EUR Money Markets

Treasury Execution Services
June 2013
Mark Dearlove
Overall financial market background

- 29th Feb: 3yr LTRO
- 25th Jan: 3yr LTRO (repay)

Source: EBF, ECB, Barclays Research. Data as at May 2013
1Y1Y Eonia closing gap to MRO

Source: EBF, ECB, Barclays Research. Data as at May 2013
ECB’s weekly auction

Source: EBF, ECB, Barclays Research. Data as at May 2013
Potential evolution of liquidity surplus

- Liquidity surplus: possible evolution (€ bn)

Source: EBF, ECB, Barclays Research. Data as at May 2013
Notes: Charts and contents are taken from the Euro Money Markets article "The ECB’s options" published in the April 18. Estimates on the evolution of the liquidity surplus are based on the assumption of unchanged autonomous factors and liquidity needs and on the roll of the current borrowing at the other ECB operations. "Danger zone" with 4bln repayment ~Oct13; 8bln repayment ~Aug13.
Eonia vs refinancing rate

Source: Barclays Research. Data as at May 2013
### ECB borrowing estimated breakdown (End April 2013)

<table>
<thead>
<tr>
<th>Country</th>
<th>Dec 3y LTRO</th>
<th>Feb 3y LTRO</th>
<th>Total 3y liquidity</th>
<th>Estimated payback (end of April 2013)</th>
<th>Amount Remaining at the 3y LTROs</th>
<th>Other ECB operations</th>
<th>Tot. ECB liquidity</th>
<th>ELA</th>
<th>Depository facility</th>
<th>Fixed Term deposits</th>
<th>Current account</th>
<th>Reserve requirement</th>
<th>Excess reserve</th>
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<tr>
<td>Germany</td>
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<td>Total</td>
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<td>997</td>
<td>275</td>
<td>722</td>
<td></td>
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<td>857</td>
<td>45</td>
<td>120.8</td>
<td>202.5</td>
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- As of the end of April: 3yr LTRO payback: €275bn. Peripheral banks accounted for 36% (€98bn), core banks 64% (€177bn)

- Banks in France, Spain and Italy have the largest potential for reimbursement

*Source: ECB, NCBs, Barclays Research. Data as at end of April 2013*
As of the end of 7 June: 3yr LTRO payback: €299bn

The pace of repayment has slowed down significantly over the last few weeks.
Decrease of liquidity surplus – increase of autonomous factors

Source: EBF, ECB, Barclays Research. Data as at May 2013
...net impact of autonomous factors
Average repo levels (o/n, t/n, s/n)

Source: Barclays
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