

Bond Market Contact Group

Frankfurt, Thursday 7 April 2016 (13:00-17:00 CET, Sonnemannstrasse 20, room C2.04)

FINAL AGENDA

1) Bond market outlook and other topics of relevance

Francesco Garzarelli will review the main bond market developments, with a special focus on the volatility of financial markets in mid-February until early March and impact on liquidity and pro-cyclicality of the buy-side. He will also provide an outlook for bond markets.

2) Impact of low or negative interest rate environment

Peter Hegge and Zoeb Sachedi will discuss the impact of the low or negative interest rate environment on the different types of institutions which are active in the euro area bond markets. The analysis will try to answer the following questions: (i) how will banks, pension fund managers, insurance companies and hedge funds adapt their business model; (ii) do the effects change over time in case low/negative interest rates persist for a longer period of time; and (iii) what are the risks for bond market functioning and possible adaptations to bond features required by investors.

3) Bank business models and the role of Principal Trading Firms (PTFs) in liquidity provision and intermediation

Chris Pulman and Jan Lundstrom will analyse the business models of banks' fixed income divisions and the implications for bond market liquidity, trading venues and the strategic implications for investors.

4) Money market benchmarks and on the on-going reform process

Guido Ravoet and Alberto López, from the European Money Markets Institute (EMMI), will provide members with an update on the status of the evolution of Euribor to a transaction-based benchmark, including the response to the recent public consultation. The group will also be informed about the progress in the development of a new transaction-based pan-European benchmark for the repo market.

5) Other items

- Planning of the next meeting on 21 June 2016.
- The Secretary of the ECB's FX Contact Group will summarise the process on the FX Single Code.