Recent developments in the euro money market

Money Market Contact Group
Frankfurt, 10 February 2010
Overall financial market background

1) Stock market development

![Graph showing stock market development](image)
II) Credit market development
ECB Announcements

3 December 2009

• The rate of the last 12-month operation will be fixed at the average minimum bid rate of the MROs over its lifetime.

• The last 6-month operation will be conducted on 31 March 2010.

• Fixed rate / full allotment for all MROs / MPOs and LTROs until the end of the third maintenance period (13 April).

18/27 January 2010

• ECB discontinues the provision of liquidity in CHF and USD
EURIBOR - OIS spreads for different maturities
Forward 3-month EURIBOR - OIS spreads
EURO basis swaps for 10-year IRS
Number of participating banks in MROs and LTROs
Maturity breakdown of the ECB’s liquidity providing operations

- MRO
- 3m LTRO
- 1m STRO
- 6m LTRO
- 12m LTRO
Use of the ECB’s deposit facility
ECB rates and Eonia developments
Eonia volumes since Jan 2007
Development of the Euribor futures curve
Covered Bond Purchase Programme

- Evolution of Eurosystem purchases

The latest monthly report on the CBPP can be found on the ECB’s webpage:
Covered Bond Purchase Programme

- Spread development against swaps in selected high grade markets
Covered Bond Purchase Programme

- New issuance volume of jumbo covered bonds [EUR bn]

Source: own calculations based on Dealogic
Note: “Other” includes public-, mortgage- and other asset-backed jumbo covered bonds
Potential issues for discussion

• What are the expectations for the last 6-month LTRO?

• Any final feedback on the USD and CHF operations?

• Has market sentiment been affected by the concerns about the fiscal situation in some euro area countries?

• What is the assessment of the CBPP? And the outlook for the covered bond market more generally?