Recent Money Market Developments

Money Market Contact Group
Frankfurt am Main, 27 May 2008
Stock market developments
Credit markets – iTraxx indices
Eonia development since the beginning of the turmoil
ECB operations, reserve surplus and Eonia in the Apr/May ’08 maintenance period

- Daily reserve surplus/deficit (left-hand scale)
- Average daily reserve surplus (left-hand scale)
- EONIA (right-hand scale)

- MRO with benchmark +35.0 bn
- MRO with benchmark +20.0 bn
- MRO with benchmark +20.0 bn
- MRO with benchmark +4.0 bn
- regular LTRO of 50.0 bn
- FTO of -23.5 bn
Development of spread between MRO rates and the minimum bid rate

- Marginal rate
- Weighted average rate
Development of spread between 3m LTRO rates and 3m Eonia swap rates
Maturity breakdown of the ECB’s liquidity providing operations
EURIBOR - OIS spreads for different maturities
3m forward EURIBOR - OIS spreads
International comparison of 3-month deposit-OIS spreads

3-Month deposit-OIS spreads (bps)

- EUR
- GBP
- USD
Results of the Eurosystem’s USD providing operations

<table>
<thead>
<tr>
<th>Allotment</th>
<th>Bid Amount</th>
<th>Bidders</th>
<th>Allotment</th>
<th>Allotment rate</th>
<th>Bid-to-cover</th>
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<tbody>
<tr>
<td>17-Dec-07</td>
<td>22,080</td>
<td>39</td>
<td>10,000</td>
<td>4.65</td>
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<td>21-Dec-07</td>
<td>14,115</td>
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<td>14-Jan-08</td>
<td>14,790</td>
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<td>28-Jan-08</td>
<td>12,400</td>
<td>19</td>
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<td>25-Mar-08</td>
<td>31,237</td>
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<td>07-Apr-08</td>
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<td>54</td>
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<td>2.10</td>
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</table>

In basis points

- Spread above minimum bid rate in bps
- Spread above Libor 1-Month USD in bps
Euro area monetary policy expectations derived from Eonia swap rates

End of February 2008

23 May 2008
Issues for discussion

• What explains the diverging developments in equity/credit markets on the one hand and money markets on the other?

• Is the calibration of MRO allotment amounts fully understood? Is it clear that our main goal is still to have stable short-term rates close to the policy rate?

• What does the international development of Libor/Euribor-OIS spreads tell us?

• What is the outlook for the upcoming end-of-semester?

• What is the assessment of banks’ funding situation / the behaviour of institutional investors?