MMCG meeting in ECB

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ECB market pricing/outlook for 2020

ECB OIS: Less than 10bp priced in by end-2020

Rate cut expectations have been pared since mid-August

Euro area bank stocks correlate with 5y EONIA

Euro area bank reserves by country, as of end-September

Implied €STR forwards

<table>
<thead>
<tr>
<th>Fixing</th>
<th>€STR bp priced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec-19</td>
<td>-0.533</td>
</tr>
<tr>
<td>Jan-20</td>
<td>-0.541</td>
</tr>
<tr>
<td>Mar-20</td>
<td>-0.554</td>
</tr>
<tr>
<td>Apr-20</td>
<td>-0.558</td>
</tr>
<tr>
<td>Jun-20</td>
<td>-0.570</td>
</tr>
<tr>
<td>Jul-20</td>
<td>-0.573</td>
</tr>
<tr>
<td>Sep-20</td>
<td>-0.584</td>
</tr>
<tr>
<td>Oct-20</td>
<td>-0.587</td>
</tr>
<tr>
<td>Dec-20</td>
<td>-0.590</td>
</tr>
</tbody>
</table>

Source: Nordea
TLTRO considerations

Refinancing needs in June; TLTROs outstanding, EURbn

Bank lending in the Euro zone, year-on-year changes

Exempt tier almost fully used, EURbn

3y rates, %

Source: ECB, Nordea.
Secured money market

Repo market reactions to ECB rate cut, tiering

Year-end: Demand for collateral vs demand for funding?

Source: MTS, Nordea
Unsecured money market

€STR modestly higher, dispersion increased due to tiering

Pre-€STR and EONIA at quarter-ends, Mar-17 – Sep-19

€STR volume barely impacted by tiering, EURbn

Pre-€STR volume used to decline towards year-end

Source: Nordea
Thank you!