

News release

News from the International Capital Market Association (ICMA)

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ICMA and ASIFMA publish results of the latest survey of the Asia-Pacific repo market

ICMA's Global Repo and Collateral Forum (GRCF) and ASIFMA's Secured Funding Markets Committee have published the results of the latest survey of the Asia-Pacific repo market. Using similar methodology to the established European repo market survey, released by ICMA's European Repo and Collateral Council (ERCC), the latest Asia survey reports the outstanding value of repos and reverse repos as at June 14, 2023 and offers a detailed breakdown of those positions. It is important to note that the survey does not measure the size of domestic repo markets in the APAC region but cross-border business involving internationally active banks.

While in previous years the survey has been split into two, one for trading in Japan and the other for trading elsewhere in the APAC region, the survey for 2023 covers only the APAC non-Japan region.

In broad terms, across the APAC non-Japan region, the survey reported USD 269.1 billion in outstanding value and an average daily turnover of USD 12 billion, compared with USD 310.0 billion and almost USD 43 billion per day in 2022. However, the survey size was reduced by the loss of previous participants rather than a contraction in the market. The main contribution of the survey is to illuminate the structure of the cross-border repo market in Asia and changes in the composition of the flows (see the main survey findings below).

"We are delighted to introduce the newest ASIFMA/ICMA repo survey" said ICMA Chief Executive Bryan Pascoe. "Since 2016, this survey has served as a valuable resource, providing insights into the dynamics of the Asia-Pacific cross-border repo markets. We hope that work such as this will continue to benefit our members, authorities and regulators and other market participants in the region."

"The ASIFMA/ICMA survey shows the growing importance of repo across the region and the dynamics of its structure and stakeholders," added Philippe Dirckx, Managing Director and Head of

Fixed Income at ASIFMA. “Parallel to the survey, this edition includes, for the first time, a snapshot of the onshore repo markets in China and India. We have also asked our members their priorities in markets they are operating in and the new APAC markets on their radar. This edition is therefore as much a state of play as a roadmap for the region’s key stakeholders.”

Main survey findings

- The survey suggested modest growth in the outstanding value of the ex-Japan APAC repo market but declining turnover which implies more longer-term transactions. This translated into a fall in the share of short-dates in favour of longer-term, open and forward repos.
- Tri-party and CCP-clearing repos played a small and diminishing role as repos tended to be cleared on a CCP after having been negotiated bilaterally between counterparties.
- Cross-border business with APAC and non-European counterparties increased its share of the survey, while there was a shift in the allocation of collateral into JGBs and some other APAC securities. This increase in JGBs helped to boost the share of government securities as the principal type of collateral in the survey.
- The US dollar remained the dominant currency in the survey. The Japanese yen took second place from the Australian dollar, in line with the shift in collateral composition.
- Transactions overwhelmingly remained in the form of repurchase transactions documented under the GMRA.
- The newly added snapshot on China and India onshore repo market highlights the similarities and differences in composition and operating environment between domestic and cross-border markets, while ASIFMA’s member priorities provide a glimpse at how the survey results might evolve in the future.

Please download full report [here](#).

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International Capital Market Association (ICMA). ICMA promotes well-functioning cross-border capital markets, which are essential to fund sustainable economic growth. It is a not-for-profit membership association with offices in Zurich, London, Paris, Brussels, and Hong Kong, serving over 610 members in 67 jurisdictions globally. Its members include private and public sector issuers, banks and securities dealers, asset and fund managers, insurance companies, law firms, capital market infrastructure providers and central banks. ICMA provides industry-driven standards and recommendations, prioritising three core fixed income market areas: primary, secondary and repo and collateral, with cross-cutting themes of sustainable finance and FinTech and digitalisation. ICMA works with regulatory and governmental authorities, helping to ensure that financial regulation supports stable and efficient capital markets.

Asia Securities Industry and Financial Markets Association (ASIFMA). ASIFMA is an independent, regional trade association with over 150 member firms comprising a diverse range of leading financial institutions from both the buy and sell side, including banks, asset managers, law firms and market infrastructure service providers. Together, we harness the shared interests of the financial industry to promote the development of liquid, deep and broad capital markets in Asia. ASIFMA advocates stable, innovative and competitive Asian capital markets that are necessary to support the region's economic growth. We drive consensus, advocate solutions and effect change around key issues through the collective strength and clarity of one industry voice. Our many initiatives include consultations with regulators and exchanges, development of uniform industry standards, advocacy for enhanced markets through policy papers, and lowering the cost of doing business in the region. Through the GFMA alliance with SIFMA in the United States and AFME in Europe, ASIFMA also provides insights on global best practices and standards to benefit the region.