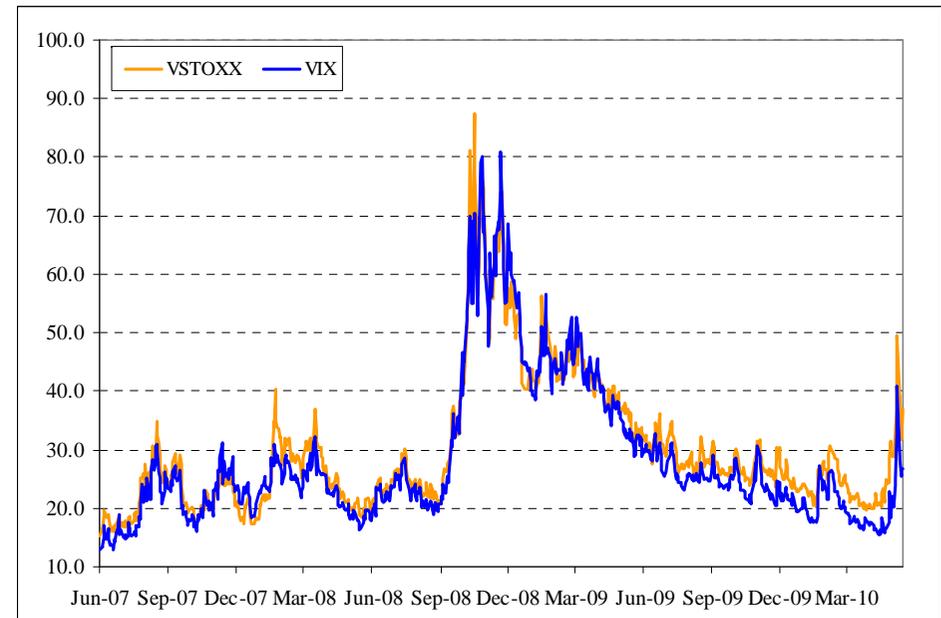
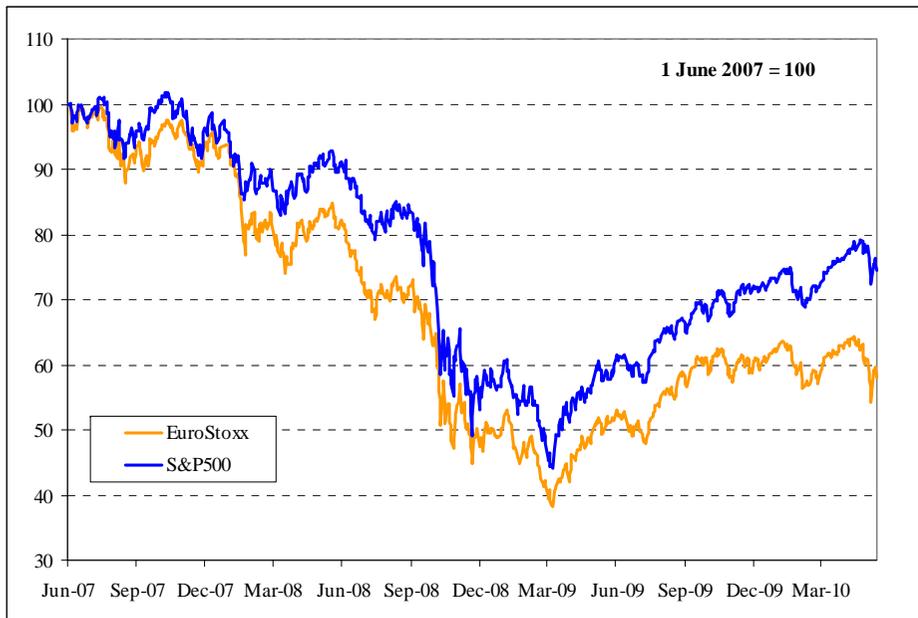


# Recent developments in the euro money market

**Money Market Contact Group**  
**Frankfurt, 18 May 2010**

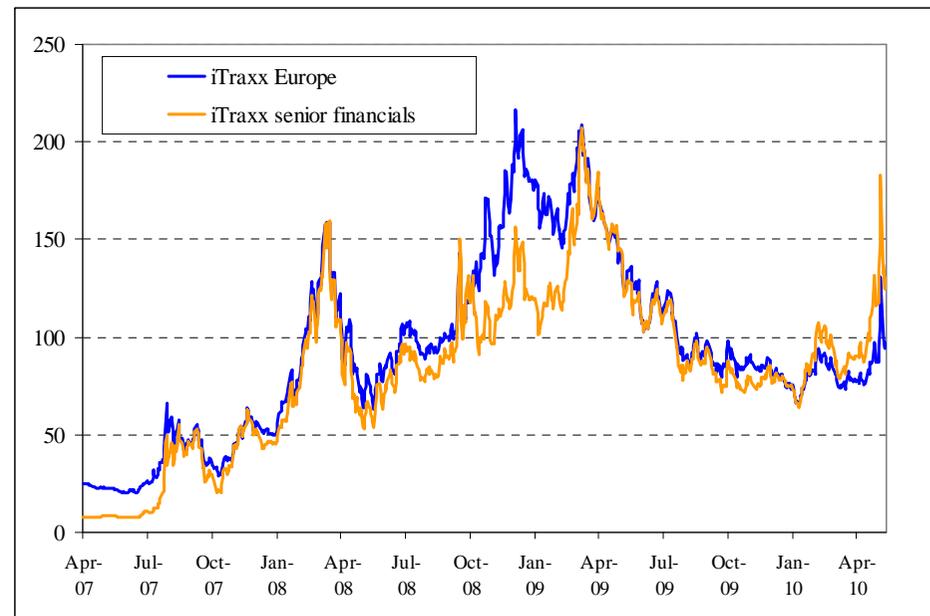
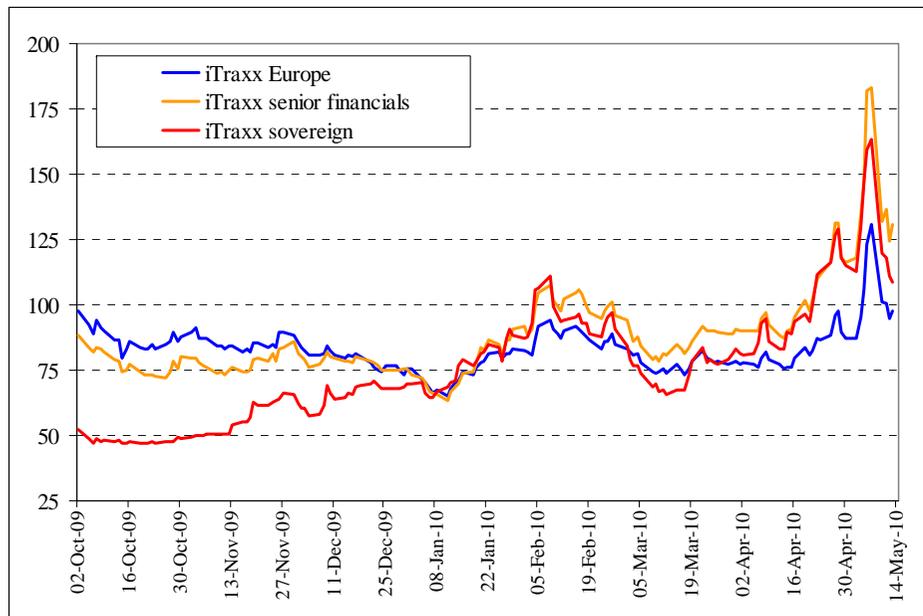
# Overall financial market background

## I) Stock market prices and implied volatilities

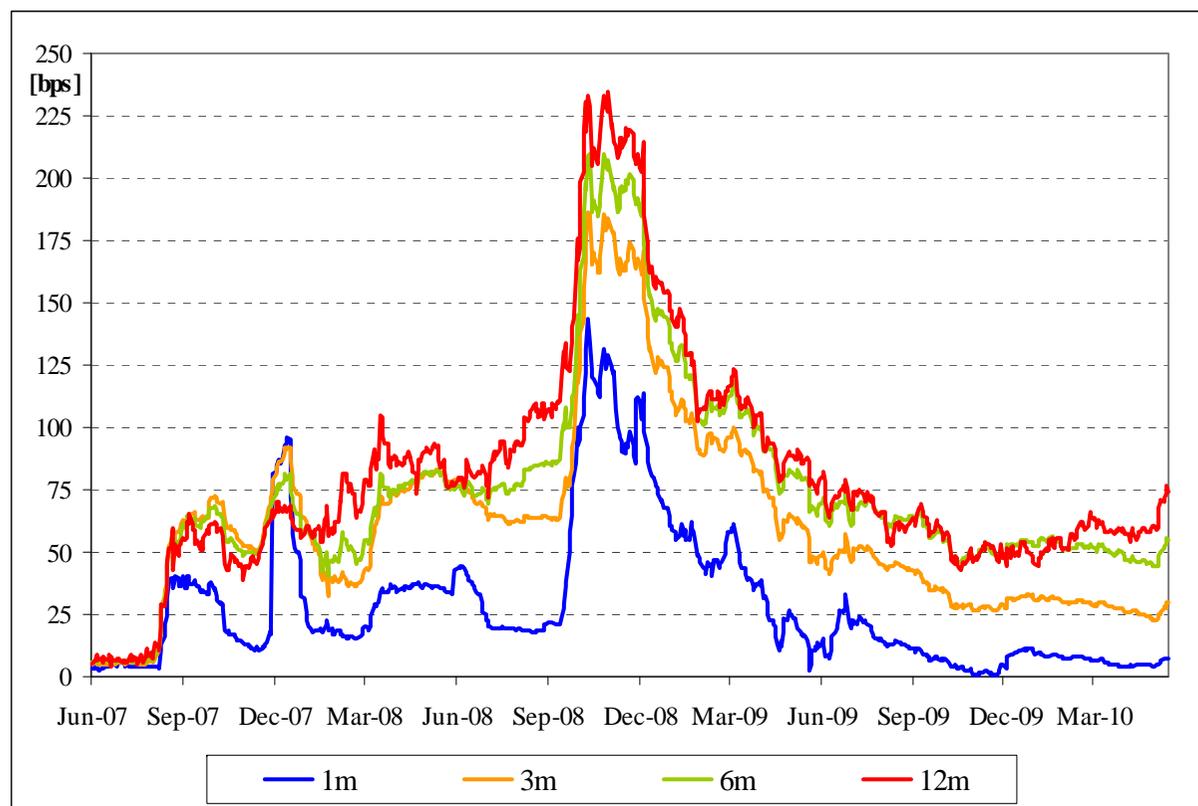


# Overall financial market background

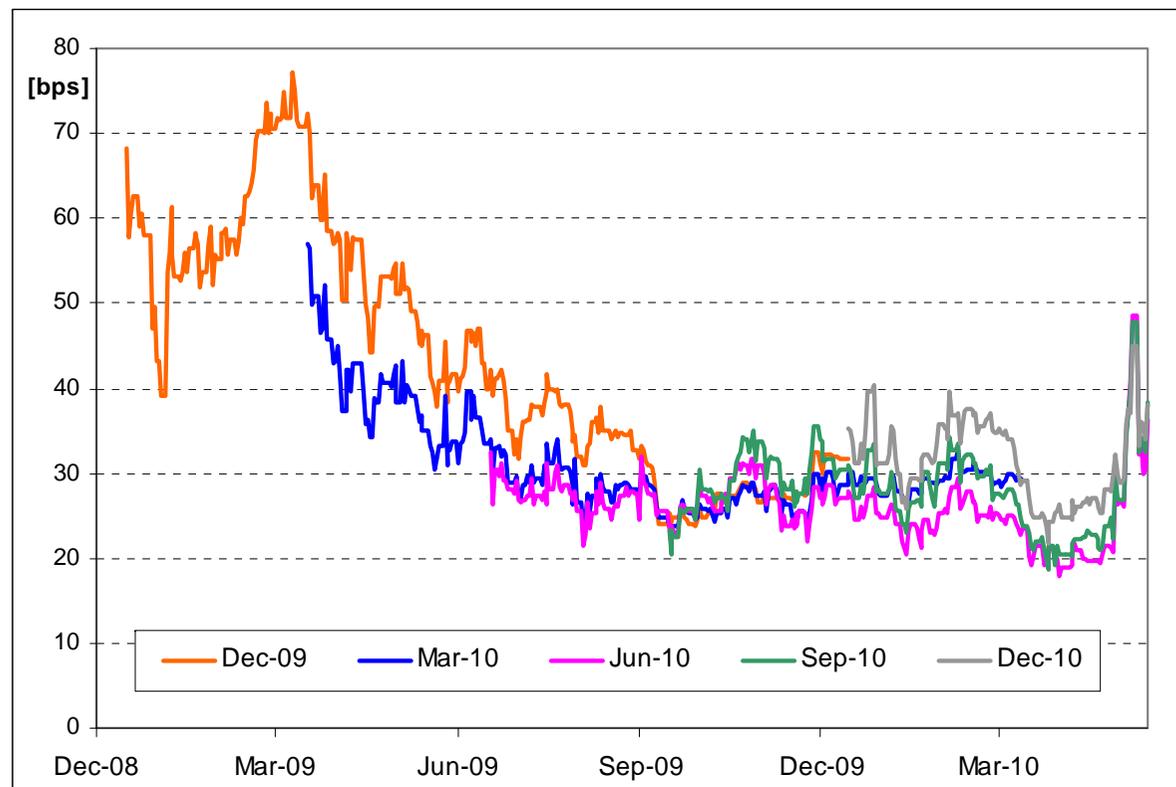
## II) Credit market development



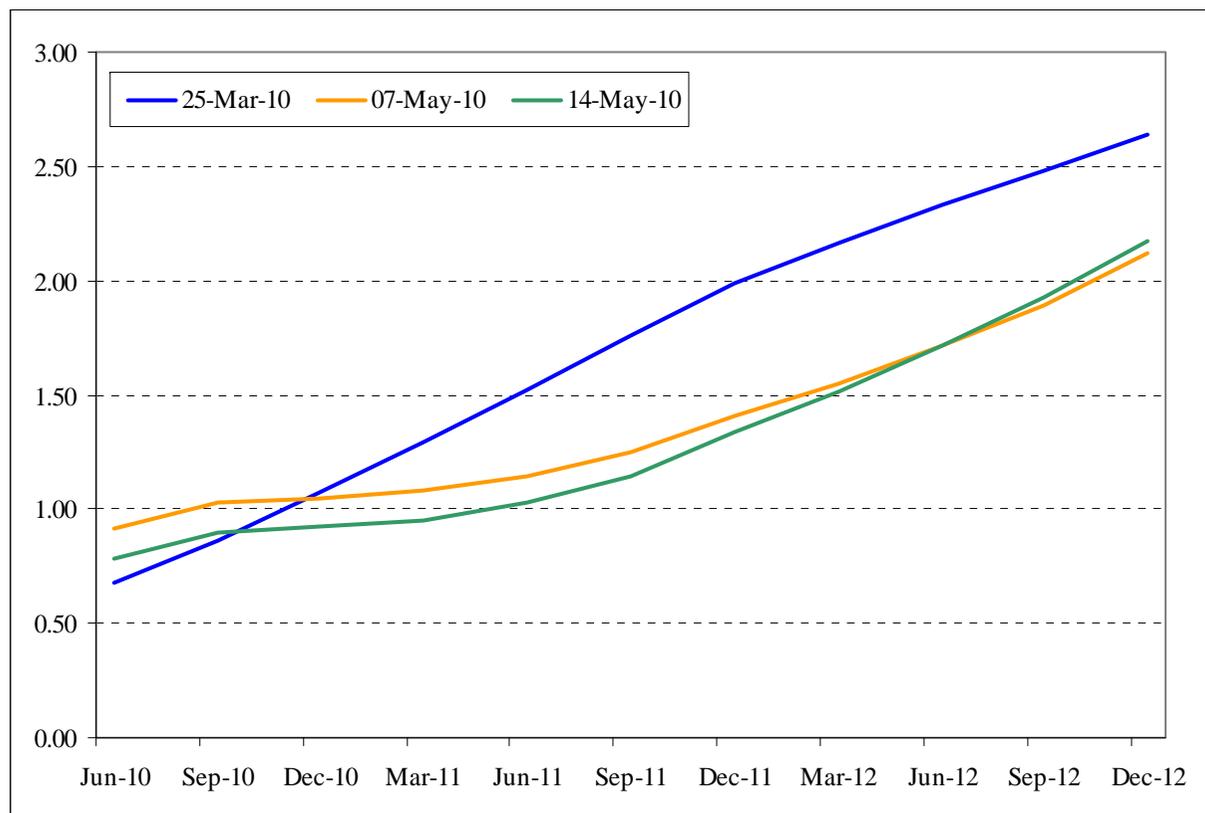
# EURIBOR - OIS spreads for different maturities



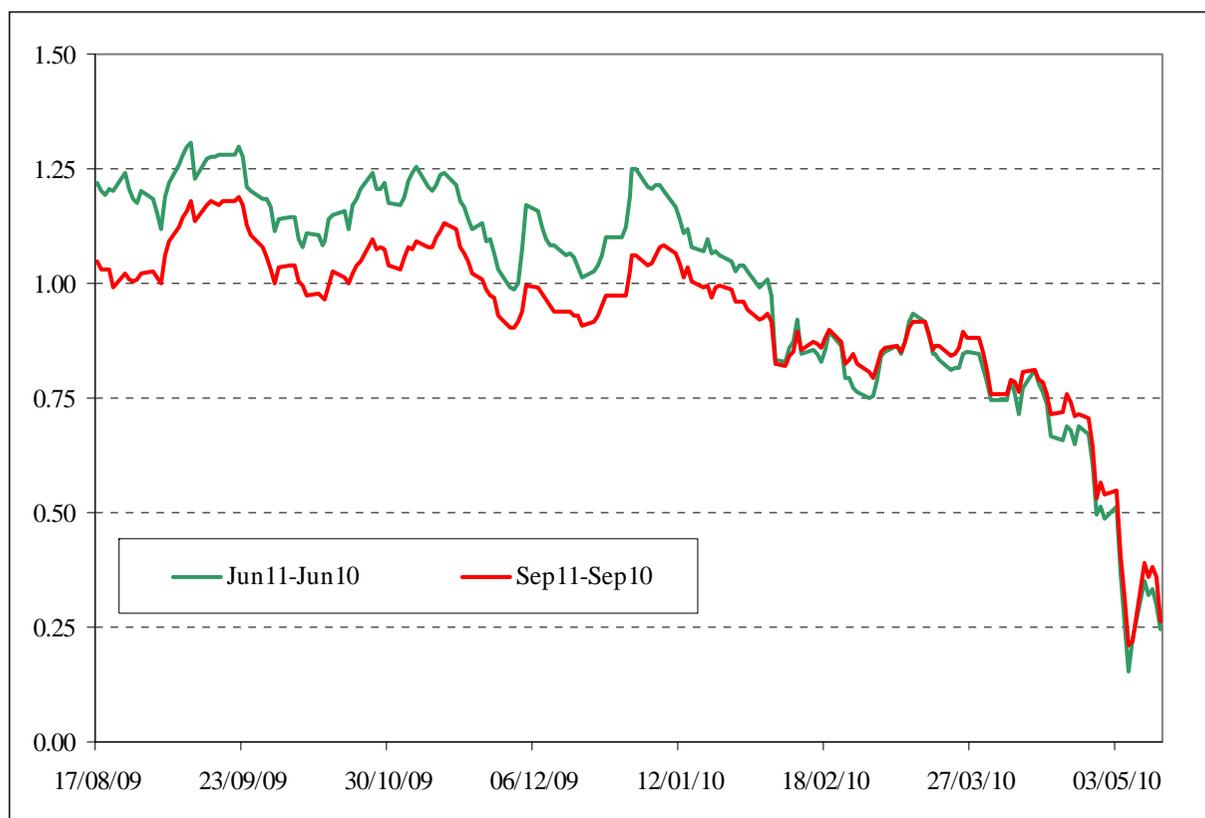
# Forward 3-month EURIBOR - OIS spreads



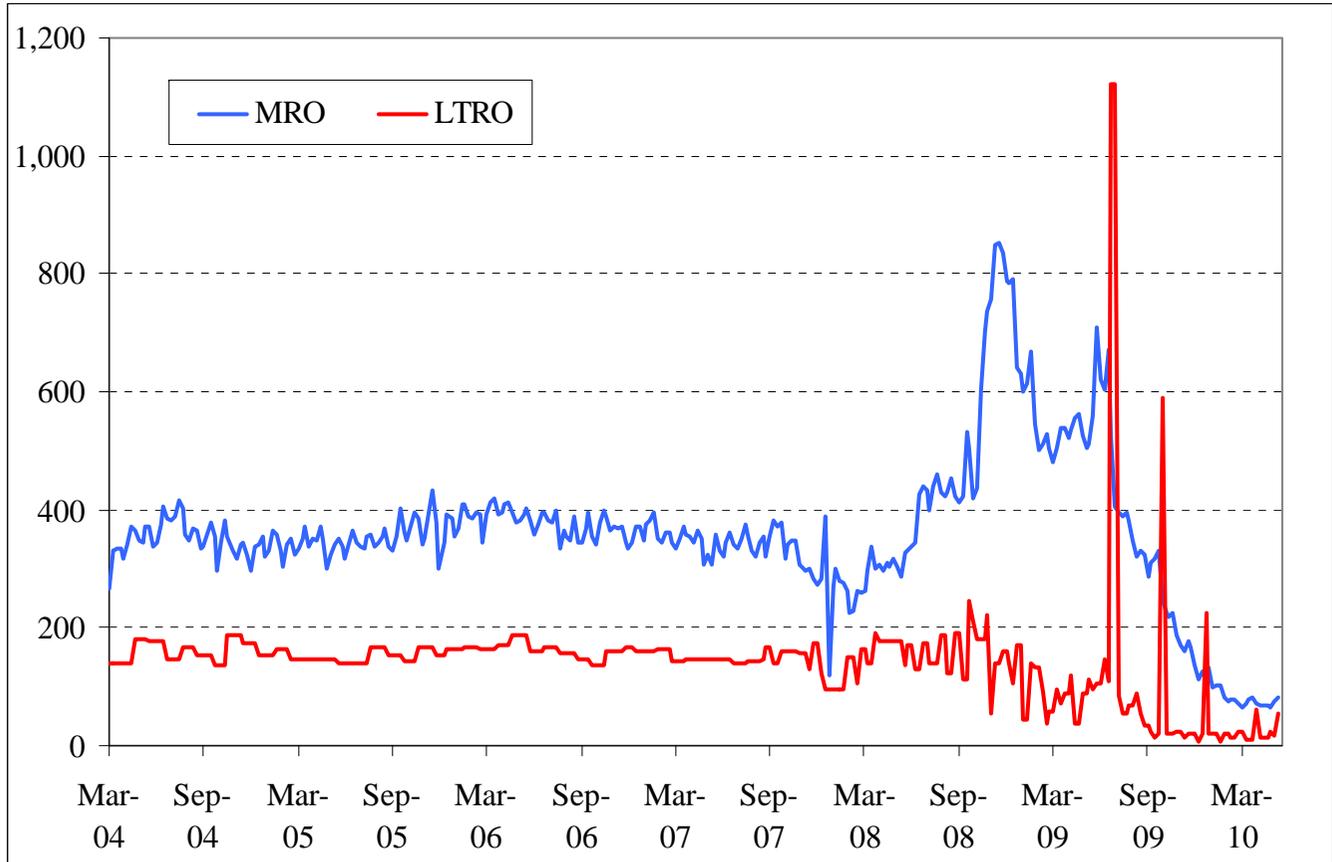
# Development of the Euribor futures curve



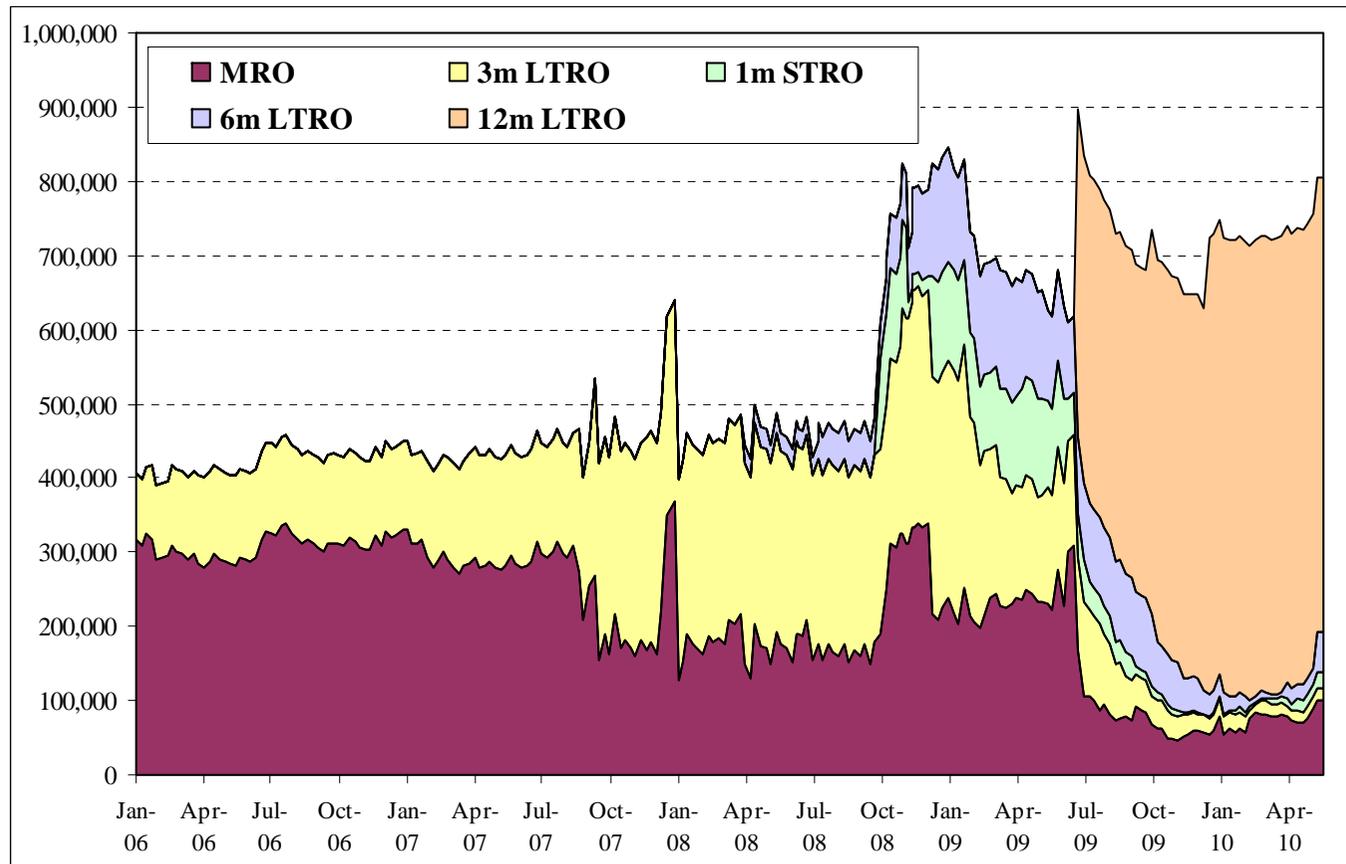
# Development of selected Euribor calendar spreads



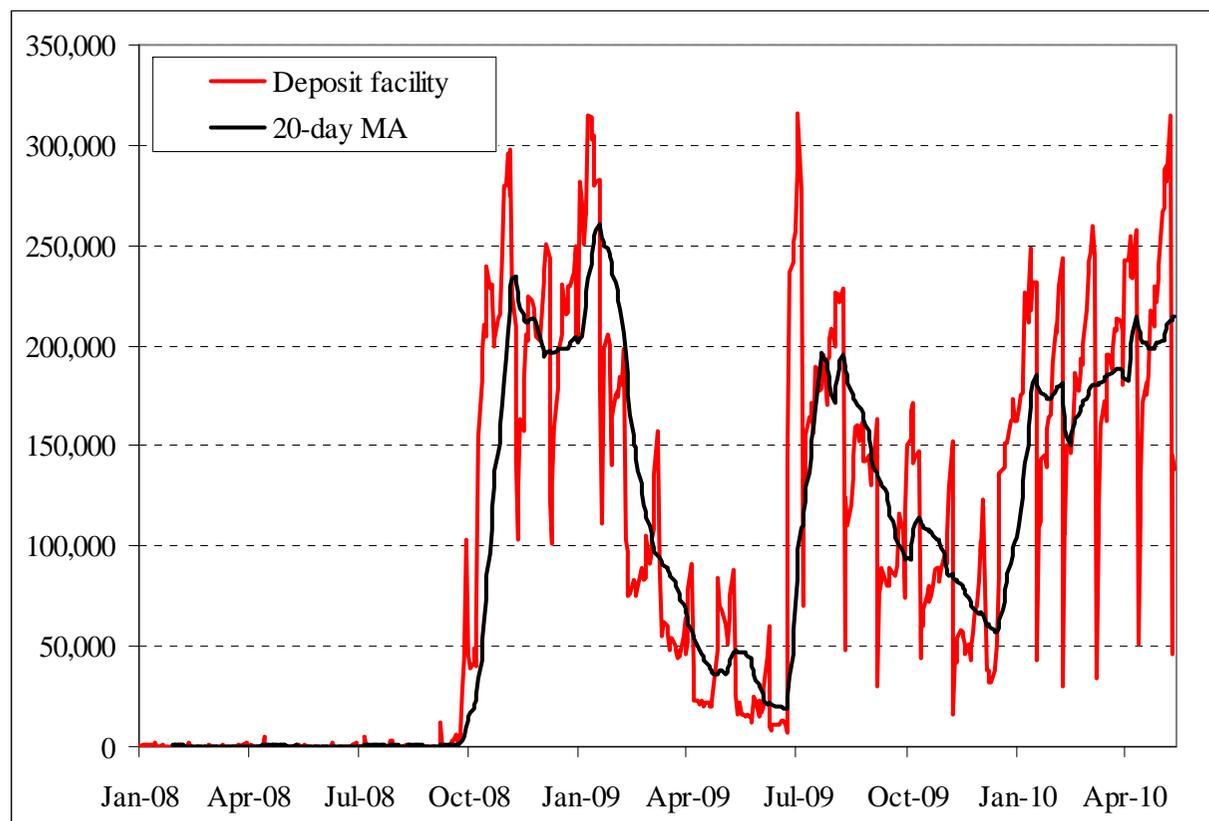
# Number of participating banks in MROs and LTROs



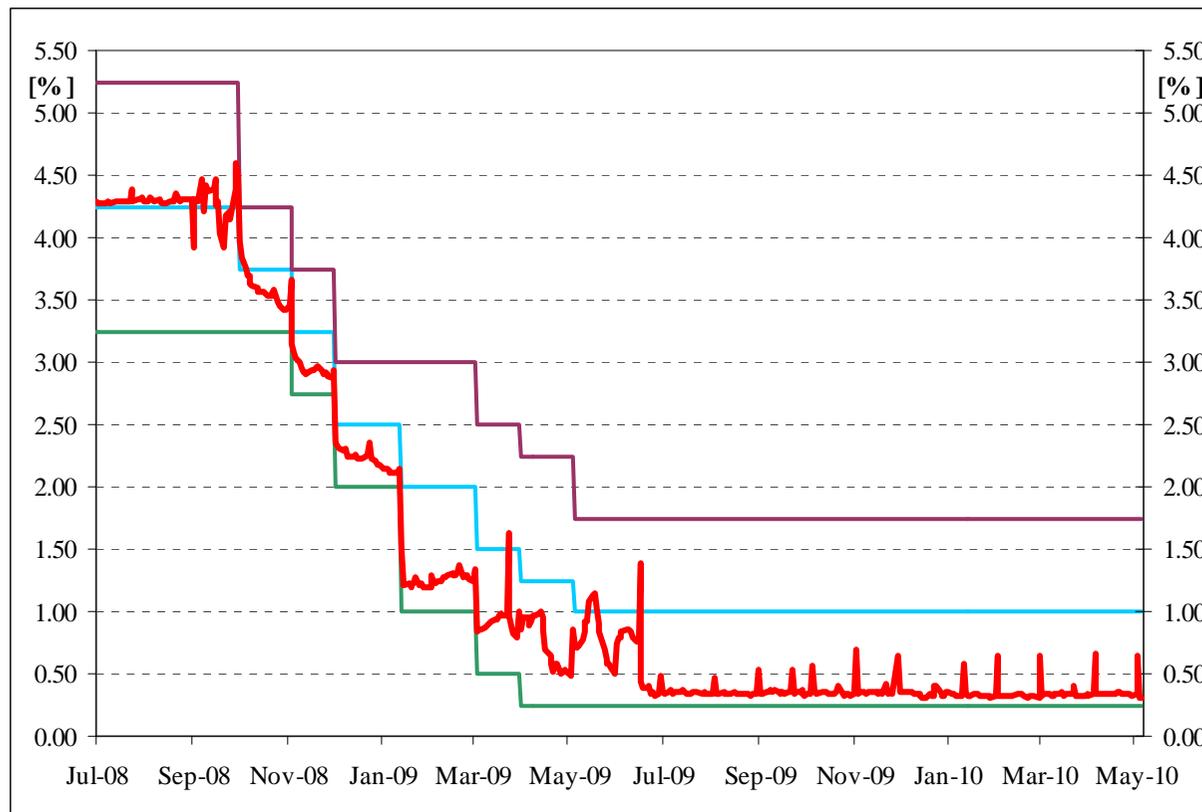
# Maturity breakdown of the ECB's liquidity providing operations



# Use of the ECB's deposit facility

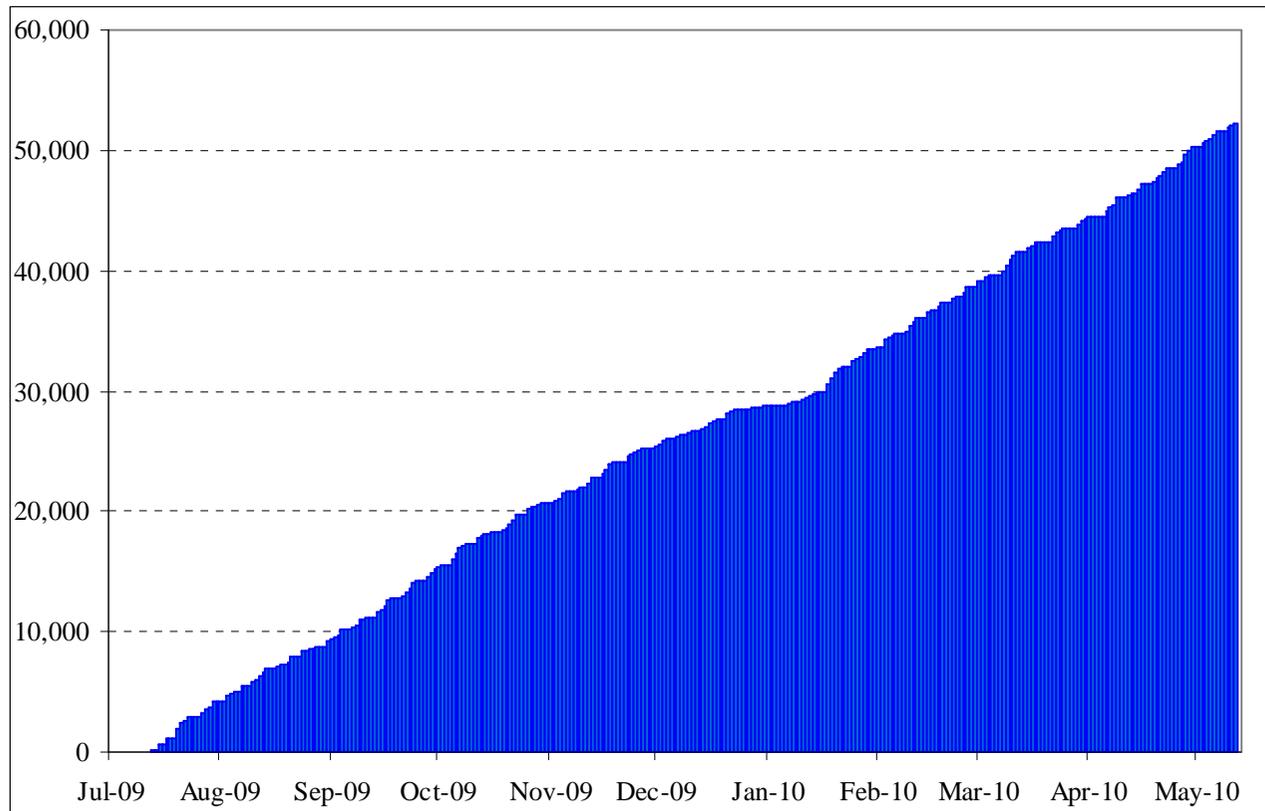


# ECB rates and Eonia developments



# Covered Bond Purchase Programme

- Evolution of Eurosystem purchases

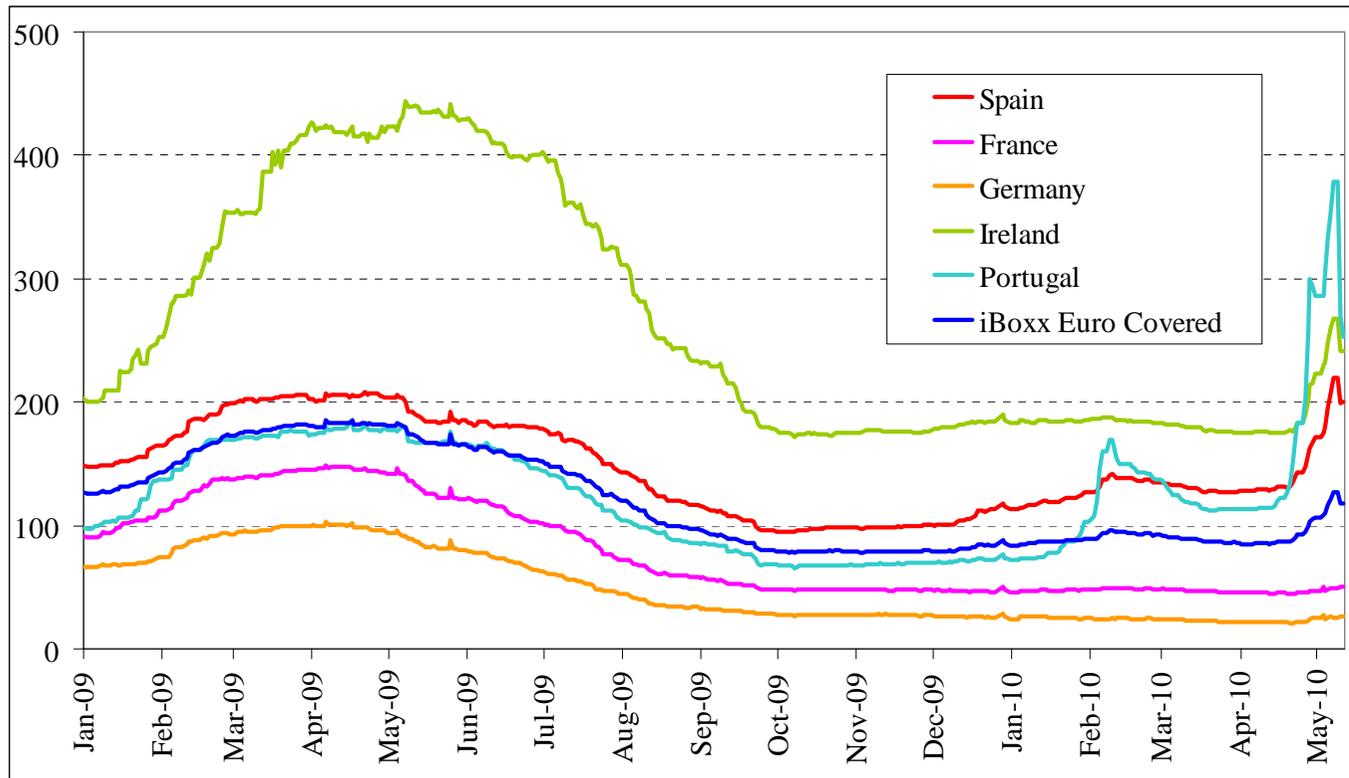


The latest monthly report on the CBPP can be found on the ECB's webpage:

<http://www.ecb.europa.eu/pub/pdf/other/morepeuscovbondpurprogr201005en.pdf>

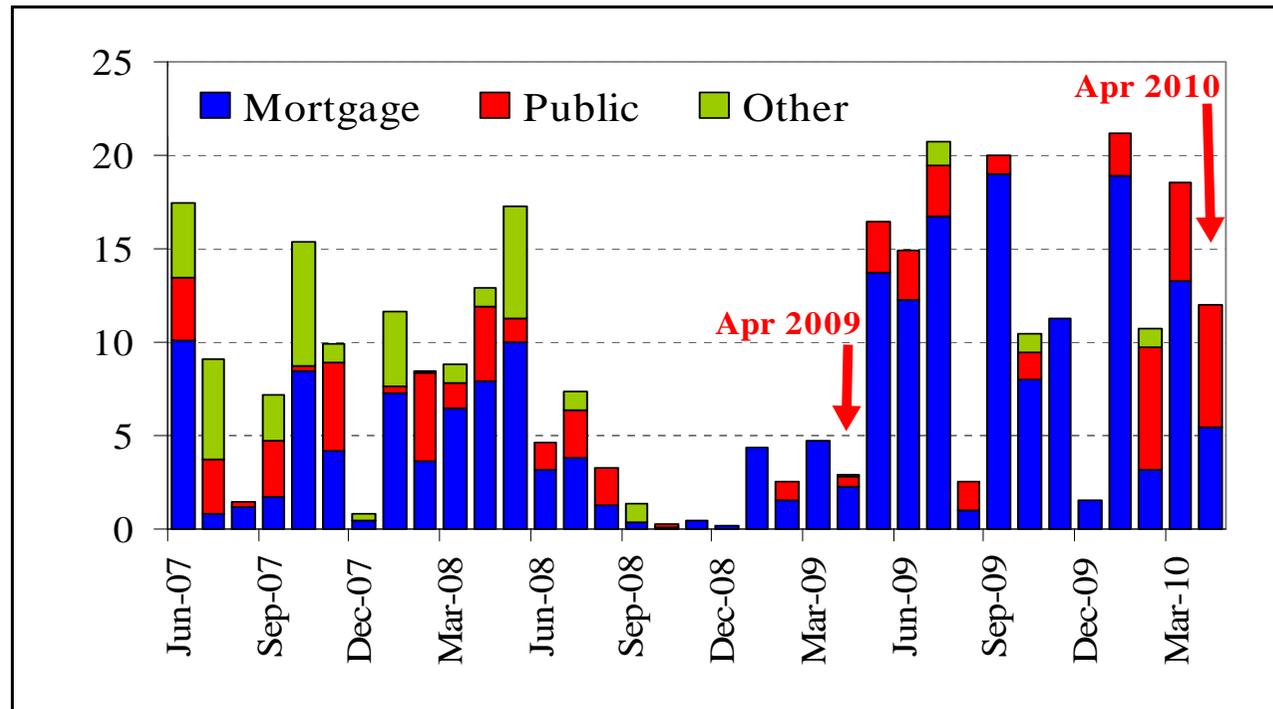
# Covered Bond Purchase Programme

- Covered bond spreads in selected countries (in bps)



# Covered Bond Purchase Programme

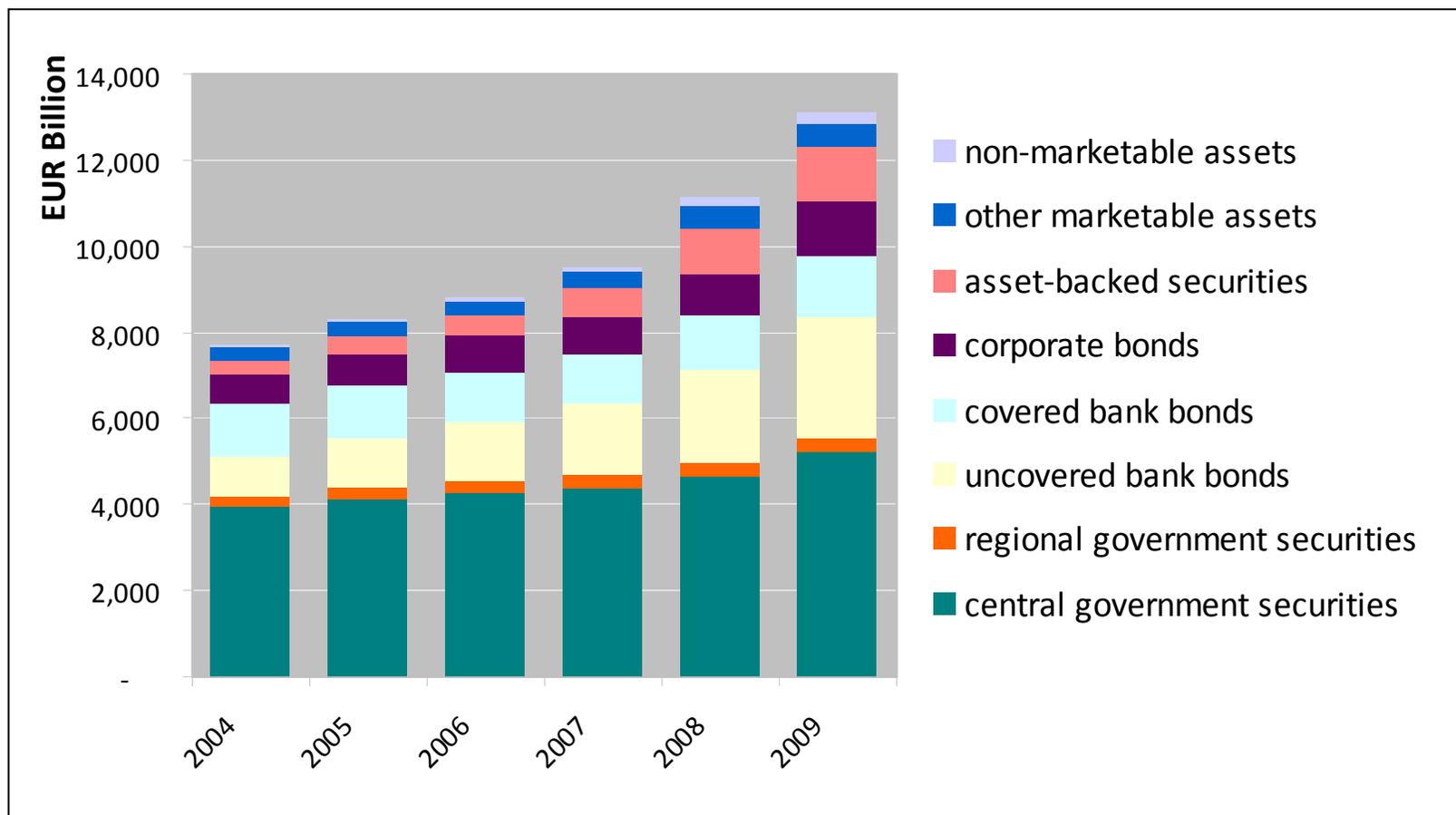
- New issuance volume of jumbo covered bonds [EUR bn]



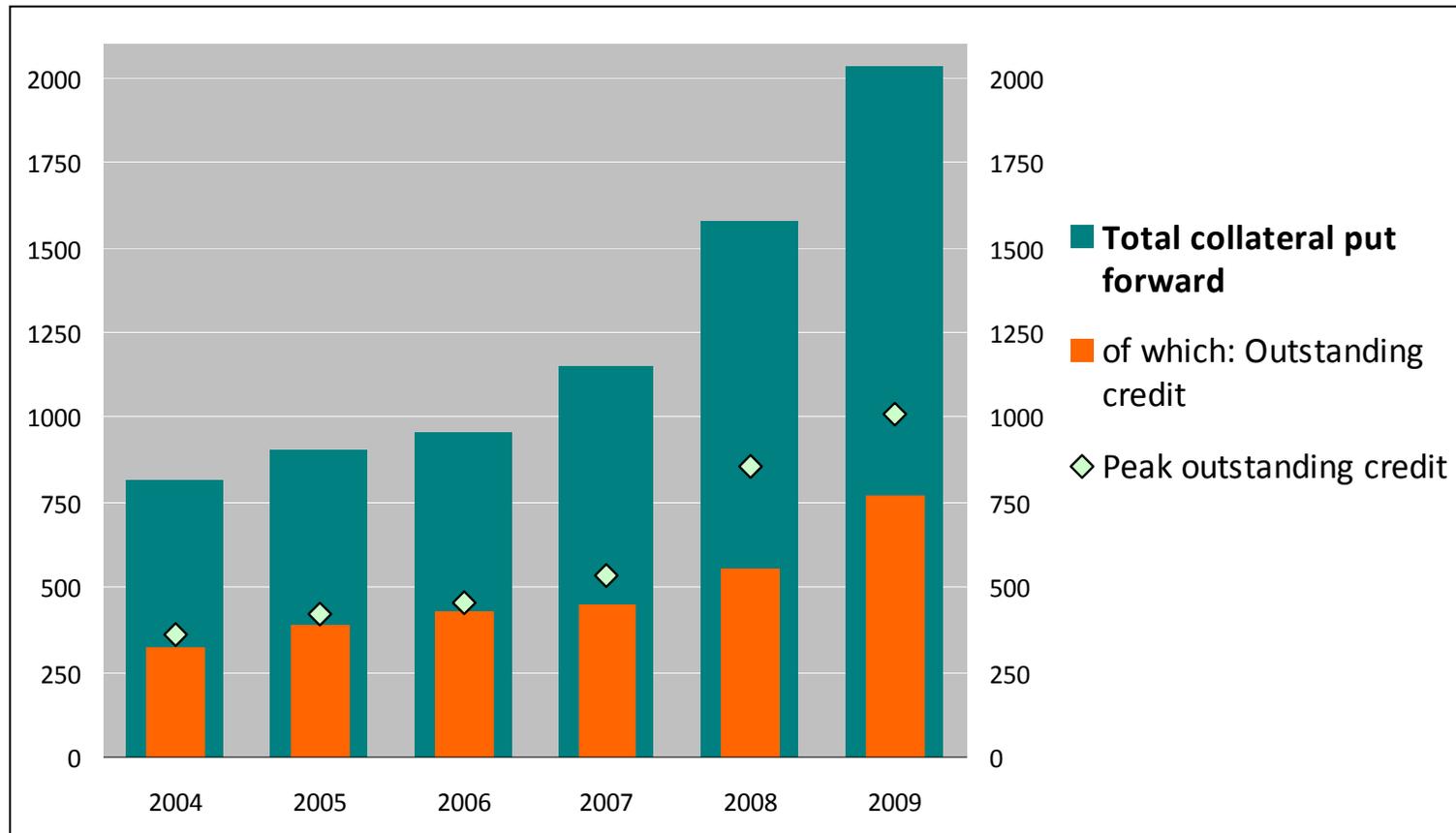
Source: own calculations based on Dealogic

Note: "Other" includes public-, mortgage- and other asset-backed jumbo covered bonds

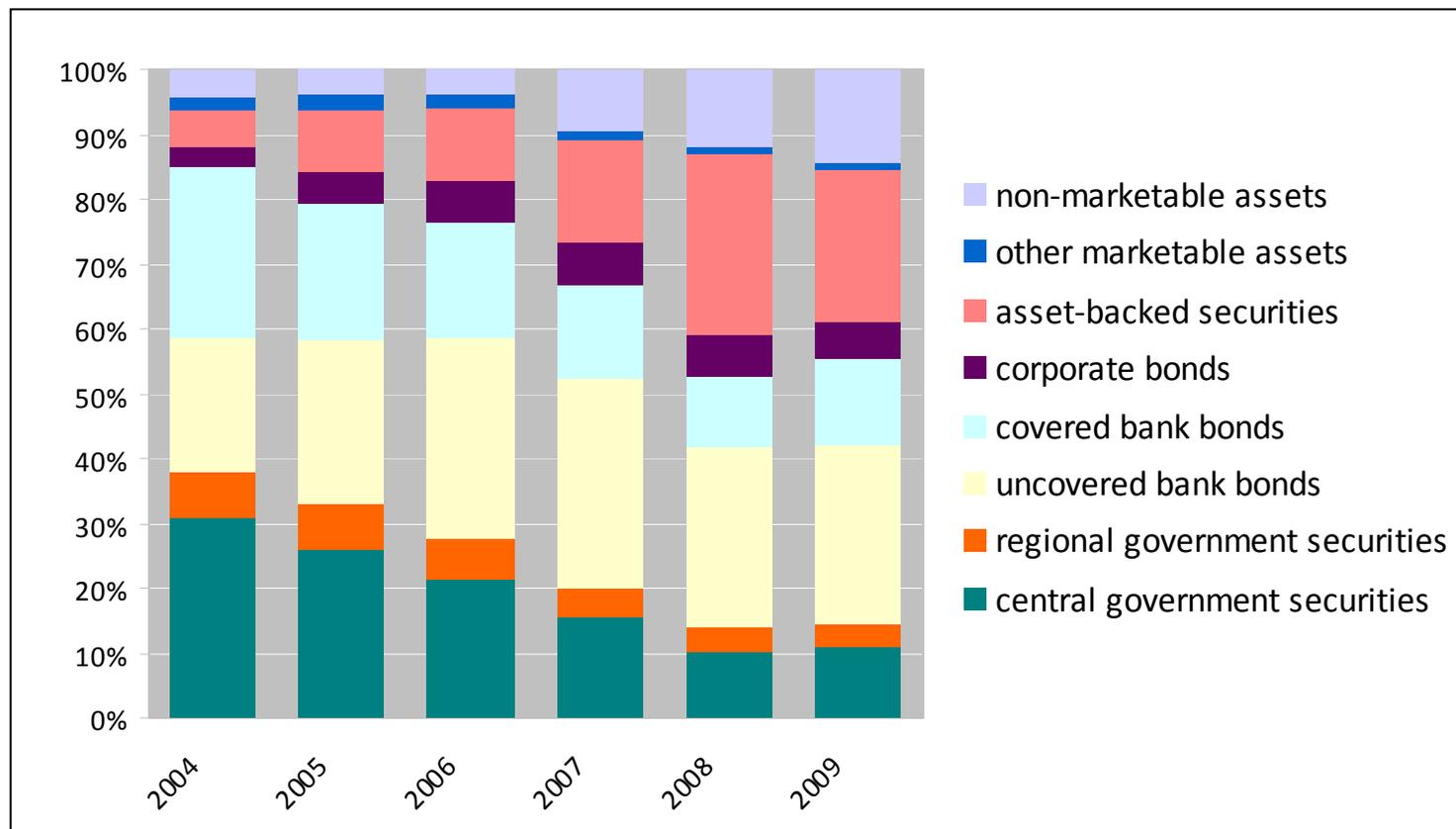
# Eligible collateral by asset type



# Collateral put forward to ECB vs. outstanding credit



# Collateral put forward by asset type



# ECB Announcements

## 4 March 2010

- *Fixed rate / full allotment for all MROs / MPOs until 12 October*
- *Return to variable rate procedure in 3m LTROs*
- *The rate of the last 6-month operation will be fixed at the average minimum bid rate of the MROs over its lifetime.*
- *6-day FTO at the maturity of the first 1-year LTRO*

## 25 March 2010

- *ECB will keep minimum credit rating threshold in the collateral framework at BBB- beyond the end of 2010*

# ECB Announcements

3 May 2010

- *Suspension of minimum credit rating for Greek government bonds*

10 May 2010

- *Return to fixed rate / full allotment in next two 3m LTROs*
- *Additional 6m LTRO with full allotment at average MRO rate*
- *Re-introduction of USD providing operations*
- *Announcement of Securities Markets Programme*
  - *interventions in the euro area public and private debt securities markets*
  - *ensure depth and liquidity in those market segments which are dysfunctional*
  - *restore an appropriate monetary policy transmission mechanism*
  - *scope of the interventions will be determined by the Governing Council*
  - *specific operations will be conducted to re-absorb the liquidity injected through the SMP to ensure that monetary policy stance will not be affected*

## Potential issues for discussion

- *What is the assessment of the market reactions to the ECB's latest announcements?*
- *How do you interpret the results of the latest 6m LTRO and of the USD auctions?*
- *What are the expectations for the demand in the 3-month LTRO in late June?*
- *How is the overall assessment of the liquidity in the euro money market?*