

February 2022

ECB Bond Market Contact Group

2022 WORK PROGRAMME

This document presents the work programme for the scheduled meetings of the ECB's Bond Market Contact Group (BMCG) in 2022. The work programme may be adapted throughout the year to address relevant unforeseen events and new topics of interest and is based on members' suggestions.

A. Recurrent item

A member of the group will present **a review and outlook of euro area bond market developments** in each meeting. The presentation will be followed by a general discussion, including some topics of policy relevance or related to the BMCG mandate.

B. Specific items for 2022

1. Zooming-in on primary market developments

- Government bond supply dynamics in an environment of declining asset purchases. The impact of changes in fiscal policies on euro area bond markets and the role of primary dealers.

2. The latest trends in ESG markets

- Market trends and liquidity in the Green and Sustainable linked bond markets, the evolution of the EU taxonomy and the impact of regulatory requirements on the behaviour of investors and issuers.

3. The impact of Monetary Policy normalisation

- Global monetary policy normalisation by central banks proceeding with different speeds and modalities – what are the implications and risks for bond markets and how do they impact volatility, term premia and yield curves?
- Traditional asset correlations and the capacity to decouple – A closer look into developments across different bond and credit markets, including cross-asset dynamics with equities and other asset classes, and implications for asset allocation and portfolio management.

4. The evolution of market structures

- The evolution of the EU as a major borrower - providing the buy-side and sell-side perspectives on the progress towards a real benchmark issuer. An assessment of the impact of the new safe asset on the euro area government bond market structure.

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- Scarcity of bonds/collateral in the euro area bond market – temporary or structural? How is the free float developing? How is scarcity influenced by bond yield dynamics, investor positioning and market concentration?