgan’s support for initiatives such as our Partnership Program and onboarding them as a client for Eurex GC Pooling with balance sheet netting is just the latest successful cooperation between us,” says Frank Gast, Managing Director at Eurex Repo and Head of Sales Europe – Fixed Income, Funding & Financing. “Together with Clearstream, we are looking forward to onboarding and setting up more clients on this service in the coming weeks.”

Tilman Fechter, Head of Banking, Funding & Financing at Clearstream adds: “The efficient use of balance sheet is more critical to the market than ever. We are delighted to support J.P. Morgan with the newly developed solution that enables offset of GC Pooling trades vs specials traded on Eurex Repo and will continue to work towards innovative solutions in the securities finance space.”