



ECB Survey of Monetary Analysts (SMA)

September 2019

Thank you for participating in this survey – your time and input are greatly appreciated.

Please return the completed questionnaire to the ECB's email address ecb-sma@ecb.europa.eu by 18:00 CET on Friday, 30 August 2019.

Disclaimer: This survey has been formulated by ECB staff; members of the ECB's decision-making bodies are not involved in the formulation of the survey. The survey's purpose is to gather analysts' expectations of the evolution of monetary policy instruments and initiatives that the ECB has already announced, as well as their expectations for the economy and financial markets. The questions never presume or signal an intention to undertake any particular policy action in the future.

Legal statement: Your individual answers to this voluntary survey will be treated confidentially, in accordance with applicable Union law, and used for the purpose of the survey only. If public disclosure of your individual answers were required the ECB would seek to obtain your prior consent.

Completing the questionnaire

The questionnaire is organised in four separate sections:

1. Key ECB Interest Rates, Market Rates and Conditions;
2. Asset Purchase Programme and Reinvestment;
3. Targeted Longer-Term Refinancing Operations;
4. Macroeconomic Outlook.

You are invited to respond to all questions, although if you are unable to respond to a question you may leave it blank.

An additional section is included at the end of the questionnaire should you wish to provide any further information or feedback.

Entering your responses

For your ease of reference, in certain sections of the questionnaire recent values of the data have been included. Details about the recent values and their cut-off dates can be found in the “Reference Data” Annex to this questionnaire.

Data format

If a percentage rate is required as input, always omit the % sign. Similarly, if the question asks to express the answer in basis points, always omit writing bps. If a date is required as input, always provide it in the format MMM YYYY (e.g. Apr 2019).

Unless otherwise stated, the questionnaire asks for future realisations of monetary policy instruments, financial and macroeconomic variables that you consider *most likely* to prevail over specific forecast horizons. In other words, your forecasts should reflect your modal projections over the forecast horizons and, if possible, should be mutually consistent for all surveyed variables.

Market rates

EONIA stands for the euro overnight index average and is a measure of the effective lending interest rate prevailing in the euro interbank overnight market. As of 2 October 2019, the EONIA methodology will be redefined as the euro short-term rate (€STR) plus a spread of 8.5 basis points. The €STR reflects the wholesale euro unsecured overnight borrowing costs of euro area banks and will complement existing benchmark rates.

EUR OIS stands for euro overnight index swap and is calculated on the basis of EONIA.

With regard to swap spreads, we are seeking your estimate of the spread between the relevant benchmark sovereign bond and a maturity-matched swap against 6M Euribor (I-Spread), expressed in basis points according to the euro convention (lower numbers denote a more expensive bond).

The focus on the EONIA and EUR OIS rates in the questionnaire is only for the sake of brevity. The ECB considers the entire set of available interest rates when assessing prevailing market conditions.

Macroeconomic variables

For real GDP growth you are asked to provide your expectations of the change in the variable in quarter-on-quarter (q-o-q) terms (not annualised), that are calendar and

seasonally adjusted. In addition, you are asked for your expectations of the long-run growth rate of GDP – this should be provided in year-on-year (y-o-y) terms.

For HICP inflation and HICP inflation excluding energy and food, you are asked to provide your expectations of the change in the variable in year-on-year (y-o-y) terms. If your institution constructs projections at a monthly frequency for these variables, then a quarterly frequency may be calculated by taking the average of the y-o-y changes for each of the three months in the quarter.

For the unemployment rate you are asked to provide period averages in seasonally adjusted terms.

Administration and contacts

If you have any questions please contact us at ecb-sma@ecb.europa.eu.

If your contact details or the contact person (i.e. the person that should receive the survey questionnaire) has changed, please inform us of the new details by sending an email to ecb-sma@ecb.europa.eu.

Privacy Statement for the Survey of Monetary Analysts (SMA)

Participation in the Survey of Monetary Analysts (SMA) is voluntary.

All personal data are processed in accordance with EU Data Protection Law¹. The European Central Bank (ECB) is the controller and the Monetary Policy Strategy Division in the ECB's Directorate General Monetary Policy is the unit responsible for processing your data.

Your personal data are processed based on your consent. The purpose of the processing is to maintain a list of contact persons in the participating organisations to whom any questions related to the survey may be addressed. There will be no further processing of your personal information if you withdraw your consent, although earlier processing will remain lawful.

Personal data will be accessed by the ECB staff members directly involved in SMA.

Your personal data are stored for as long as your organisation participates in the survey and will be deleted after that. Your personal data will also be deleted as soon as the ECB receives notification that you no longer act as the contact person for your organisation, or if a new contact person has been nominated.

¹ Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC.

You have the right to access, rectify or (with some limitations) request deletion of your personal data or restriction of the processing of your data in line with Regulation (EU) 2018/1725. You can exercise these rights by sending an email to ecb-sma@ecb.europa.eu. If you have any further questions, please contact the ECB's Data Protection Officer (dpo@ecb.europa.eu).

Furthermore, you have the right to contact the [European Data Protection Supervisor](#) at any time regarding the processing of your personal data.

1 Key ECB Interest Rates, Market Rates and Conditions

1.1

1.1.1 Please indicate the percent chance you attach to the next rate *change* being an increase or a decrease, the most likely timing of such a change and the size of change you expect.²

DFR				
Direction	Probability	Month	Year	Size
Increase				
Decrease				

MRO				
Direction	Probability	Month	Year	Size
Increase				
Decrease				

MLF				
Direction	Probability	Month	Year	Size
Increase				
Decrease				

1.1.2 Please indicate the percent chance you attach to the dates surrounding the timing of an increase or decrease that you specified in your response to Question 1.1.1.³

DFR	Dates are centred on your answer to Q1.1.1; step size is at the Governing Council frequency							
Increase								Check
Probability								sum is 100%

² The probabilities of an increase or decrease must add up to 100%. DFR refers to the rate on the deposit facility, MRO refers to the rate on main refinancing operations and MLF refers to the rate on the marginal lending facility. Please include the sign of the rate change (+ for an increase, - for a decrease).

³ Responses must add up to 100%. Please omit the % sign when entering the data.

DFR	Dates are centred on your answer to Q1.1.1; step size is at the Governing Council frequency							
Decrease								Check
Probability								sum is 100%

MRO	Dates are centred on your answer to Q1.1.1; step size is at the Governing Council frequency							
Increase								Check
Probability								sum is 100%

MRO	Dates are centred on your answer to Q1.1.1; step size is at the Governing Council frequency							
Decrease								Check
Probability								sum is 100%

1.1.3 Please indicate the percent chance you attach to larger and smaller sizes of the next *change* (e.g. *increase* or *decrease*) in the DFR and MRO you have specified in your response to Question 1.1.1.⁴

Size of change for a rate decrease (in bps)												
	<-50	-50	-45	-40	-35	-30	-25	-20	-15	-10	-5	Check
DFR												
MRO												

Size of change for a rate increase (in bps)												
	5	10	15	20	25	30	35	40	45	50	>50	Check
DFR												
MRO												

⁴ Responses must add up to 100%. Please omit the % sign when entering the data.

If applicable, please state the factors behind any change in your answers to Question 1.1 since the previous survey and explain your answer in more detail.

If you expect no changes to the key ECB interest rates over your forecast horizon and have therefore not filled out the above tables, please state this.

1.2 Please indicate the level (in percentage per annum) of the following interest rates⁵ that you consider most likely (i.e. the mode) to prevail over the reserve maintenance period⁶ after the Governing Council meetings listed below. Also, indicate the level that you consider most likely (i.e. the mode) to prevail at the end of each of the quarters and years listed below, and in the long run.

Governing Council meetings	DFR	MRO	MLF	EONIA	3-month EURIBOR
Jun-19	-0.40	0.00	0.25	-0.37	-0.35
Jul-19	-0.40	0.00	0.25		
Sep-19					
Oct-19					
Dec-19					
Jan-20					
Mar-20					
Apr-20					
Jun-20					
Jul-20					
Sep-20					
Oct-20					

⁵ Please omit the % sign when entering the data.

⁶ The reserve maintenance period usually starts on the Wednesday of the week following each Governing Council meeting, which is also the date from which any changes to the key ECB interest rates that the Governing Council has decided at that meeting are applied to the respective Eurosystem monetary policy operations.

Governing Council meetings	DFR	MRO	MLF	EONIA	3-month EURIBOR
Dec-20					
Jan-21					
Mar-21					
Apr-21					
Jun-21					
Jul-21					
Quarters					
2021Q3					
2021Q4					
2022Q1					
2022Q2					
Years					
2022					
2023					
2024					
Long run⁷					

If applicable, please state the factors behind any change since the previous survey and explain your answer in more detail.

⁷ The long run should be interpreted as the horizon over which the effects of all shocks will vanish. For the purposes of this survey this can be interpreted, for the sake of simplicity, as around ten years.

- 1.3 Please provide your estimate of the most likely outcome (i.e. the mode) for the 2-year and 10-year swap spread (in basis points) at the end of the period listed below for these selected euro area countries.⁸

	DE swap spread	FR swap spread	IT swap spread	ES swap spread	NL swap spread
2-y swap spread					
Recent value (21 August 2019)	-37	-25	52	-2	-34
2019Q4					
10-y swap spread					
Recent value (21 August 2019)	-43	-15	158	34	-30
2019Q4					

If applicable, please state the factors behind any change since the previous survey and explain your answer in more detail.

- 1.4 What is your estimate of the level that the Governing Council would consider as a lower bound for each of the key interest rates?⁹

DFR	MRO	MLF

If applicable, please state the factors behind any change since the previous survey and explain your answer in more detail.

⁸ Spread between the relevant benchmark sovereign bond and a maturity-matched swap against 6M Euribor (I-Spread), expressed in basis points according to the euro convention (lower numbers denote a more expensive bond).
DE = Germany, FR = France, IT = Italy, ES = Spain, NL = The Netherlands.

⁹ Please omit the % sign when entering the data.

1.5 Please provide your expectations of the most likely level (i.e. the mode) of excess liquidity (in EUR billion) in the euro area banking system that will prevail at the end of the periods indicated in the table.¹⁰

Reference period	Excess liquidity
Recent value (21 August 2019)	1730.2
2019 Q3	
2019 Q4	
2020 H1	
2020 H2	
2021 H1	
2021 H2	
2022 H1	
2022 H2	
2023 H1	
2023 H2	
2024 H1	
2024 H2	

1.6

1.6.1 Please provide your estimate of the most likely level (i.e. the mode) of excess liquidity at which the EONIA would begin increasing above the DFR (towards the MRO).

	Level of excess liquidity
EUR billion	

¹⁰ Excess liquidity is defined as the holdings of central bank reserves in excess of minimum reserve requirements plus the holdings of equivalent central bank deposits.

- 1.6.2 Please indicate the percent chance that you attach to higher and lower levels of excess liquidity (at which the EONIA would begin increasing above the DFR) you specified in your response to Question 1.6.1.

The excess liquidity levels are centred on your answer to Q1.6.1; step size is +/- 50bn								
EUR billion								Check
Probability								Sum is 100%

If applicable, please state the factors behind any change since the previous survey and explain your answer in more detail.

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- 1.7 In the Introductory Statement to the July 2019 press conference, the Governing Council stated: “we have tasked the relevant Eurosystem Committees with examining options, including ways to reinforce our forward guidance on policy rates, mitigating measures, such as the design of a tiered system of reserve remuneration, and options for the size and composition of potential new net asset purchases.”

- 1.7.1 Please indicate whether you expect a reinforcement of the forward guidance on policy rates.¹¹

No	Yes

¹¹ Please indicate your assessment with an "X".

If you indicated yes, please provide details in the table below.

Reinforcing forward guidance (please describe below)	Probability you attach to the measure being adopted ¹²	Timing of announcement		Timing of implementation	
		Month (Format: MMM)	Year (Format: YYYY)	Month (Format: MMM)	Year (Format: YYYY)

1.7.2 Please indicate whether you expect mitigating measures.¹³

No	Yes

If you indicated yes, please provide details in the table below.

Mitigating measures (please describe below)	Probability you attach to the measure being adopted ¹⁴	Timing of announcement		Timing of implementation	
		Month (Format: MMM)	Year (Format: YYYY)	Month (Format: MMM)	Year (Format: YYYY)

1.7.3 Please indicate whether you expect new asset purchases.¹⁵

No	Yes

¹² Please omit the % sign when entering the data. Probability refers to the percent chance you attach to the measure being adopted, unconditional of the announcement and/or implementation date.

¹³ Please indicate your assessment with an "X".

¹⁴ Please omit the % sign when entering the data. Probability refers to the percent chance you attach to the measure being adopted, unconditional of the announcement and/or implementation date.

¹⁵ Please indicate your assessment with an "X".

If you indicated yes, please provide details in the table below.¹⁶

Size and composition of potential new asset purchases (please describe below)	Probability you attach to the measure being adopted ¹⁶	Timing of announcement		Timing of implementation	
		Month (Format: MMM)	Year (Format: YYYY)	Month (Format: MMM)	Year (Format: YYYY)

1.7.4 Please indicate whether you expect other options.¹⁷

No	Yes

If you indicated yes, please provide details in the table below.¹⁸

Other options (please describe below)	Probability you attach to the measure being adopted ¹⁸	Timing of announcement		Timing of implementation	
		Month (Format: MMM)	Year (Format: YYYY)	Month (Format: MMM)	Year (Format: YYYY)

¹⁶ Please omit the % sign when entering the data. Probability refers to the percent chance you attach to the measure being adopted, unconditional of the announcement and/or implementation date.

¹⁷ Please indicate your assessment with an "X".

¹⁸ Please omit the % sign when entering the data. Probability refers to the percent chance you attach to the measure being adopted, unconditional of the announcement and/or implementation date.

2 Asset Purchase Programme and Reinvestment

2.1

- 2.1.1 In the Introductory Statement to the July 2019 press conference, the Governing Council stated that “we intend to continue reinvesting, in full, the principal payments from maturing securities purchased under the asset purchase programme for an extended period of time past the date when we start raising the key ECB interest rates, and in any case for as long as necessary to maintain favourable liquidity conditions and an ample degree of monetary accommodation.” Please provide your expectations of the most likely length (i.e. the mode) of the “extended period”.

Length of “extended period of time past the date when we start raising the key ECB interest rates” (in quarters)

- 2.1.2 Please indicate the percent chance you attach to shorter and longer horizons for the length of the “extended period” you specified in your response to Question 2.1.1.¹⁹

Numbers of quarters are centred on your answer to Q2.1.1; step size is +/- 1 quarter								
Quarters								Check
Probability								Sum is 100%

- 2.1.3 Please provide your expectations of the most likely amount (i.e. the mode) of reinvestments of principal payments (in EUR billion) in each quarter until the end of the “extended period” you specified in your response to Question 2.1.1. To compute the horizon, please provide also the date when you expect the ECB to start raising any of the key ECB interest rates.

Date of first increase of rates	
Month	Year

¹⁹ Responses must add up to 100%. Please omit the % sign when entering the data.

Reference period	Sep-19	...
Amount (in EUR billion)		...

If applicable, please state the factors behind any change in your answers to Question 2.1 since the previous survey and explain your answer in more detail.

- 2.2 Please indicate your expectations of the length (in quarters) of the “extended period” during which the Governing Council intends to continue reinvesting, in full, the principal payments, under the following two hypothetical scenarios.

	Please indicate your expectations of the length of the “extended period of time past the date” (number of quarters)
You postpone by one quarter the date on which you expect the Governing Council to start raising the key ECB interest rates	
You bring forward by one quarter the date on which you expect the Governing Council to start raising the key ECB interest rates	

If applicable, please state the factors behind any change since the previous survey and explain your answer in more detail.

2.3 Please provide your expectations of the most likely (i.e. the mode) Eurosystem stock of bonds under the APP at the end of each of the periods listed below (in book value, EUR billion).

Year	Eurosystem APP stock of bonds
Recent value (July 2019)	2646
2019Q3	
2019Q4	
2020Q1	
2020Q2	
2020Q3	
2020Q4	
2021Q1	
2021Q2	
2021Q3	
2021Q4	
2022Q1	
2022Q2	
2022Q3	
2022Q4	
2023Q1	
2023Q2	
2023Q3	
2023Q4	
2025	
2030	

If applicable, please state the factors behind any change since the previous survey and explain your answer in more detail.

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2.4 If you expect the Governing Council to announce significant changes to its forward guidance on APP and reinvestments, please provide your expectations of the most likely timing of those changes and the specific changes you consider most likely.

Timing of announcement		Timing of implementation		Changes in forward guidance (please describe type of change below)
Month (Format: MMM)	Year (Format: YYYY)	Month (Format: MMM)	Year (Format: YYYY)	

3 Targeted Longer-Term Refinancing Operations

3.1 Please provide your estimate of the total repayments (in EUR billion) of the targeted longer-term refinancing operations under TLTRO-II for the dates listed below.

	Repayment Total amount repaid (per quarter)
2019 Q3	
2019 Q4	
2020 Q1	
2020 Q2	
2020 Q3	
2020 Q4	
2021 Q1	

If applicable, please state the factors behind any change since the previous survey and explain your answer in more detail.

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3.2 What do you expect to be the take-up under TLTRO-III of each operation, and in total (in EUR billion)?

	Amount
2019 Q3	
2019 Q4	
2020 Q1	
2020 Q2	
2020 Q3	
2020 Q4	
2021 Q1	
Total take-up	

If applicable, please state the factors behind any change since the previous survey and explain your answer in more detail.

4 Macroeconomic Outlook

4.1 For the euro area, please provide your estimates of the most likely outcome²⁰ (i.e. the mode) for real GDP growth²¹, the unemployment rate²² and inflation²³.

Projection				
	Real GDP growth	Unemployment rate	HICP inflation	HICP ex. energy & food
Quarter	(q-o-q) ²¹	(qtly avg) ²²	(y-o-y) ²³	(y-o-y) ²³
2019 Q2	0.2	7.6	1.4	1.1
2019 Q3				
2019 Q4				
2020 Q1				
2020 Q2				
2020 Q3				
2020 Q4				
2021 Q1				
2021 Q2				
2021 Q3				
2021 Q4				
	(y-o-y)	(rate)	(y-o-y)	(y-o-y)
Long run ²⁴				

If applicable, please state the factors behind any change since the previous survey and explain your answer in more detail.

²⁰ Please omit the % sign when entering the data.

²¹ q-o-q calendar and seasonally adjusted but not annualised.

²² Seasonally adjusted.

²³ If a projection is available for this variable at a monthly frequency, then the quarterly rate may be obtained by calculating the average of the y-o-y change for each of the three months in the quarter.

²⁴ The long run should be interpreted as the horizon over which the effects of all shocks will vanish. For the purposes of this survey this can be interpreted, for the sake of simplicity, as around ten years.

4.2 How do you assess the balance of risks surrounding your projections for euro area growth and inflation?²⁵ In the second table below, please specify any particular risks that you consider important, even beyond this horizon.

	Risks surrounding the euro area growth outlook			Risks surrounding the euro area inflation outlook		
	downside	balanced	upside	downside	balanced	upside
2019						
2020						
2021						

Risks surrounding the euro area growth outlook in detail	Risks surrounding the euro area inflation outlook in detail

If applicable, please state the factors behind any change since the previous survey and explain your answer in more detail.

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4.3 If the interest rate assumptions underlying your projections above are different from those indicated earlier in response to the questions in Section 1, please specify the different assumptions used.

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²⁵ Please indicate your assessment with an "X".

4.4 Assuming that euro area HICP inflation would be expected to be in line with the ECB's inflation aim at the end of the projection horizon in the Eurosystem/ECB staff macroeconomic projection exercise, please indicate the policy action (if any) you would expect the ECB to take under two hypothetical scenarios: (i) a shock occurs that shifts the expected annual inflation rate by the end of the projection horizon up by 50 basis points and leads to a strengthening of the economic outlook; and (ii) a shock occurs that shifts the expected annual inflation rate by the end of the projection horizon down by 50 basis points and leads to a worsening of the economic outlook. Please provide quantitative and qualitative details (e.g. size and timing of changes in the level of policy rates and/or size and timing of non-standard measures).

	Policy instruments	Quantitative and qualitative details
(i) Upward shift by 50bps		
(ii) Downward shift by 50bps		

5 Please provide any additional information or feedback in this Section.

6 Reference Data Annex²⁶

All data in percent, unless otherwise stated.

ECB policy rates	
Deposit facility rate	-0.40
Marginal refinancing operations rate	0.00
Marginal lending facility rate	0.25

Market interest rates	
Eonia	-0.37
3-month Euribor	-0.35

Swap spread (in basis points)	
German 2-y swap spread	-37
French 2-y swap spread	-25
Italian 2-y swap spread	52
Spanish 2-y swap spread	-2
Dutch 2-y swap spread	-34
German 10-y swap spread	-43
French 10-y swap spread	-15
Italian 10-y swap spread	158
Spanish 10-y swap spread	34
Dutch 10-y swap spread	-30

Macroeconomic data	
Annual inflation HICP headline (July 2019)	1.00
Annual inflation HICP headline (quarterly average rate 2019Q2)	1.40
Annual inflation HICP excluding food and energy (July 2019)	0.90
Annual inflation HICP excluding food and energy (quarterly average rate 2019Q2)	1.07
Real GDP growth (q-o-q; calendar and	0.19

²⁶ Cut-off date for the data provided in this annex: 21 August 2019 (unless otherwise stated). Sources: Bloomberg, ECB, Eurostat, and Thomson Reuters.

Macroeconomic data	
seasonally adjusted, flash estimates) for 2019Q2 (according to ESA2010):	
Real GDP growth (annual average rate; y-o-y) for 2018	1.90
Unemployment rate (monthly rate; seasonally adjusted) (June 2019)	7.53
Unemployment rate (quarterly average rate; seasonally adjusted, flash estimates) (2019Q2)	7.59

Excess liquidity	
Excess liquidity (in EUR billions) (21 August 2019)	1730.2

APP redemption amounts

Expected monthly redemption amounts for the APP over a rolling 12-month horizon (in EUR billions)²⁷

	APP
Jul-19	21.194
Aug-19	5.461
Sep-19	15.28
Oct-19	31.732
Nov-19	16.532
Dec-19	10.017
Jan-20	31.727
Feb-20	6.665
Mar-20	19.408
Apr-20	34.364
May-20	15.69
Jun-20	17.83
Jul-20	33.883

²⁷ Actual redemption for July 2019, based on month end data. Remaining values are ECB estimates. Figures may not add up due to rounding. Figures are preliminary and may be subject to revision. Note: Realised redemptions may differ from estimated redemptions. For more details see here: <https://www.ecb.europa.eu/mopo/implementation/omt/html/index.en.html>

TLTRO-II

All TLTRO-II operations have a maturity of four years from their settlement date; counterparties are able to repay the amounts borrowed under TLTRO-II at a quarterly frequency starting two years from the settlement of each operation. Counterparties are not subject to mandatory early repayments; for further information, see: <https://www.ecb.europa.eu/mopo/implement/omo/tltro/html/index.en.html>.

TLTRO-II outstanding amounts and maturity dates (as of 16 August 2019)

TLTRO-II	Maturity date	Amount (in EUR billion)
1	24/06/2020	358.1
2	30/09/2020	43.7
3	16/12/2020	61.4
4	24/03/2021	226.2
TOTAL ²⁸		689.4

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²⁸ Total may not add up due to rounding.
<https://www.ecb.europa.eu/mopo/implement/omo/html/index.en.html>