



EUROPEAN CENTRAL BANK
EUROSYSTEM

DG MARKET OPERATIONS

ECB-UNRESTRICTED

9 March 2017

ECB Money Market Contact Group

Tuesday, 14 March 2017, 13:00 – 17:00 CET, Frankfurt, Room C2.06

AGENDA

1. Endorsement of the MMCG Terms of Reference

MMCG members will be asked to reflect on the MMCG Terms of Reference before their finalisation.

2. Results of the MMCG survey on MMCG functioning

Julija Jakovicka will present key points of the MMCG members' feedback and how suggestions for improvement have been incorporated in the MMCG work programme for 2017.

3. Review of recent developments in the euro money market activity. Presentation of the main results of the quarterly MMCG euro money market survey and additional insights from the ECB's Money Market Statistical Reporting data on the euro money market turnover.

Julija Jakovicka will review the main trends in the euro money market activity over the fourth quarter of 2016 based on the MMCG quarterly survey and MMSR data. MMCG members will be invited to provide their feedback on the main drivers of those developments and the outlook going forward.

4. Review of the latest market developments and other topics of relevance

The ECB will review the main developments in the euro money market since the last meeting based on the set of issues that have been submitted to MMCG members prior to the meeting. Issues for discussion will cover, among others:

(i) Drivers of the year-end developments in the euro money market and market functioning at the year-end reporting dates

MMCG will discuss the year-end developments in the euro money market against market expectations as discussed at the MMCG December meeting. MMCG members will be invited to reflect on the main drivers of the year-end related price developments, their impact on the bank funding and market liquidity. In particular, the secured and the FX swap market segments will be discussed as well as developments in short-term securities. MMCG will be also asked to provide feedback on the role of the new Eurosystem securities lending facility.

The discussion will serve as a starting point for the subsequent MMCG survey aiming to identify regulatory and taxation factors at play at the year-end reporting date across various jurisdictions.

(ii) Recent developments in the euro area repo markets: main drivers

MMCG will discuss recent developments in the repo market, main drivers as well as motives for market demand for high credit quality securities.

(iii) Developments in the FX swap market and drivers of recent narrowing of the US dollar basis

MMCG members will be invited to reflect on the main drivers of the recent FX swap market developments and outlook for the coming months.

(iv) Impact of political developments in Europe on the euro area money market

MMCG will be invited to discuss the impact of recent political developments on the various segments of the euro money market.

5. Intraday liquidity management: framework, initial market feedback. Developments in the payment system infrastructure and implications for the intraday liquidity management.

The ECB will review the relevant regulatory framework for the intraday liquidity management. Olivier Hubert will present a market perspective of intraday liquidity monitoring, which will kick-start a further MMCG follow-up work on this topic.

The ECB will review a number of envisioned developments in the payment systems infrastructure and implications for the intraday liquidity management.

6. Update on the global FX code

The ECB will present the ongoing work to establish a global FX code of conduct and related adherence mechanisms.

7. Presentation of the work programme of the Operations Managers Group

8. Planning of the next meeting