



Intraday repo in a hybrid market: How digital financing and traditional infrastructure converge

Murex’s Ramzi Khemakhem, repo product manager, and Dorothy Queant, securities finance connectivity manager, explore economic and technological forces behind the rise of intraday repo and examine how hybrid post-trade architecture enables this activity to scale safely and effectively

Higher interest rates, tighter balance sheets, and faster settlement cycles are forcing institutions to reassess how they source and manage liquidity throughout the day.

As a result, intraday repo is increasingly viewed as a strategic tool that enables flexible, specific short-term

funding and ensures measurable cost benefits. It also allows cash providers to earn returns on funds that would otherwise remain idle.

Market offerings are expanding across triparty infrastructure and platforms based on distributed ledger technology (DLT),

with many participants viewing DLT as a long-term solution. Regardless of the operating model, firms face a common challenge: front-to-back workflows must step up so that booking, lifecycle events, inventory, risk, and accounting functions all support intraday repos with the same rigor that is applied to traditional securities financing — only on far shorter timeframes.

Economics is shifting: Higher rates, tighter balance sheets.

During the 2010s, cheap funding and abundant central bank liquidity dampened demand for intraday financing. Today, this is no longer true.

Higher policy rates have pushed up the opportunity cost of idle cash, making it expensive to hold large intraday buffers 'just in case'. Meanwhile, regulatory constraints such as the Supplementary Leverage Ratio (SLR) and Basel III equivalents raise the capital cost of balance sheet usage, including traditional daylight credit lines.

Settlement cycles are also compressing. The move to T+1 settlement in North America has significantly reduced funding windows in which intermediaries can source and mobilise cash and collateral. Same-day allocation and affirmation mean funding must be organised within hours of trade execution. As global regulators and industry bodies are eyeing T+1 and, ultimately, T+0, firms capable of mobilising liquidity intraday — at fine time increments and on a secured basis — stand to gain meaningful cost advantages.

Intraday repo: an attractive alternative to manage daylight liquidity shortages

Instead of using overnight repos or unsecured borrowing to cover cash shortages that may last only a few hours, firms can now source liquidity for exactly the time they need it. In an intraday repo, costs are calculated down to the minute

in a secure transaction protected by the Global Master Repurchase Agreement (GMRA).

Key characteristics include:

- **Pay-per-minute economics:** Interest is charged only for a fraction of a day.
- **Targeted drawdown:** Cash can be accessed in small, tailored amounts rather than through full-day funding.
- **Time-bounded exposure:** Trades settle and unwind within the same business day. Exposure windows for counterparty and settlement risk are reduced.

The potential cost savings are significant. A recent study showed that costs were reduced by 50 per cent thanks to pay-for-use structure and reduced balance sheet charges.

Regulatory arbitrage also plays a role. Many intraday transactions fall outside the US Treasury clearing mandate. Users can bypass central clearing fees and certain balance sheet effects that cleared repo trades cannot avoid. This makes intraday financing comparatively capital efficient — at least under the current rule.

Intraday repo also unlocks new uses of surplus liquidity. Cash that would otherwise sit idle can be deployed during the day through reverse repo, generating incremental returns before being reinvested overnight.

The product is operationally simple: same-day settlement and unwind together eliminate the need for mark-to-market and variation margin adjustments, thereby reducing friction for cash providers and collateral sellers. Pricing is typically attractive relative to unsecured alternatives, reflecting the secured nature and short tenor of the product.

DLT is a key enabler

While the economic rationale is strong, recent acceleration

in intraday repo adoption is closely linked to DLT advances. DLT allows counterparties to instantaneously execute and settle intraday repo transactions. Platforms deploy smart contract methodology to enable near-simultaneous transfers of cash and collateral via atomic delivery-versus-payment (DvP) settlements.

DLT advantages are substantial and include:

- **Quick access to liquidity.** Nearly instant execution and settlement enable quick access to liquidity at any time.
- **Programmability.** Smart contracts can automate intraday unwinds that are aligned with payment cut-offs, settlement runs and intraday liquidity patterns.
- **Operational gains.** Shared ledger workflows eliminate reconciliation needs and enable multiple intraday cycles without operational overhead.
- **Potential 24/7 availability.** DLT platforms can support 24/7 financing, reducing the cost of carrying cash over the night or the weekend.

Importantly, the legal framework is catching up. The GMRA Digital Assets Annex now explicitly covers tokenisation, DLT workflows, and intraday structures. This coverage provides a recognised contractual foundation for digital financing.

Build the hybrid architecture behind scalable intraday repo

As firms explore intraday repo more concretely, the challenge is not simply digital settlement, but rather how to integrate it with the whole process. Intraday repos will scale only through a hybrid model that blends atomic settlement with existing workflows and risk management.

As banks begin testing intraday repo, a familiar set of questions emerges:

- If a trade starts and finishes within a single morning, how is it booked?

- How does inventory update in real time?
- Which system holds the gold repository?
- How does treasury attribute funding costs minute-by-minute?
- Is the risk team able to monitor exposure as it evolves?
- How should accounting and reporting frameworks adapt?

The answers to these questions lie beyond the settlement mechanics. The digital platform may reflect the transfer of cash and collateral, but the other processes must keep pace.

- **Global inventory:** A real-time view of securities and cash across desks, custodians, and blockchains is indispensable for mobilising assets optimally.
- **Lifecycle processing:** Maturity extension, account closing, and rolling into overnight repos still need to be reflected in post-trade engines.
- **Risk, compliance, and reporting:** Exposure monitoring, limit management, internal pricing, funding attribution, and regulatory reporting require precise, auditable feeds.
- **Operational resilience:** Audit trails and exception handling must function seamlessly when trades open and close within hours.

Adopting intraday repo is no longer seen simply as a technology overhaul, it is increasingly understood as an integration exercise.

Firms must align smart contract parameters with internal rules, as well as establish interfaces between digital settlement, treasury, and risk systems. Firms must also adapt booking workflows to handle precise time stamps and ensure that position-keeping reflects movements as they occur.

These adjustments are subtle, however, they are significant. They determine whether intraday repo becomes a scalable extension of existing operations or an isolated exercise.

Murex anchors the hybrid model

For Murex clients, most of the required architecture is already in place. Our MX.3 platform models intraday repo economics natively, including interests accrued by the minute and payoff structures. Desks know the precise cost of intraday borrowing under internal pricing and regulatory constraints.

The platform supports high-velocity booking workflows, which mirror the pace of intraday activity. Trades can be opened, modified, and unwound rapidly, with lifecycle events fully aligned to settlement status.

A key differentiator is MX.3's real-time, firm-wide inventory. Securities and cash positions across desks, custodians, and wallets are consolidated. For intraday repo, where timing and availability are critical, this global inventory enables traders and treasurers to identify and mobilise assets immediately.

MX.3 provides real-time risk metrics and exposure management. It also supports funding cost attribution and intraday P&L. As institutions test and scale intraday repos, these capabilities help them measure the economic value of intraday funding and meet compliance requirements.

High straight-through processing (STP) and robust lifecycle automation reduce operational complexity. Embedded controls and auditability ensure reliability even when trade durations shrink to minutes.

Intraday repo is reshaping how institutions manage liquidity. A level of timing precision that traditional funding tools cannot match is now possible. Its success hinges on more than fast settlement.

The future is hybrid: digital platforms provide speed and programmability, and established systems ensure risk integrity, lifecycle accuracy, and regulatory compliance.

As this model becomes the norm, post-trade providers, including Murex, will play a central role in enabling institutions to scale intraday funding safely and efficiently. ■

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