

Box 3**Monetary policy operations and liquidity conditions in the reserve maintenance period ending on 23 November 2002**

During the reserve maintenance period under review, the Eurosystem settled four main refinancing operations (MROs) and one longer-term refinancing operation (LTRO).

Regular monetary policy operations

(EUR billions; interest rates in percentages per annum)

Operation	Date of settlement	Date of maturity	Bids (amount)	Allotment (amount)	Bid-cover ratio	Number of participants	Minimum bid rate	Marginal rate	Weighted average rate
MRO	30/10/2002	13/11/2002	101.9	57.0	1.79	270	3.25	3.29	3.29
MRO	06/11/2002	20/11/2002	104.4	87.0	1.20	241	3.25	3.25	3.26
MRO	13/11/2002	27/11/2002	85.0	51.0	1.67	243	3.25	3.28	3.28
MRO	20/11/2002	04/12/2002	120.3	99.0	1.22	263	3.25	3.27	3.29
LTRO	31/10/2002	30/01/2003	27.8	15.0	1.85	163	-	3.22	3.34

Source: ECB.

The marginal rate fell from 3.29% in the first operation of the maintenance period to 3.25% in the operation settled on 6 November, but increased again in the following two operations to 3.28% and 3.27%.

On all but three business days the EONIA was stable between 3.28% and 3.30%. On 31 October it increased to 3.34%, due to an end-of-month effect, and on 7 November it dropped temporarily to 3.25%. On the last business day of the maintenance period the EONIA increased to 3.49%, reflecting slightly tight liquidity conditions.

The maintenance period ended with a small aggregate net recourse to the marginal lending facility of €1.4 billion (reflecting a net recourse of €0.7 billion on Friday 22 November which automatically accumulated on Saturday 23 November). The average difference between current account holdings and minimum reserve requirements was €0.6 billion.

The net liquidity-absorbing impact of the autonomous factors, i.e. factors not related to monetary policy operations (item (b) of the table below) was, on average, €63.3 billion. The published estimates of the average liquidity needs stemming from autonomous factors ranged between €54.4 billion and €73.6 billion. The largest deviation between the published estimate and the actual figure occurred for the period from 28 October to 5 November, amounting to €1.7 billion.

Contributions to the banking system's liquidity

(EUR billions)

Daily average during the reserve maintenance period from 24 October to 23 November 2002

	Liquidity providing	Liquidity absorbing	Net contribution
(a) Monetary policy operations of the Eurosystem	192.6	0.1	+192.5
Main refinancing operations	147.5	-	+147.5
Longer-term refinancing operations	45.0	-	+45.0
Standing facilities	0.1	0.1	0.0
Other operations	-	-	0.0
(b) Other factors affecting the banking system's liquidity	372.1	435.4	-63.3
Banknotes in circulation	-	334.0	-334.0
Government deposits with the Eurosystem	-	42.8	-42.8
Net foreign assets (including gold)	372.1	-	+372.1
Other factors (net)	-	58.6	-58.6
(c) Credit institutions' holdings on current accounts with the Eurosystem (a) + (b)			129.3
(d) Required reserves			128.7

Source: ECB.

Note: Totals may not add up due to rounding.