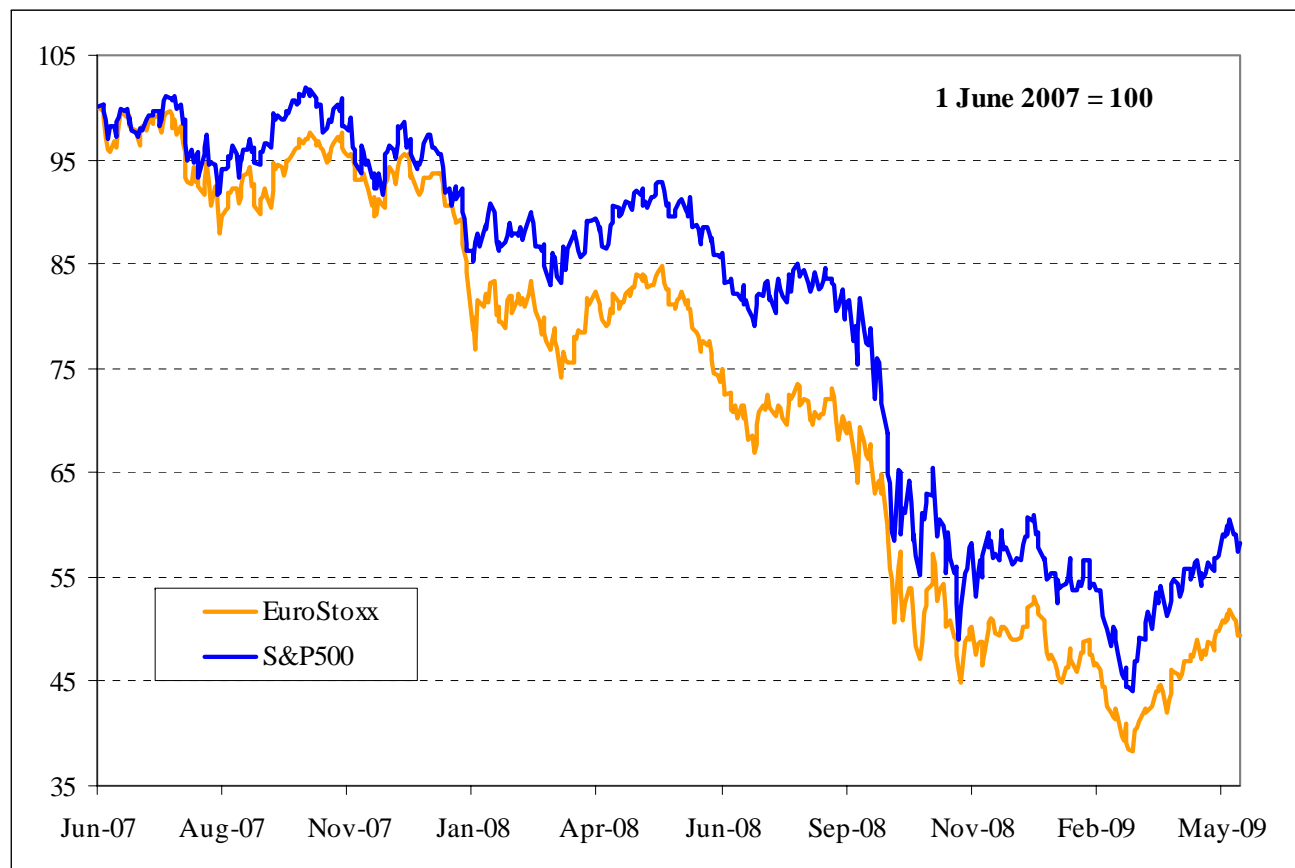


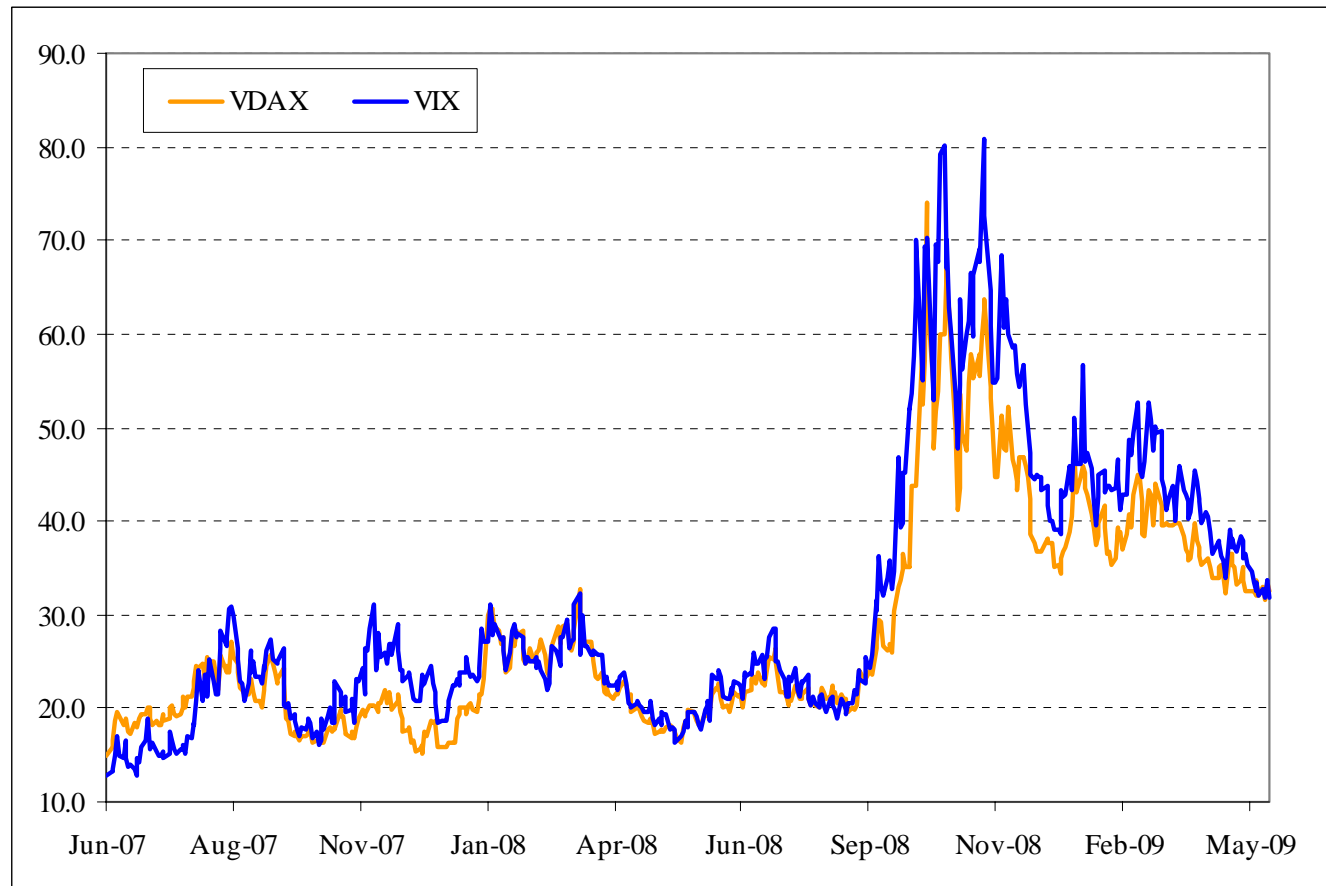
# Recent developments in the euro money market

**Money Market Contact Group**  
**Frankfurt, 19 May 2009**

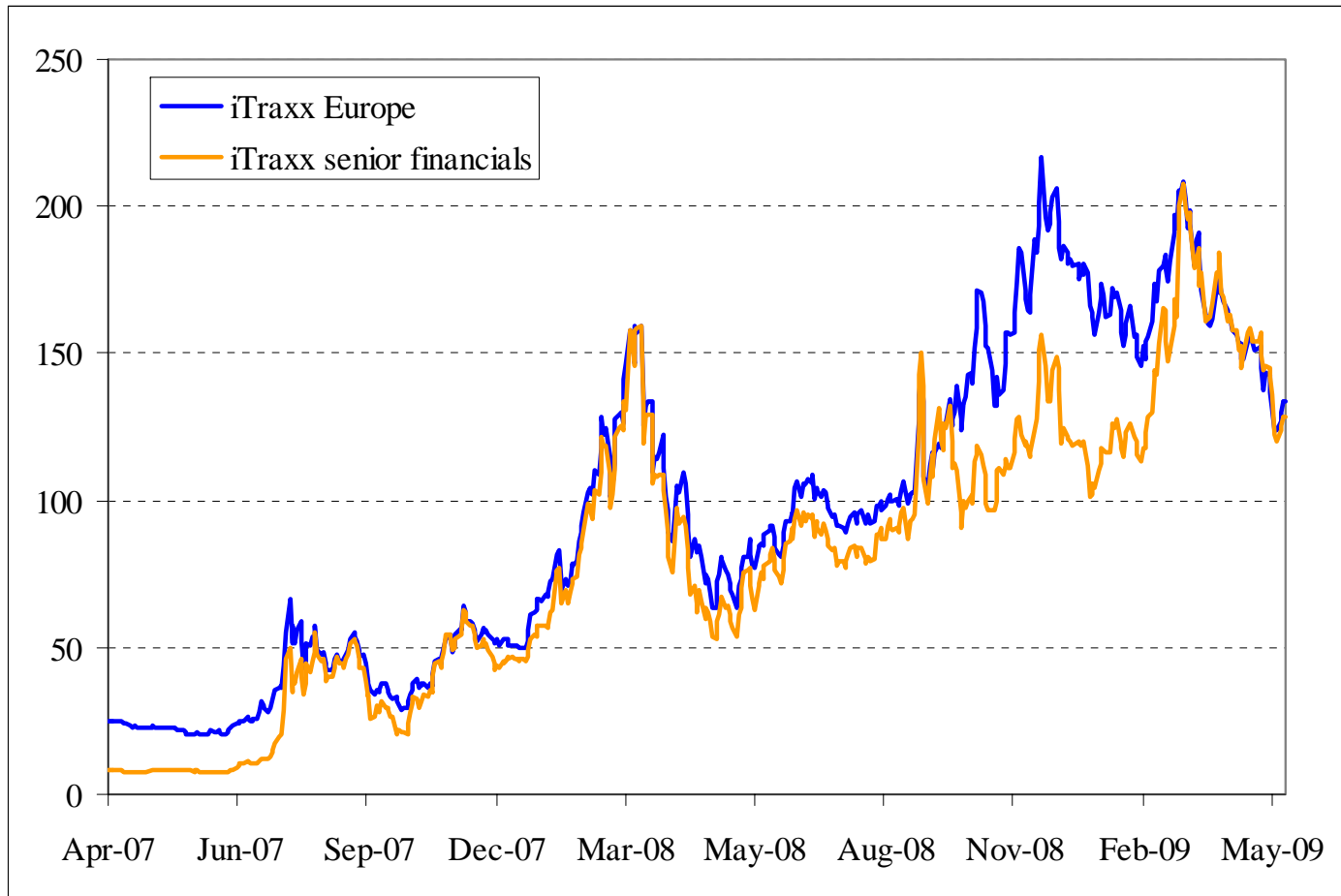
# Overall financial market background



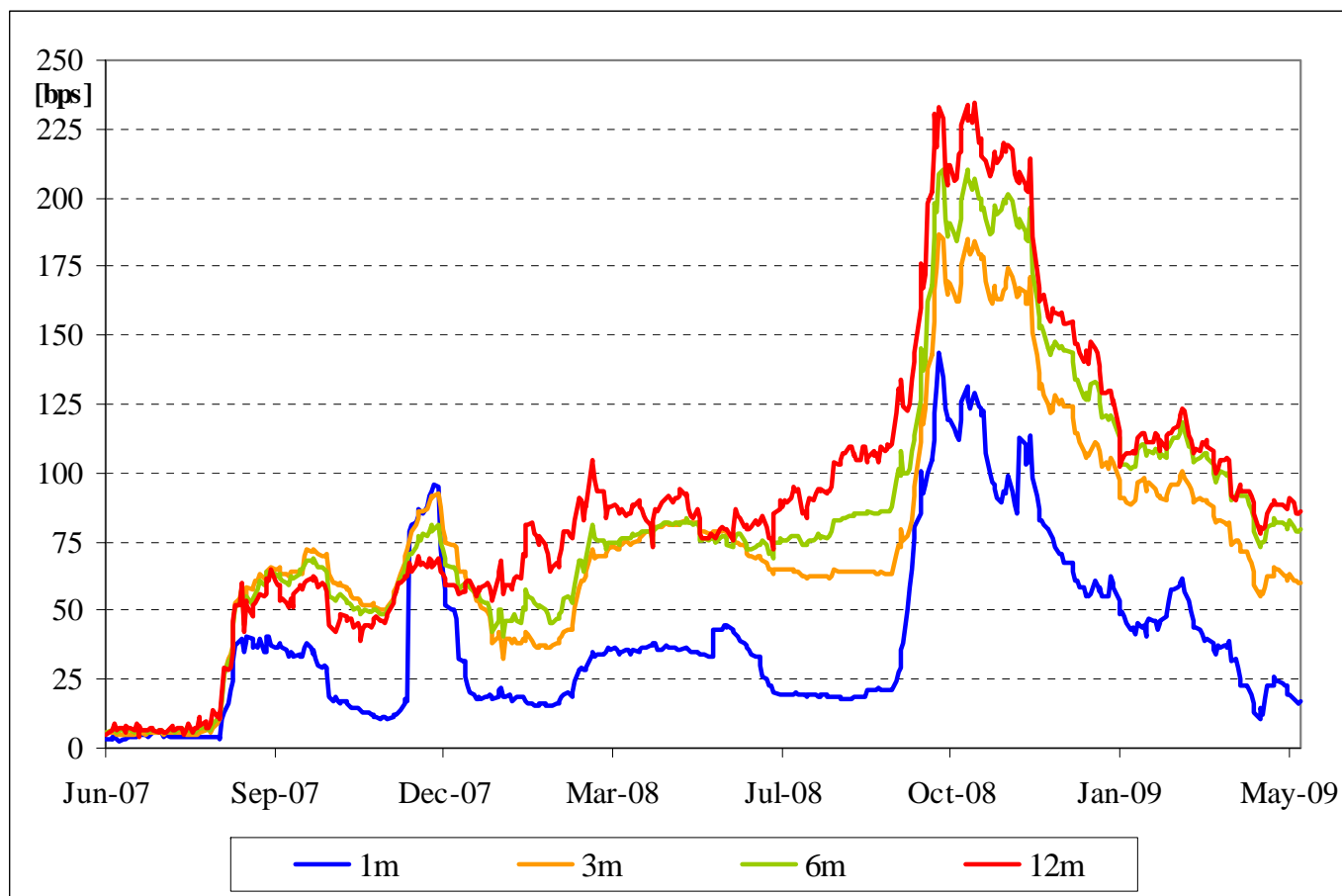
# Overall financial market background



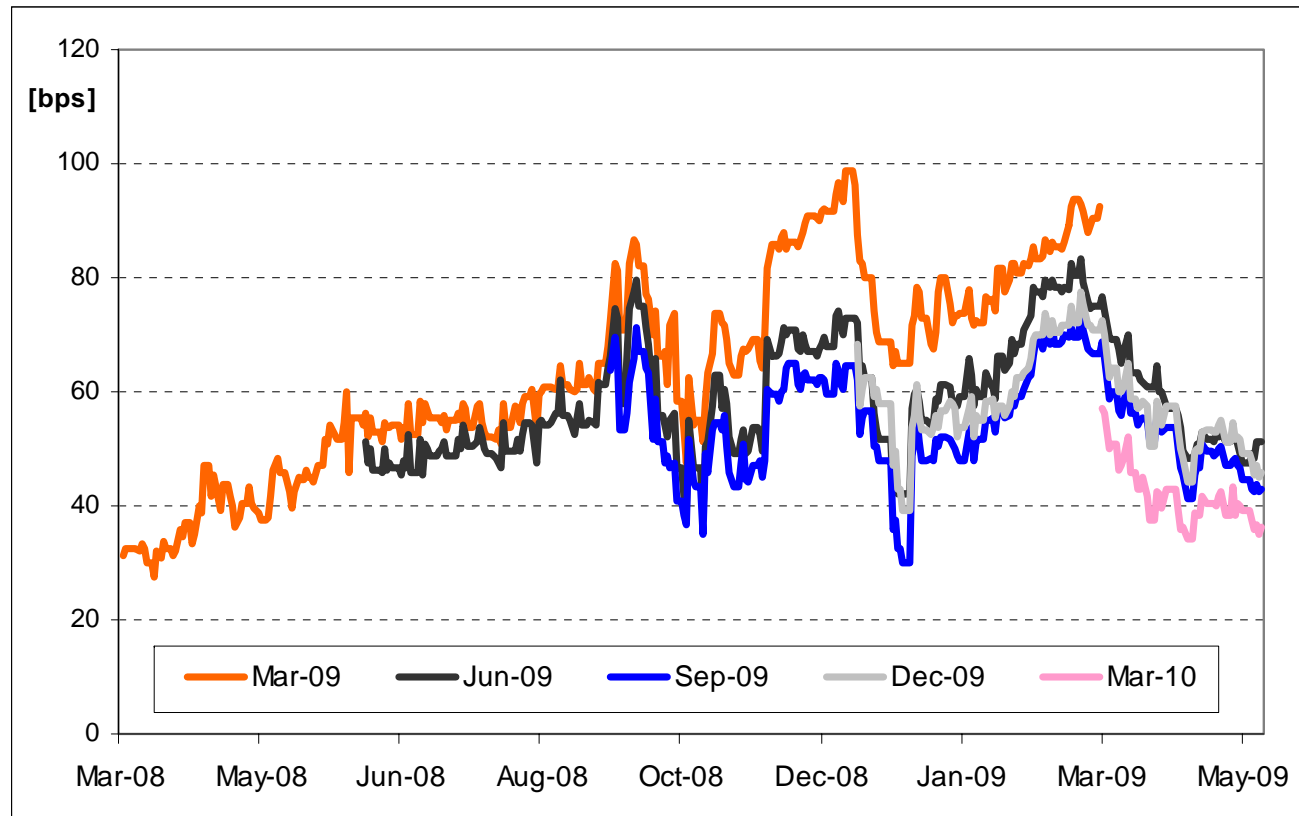
# Overall financial market background



# EURIBOR - OIS spreads for different maturities



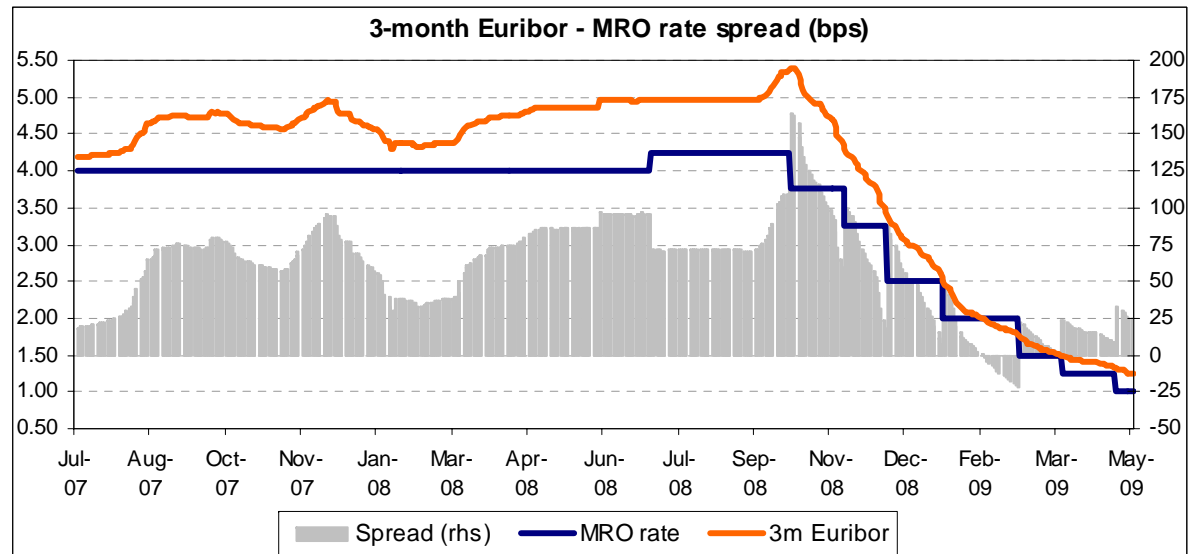
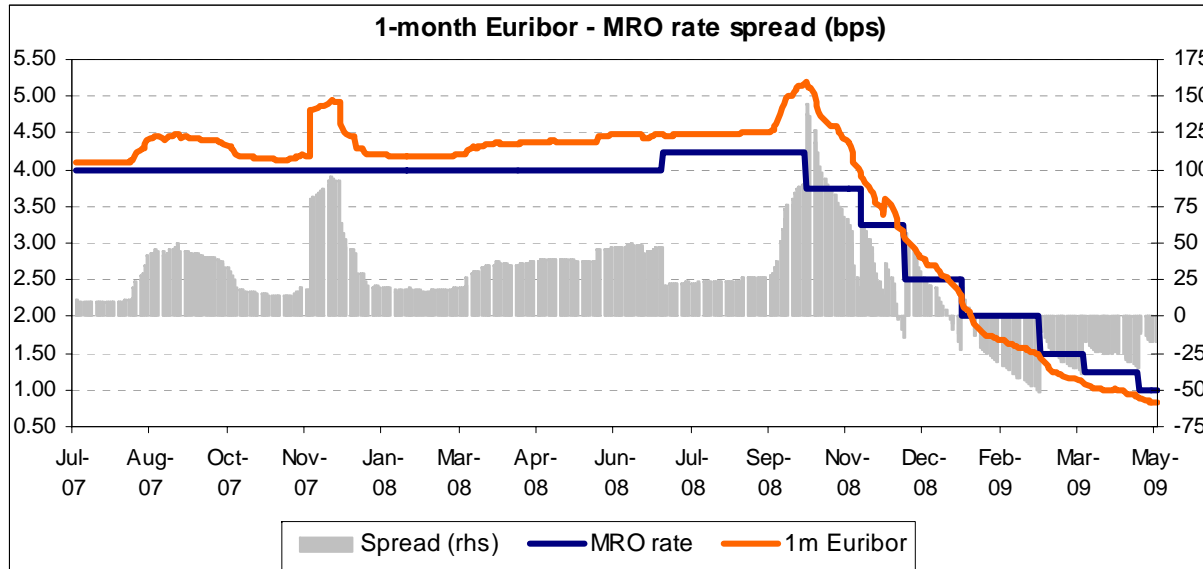
# Forward 3-month EURIBOR - OIS spreads



# ECB announcements

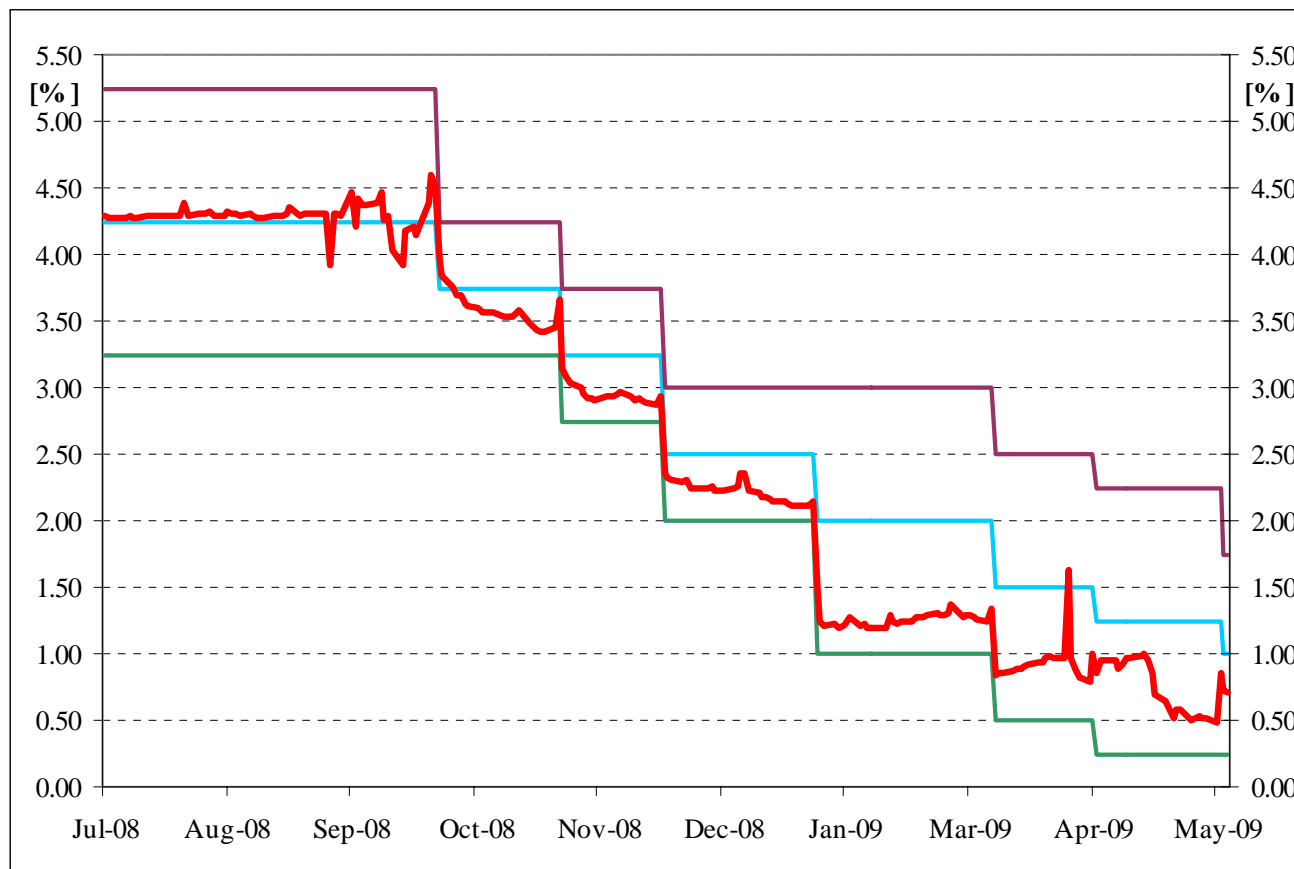
- **5 Mar:** Fixed rate/full allotment tender procedure “beyond the end of 2009”
- **7 May:**
  - Re-narrowing of the corridor to +/-75 bps
  - 1-year LTROs announced
  - prolongation of the temporary expansion of collateral
  - EIB becomes counterparty
  - covered bond purchase program pre-announced

# Euribor fixings vs MRO rate

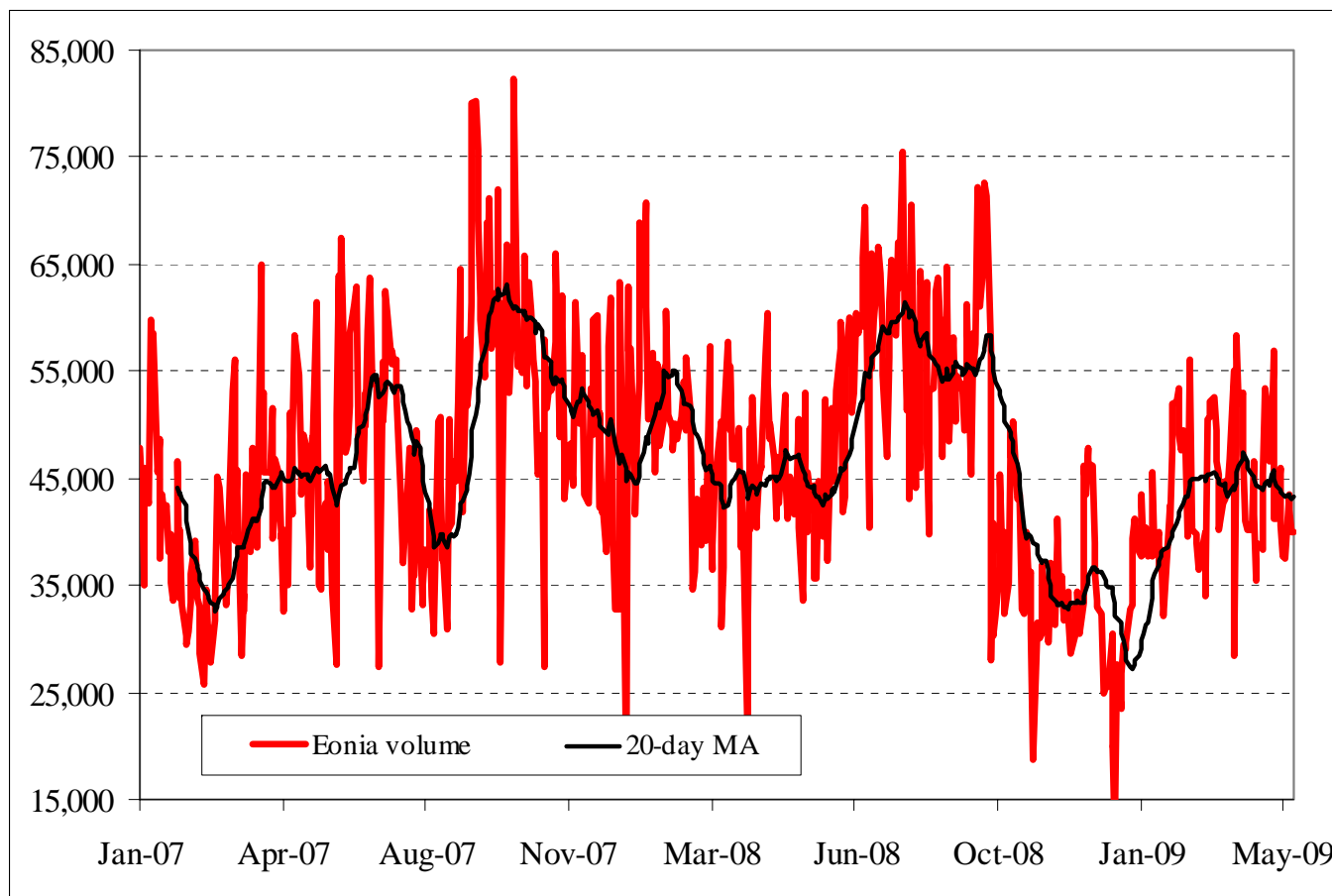




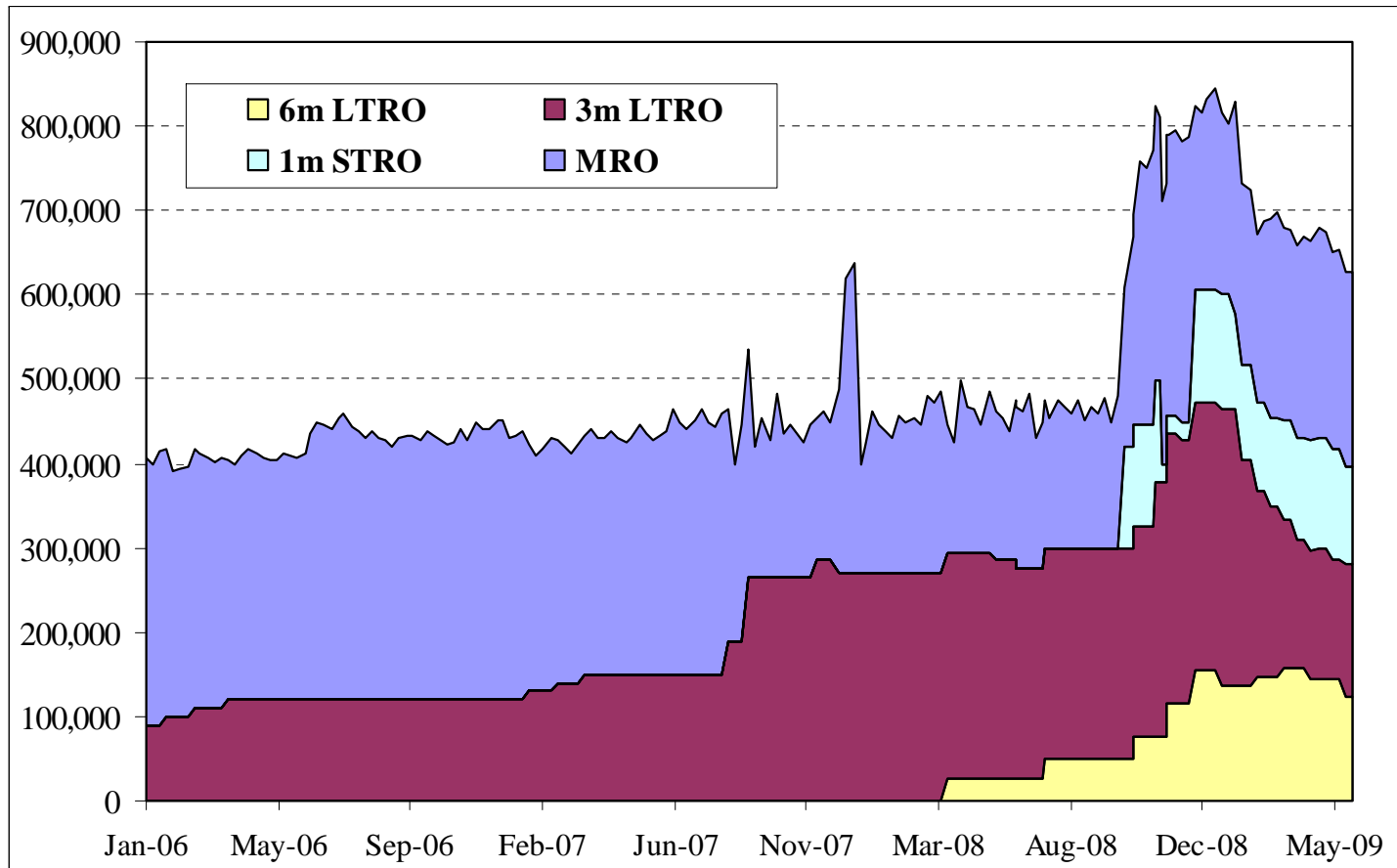
# ECB rates and Eonia developments



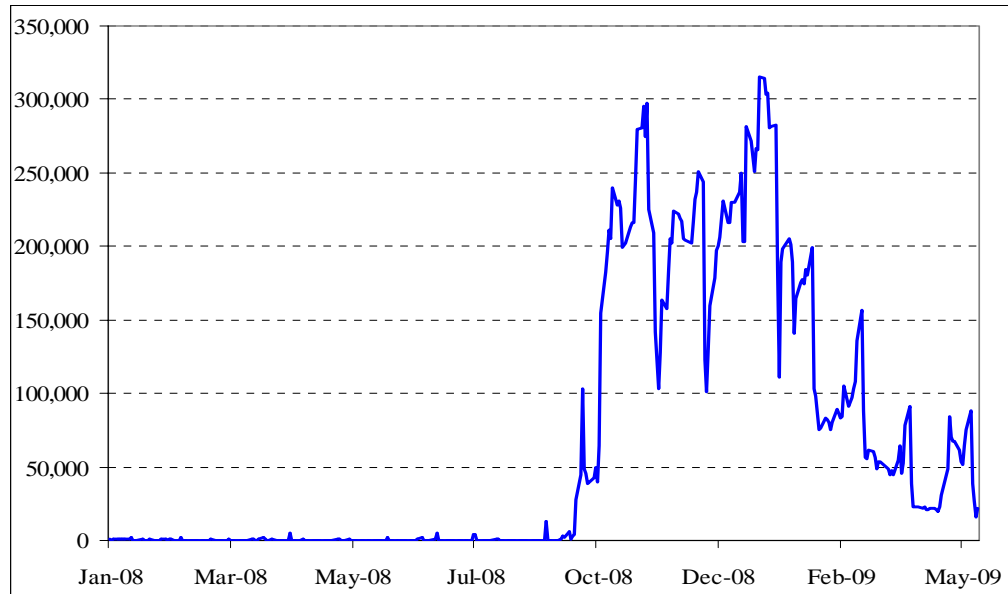
# Eonia volumes [since Jan 2007]



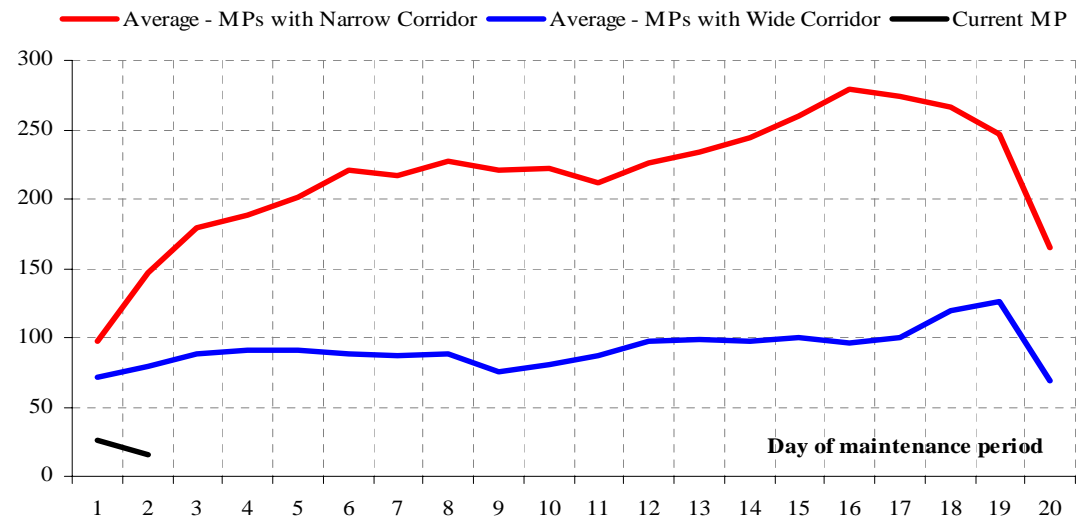
# Maturity breakdown of the ECB's liquidity providing operations



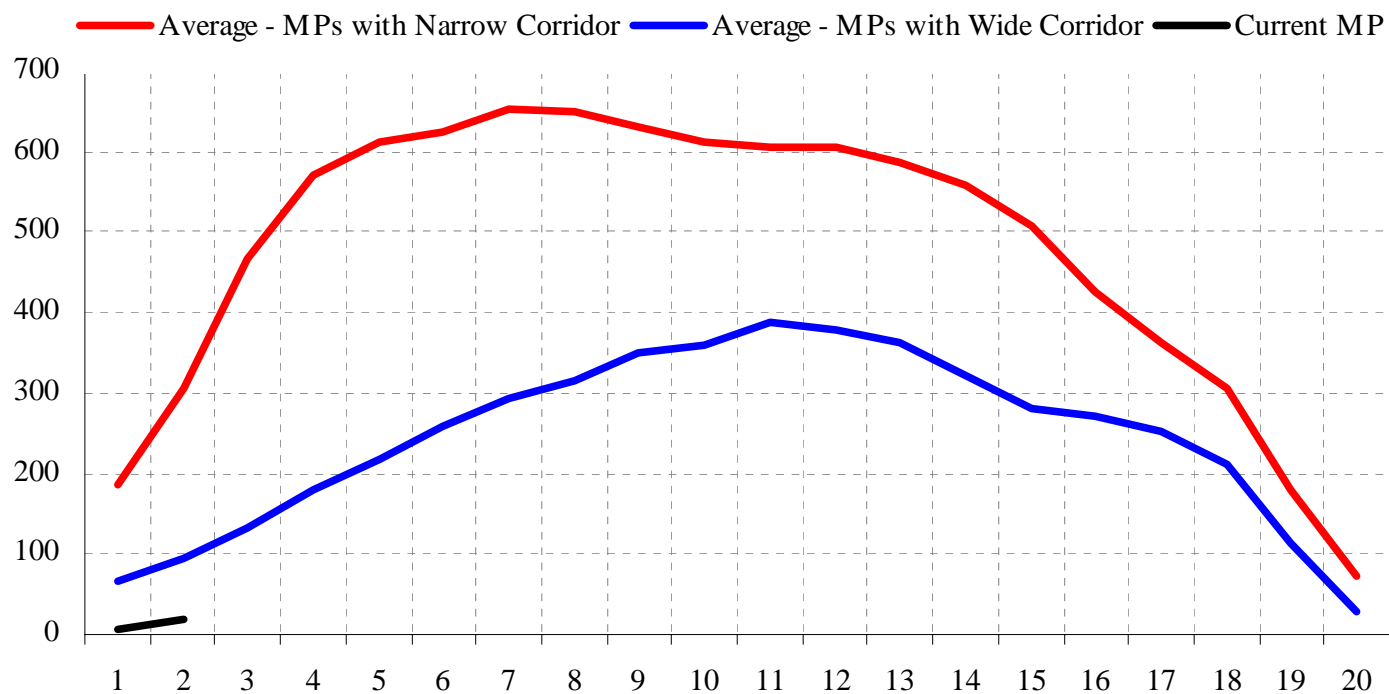
# Use of the ECB's deposit facility



**Note: Length of MP normalised to 20 days.**

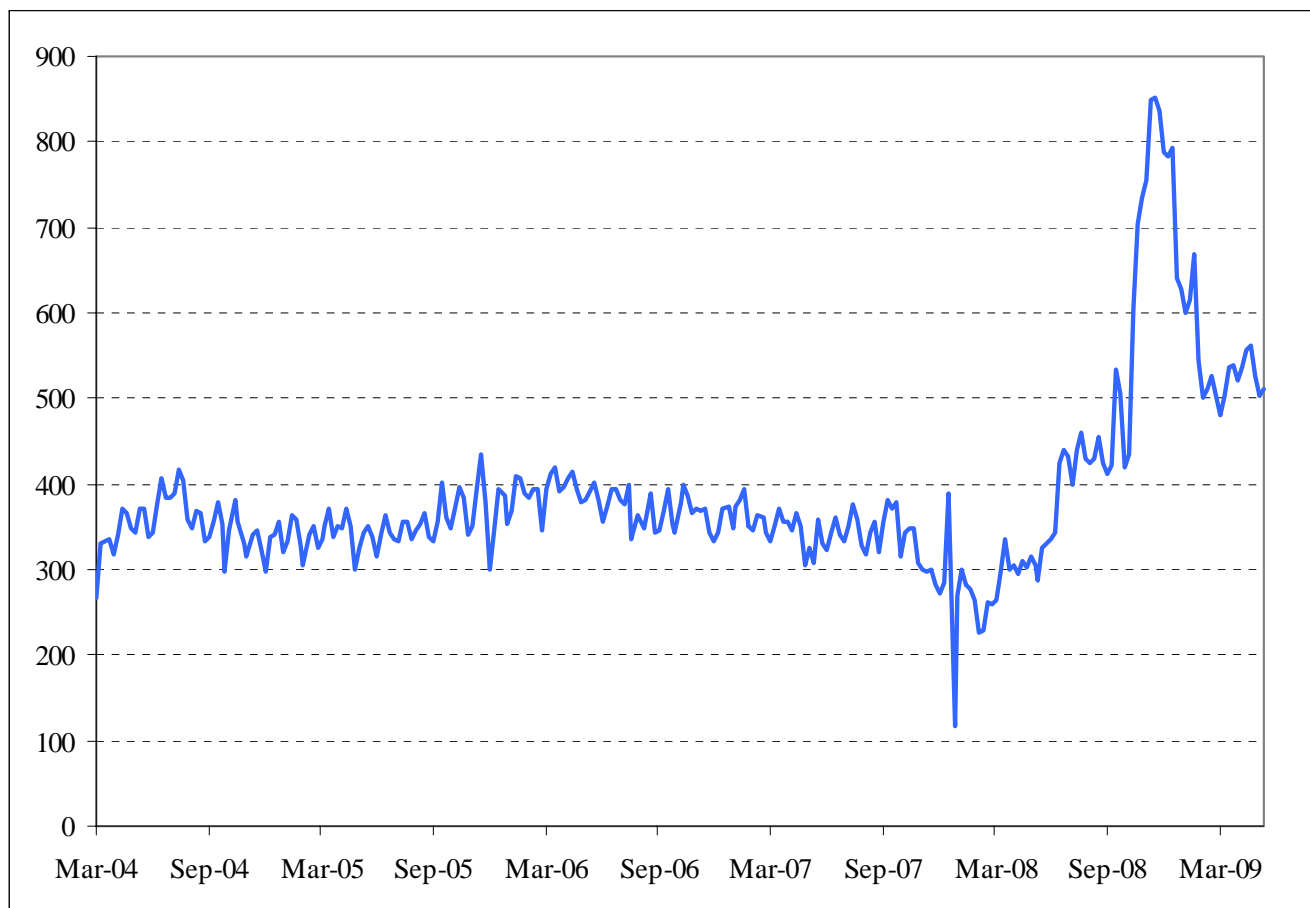


# Accumulated daily reserve surplus [EUR bn]

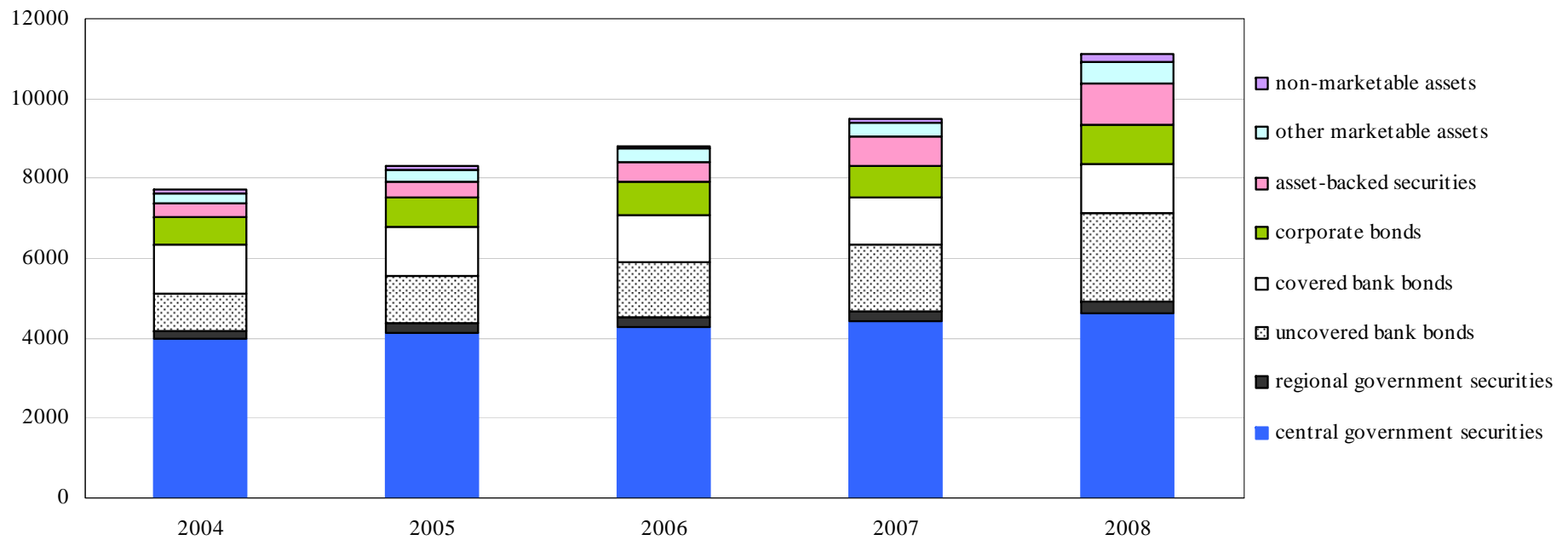


Note: Length of MP normalised to 20 days.

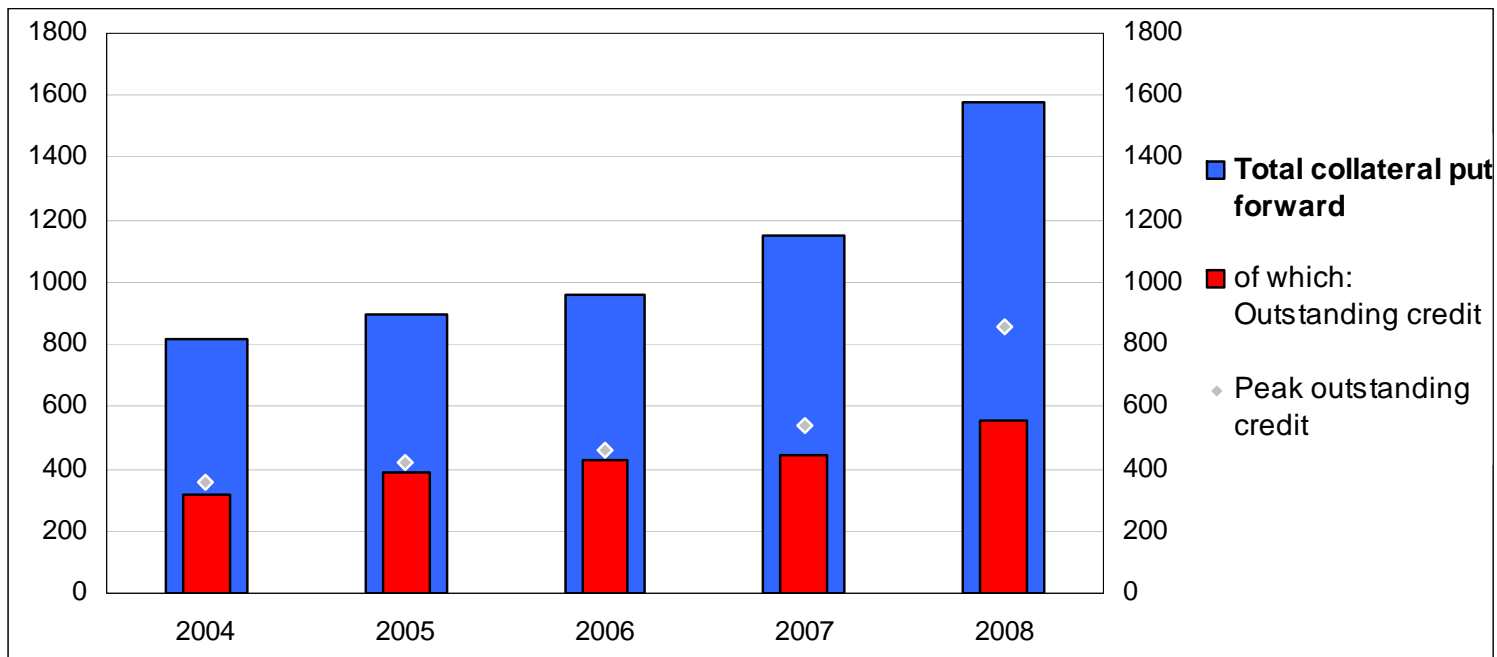
# Number of participating banks in MROs



# Eligible collateral by asset type

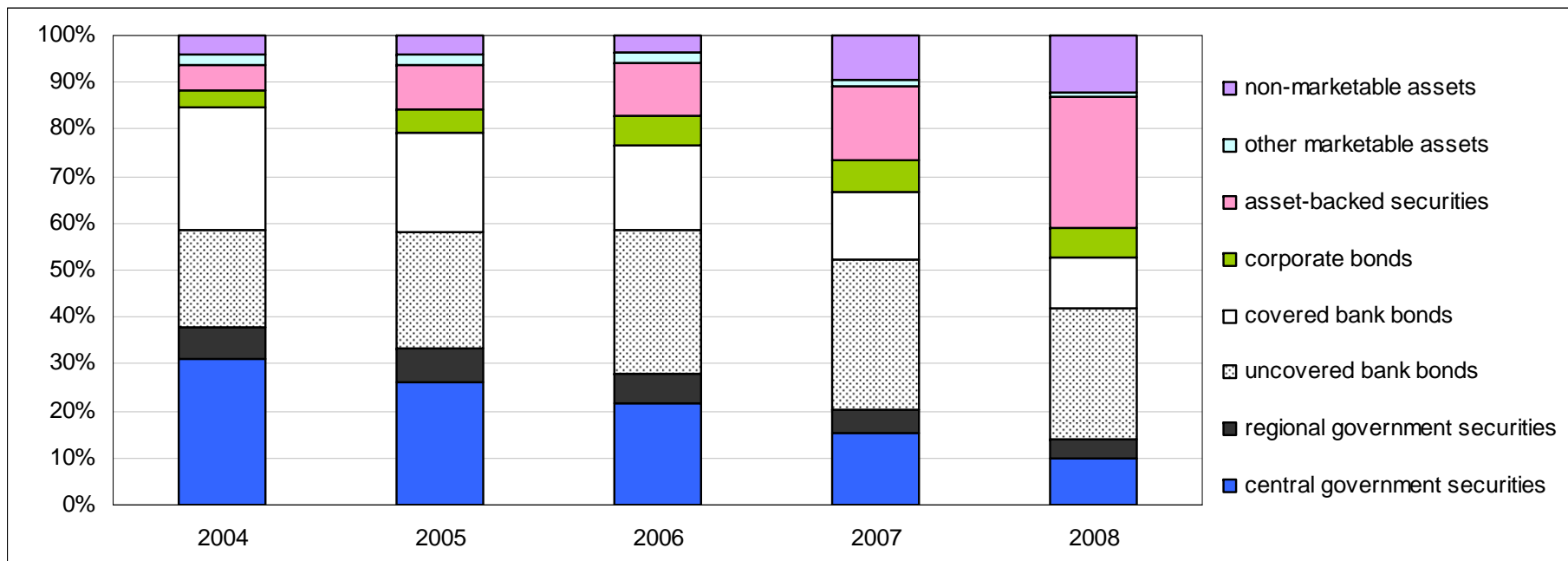


# Collateral put forward in Eurosystem credit operations versus outstanding credit





# Breakdown of assets put forward as collateral by asset type

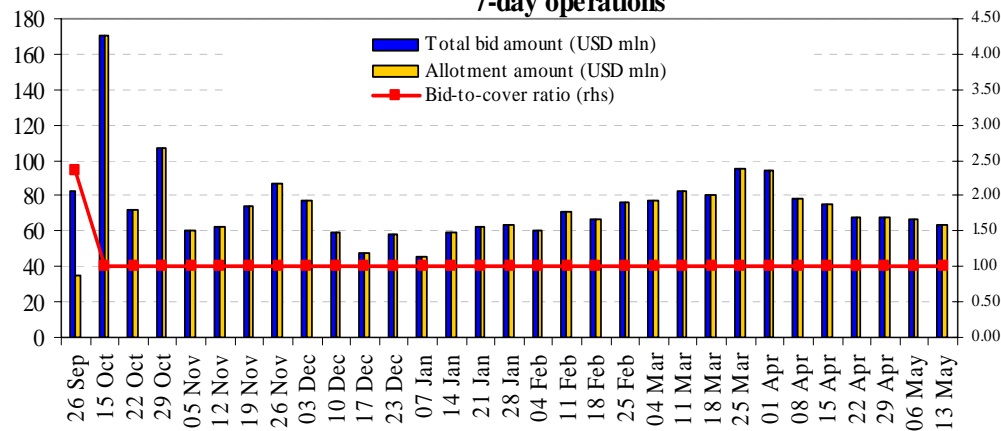


# ECB announcements

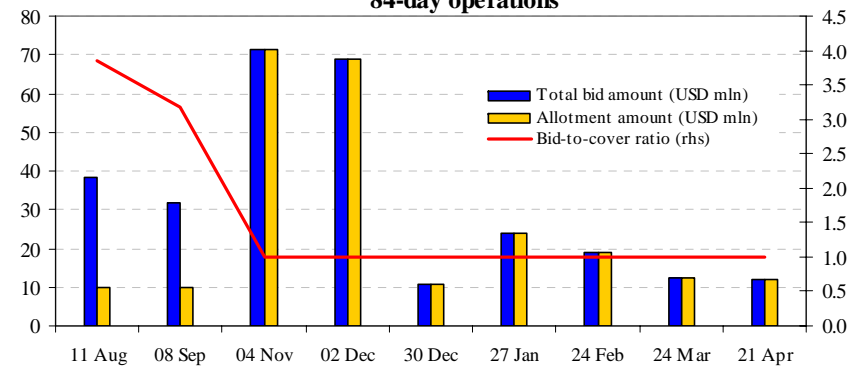
- **19 Mar:** Continuation of USD liquidity providing operations  
Calendar published until the end of June
- **6 Apr:** Reverse swap line with the Fed – up to EUR 80 bn  
until 30 October
- **27 Apr:** Continuation of 1w CHF liquidity providing operations  
at least until the end of July

# Results of the Eurosystem's USD providing operations

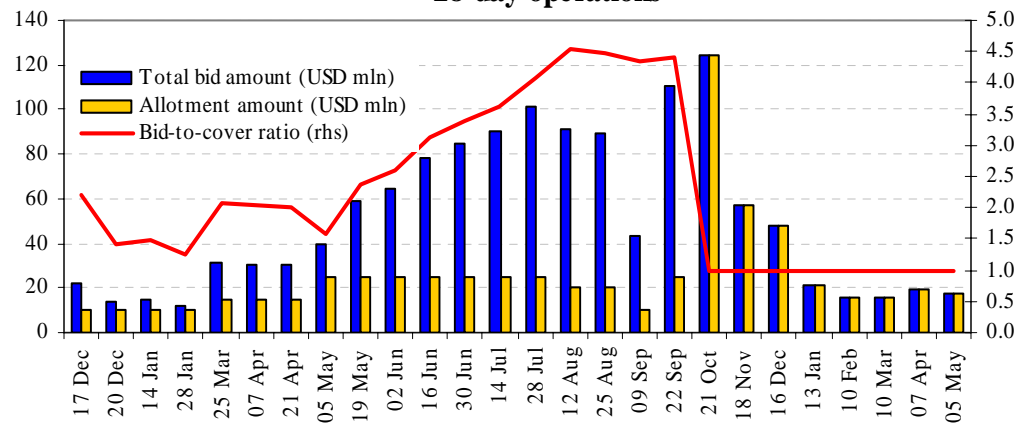
### 7-day operations



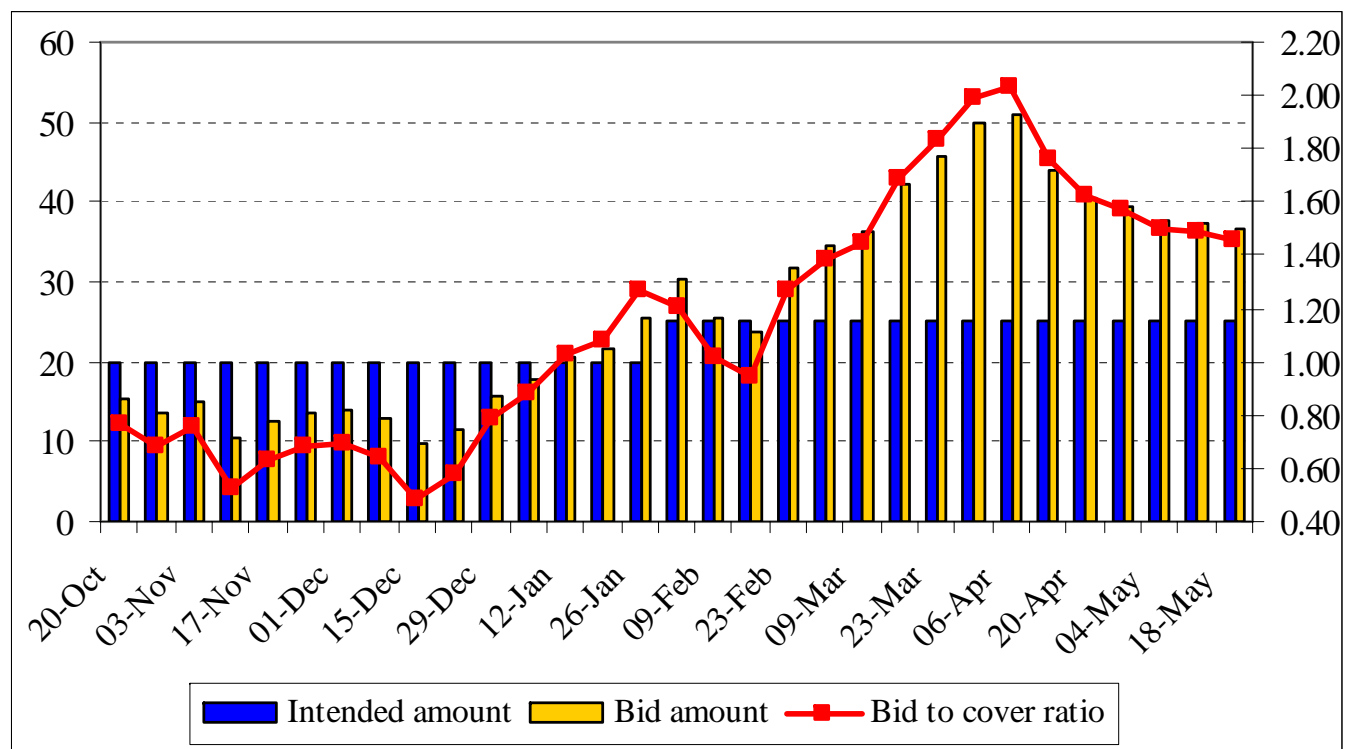
### 84-day operations



### 28-day operations



# Results of the Eurosystem's 1-week CHF providing operations



## Potential issues for discussion

- *Are money market conditions expected to improve further – in particular are deposit-OIS spreads expected to continue to narrow?*
- *What is the expected impact of the narrower corridor on the money market activity?*
- *More generally, what is the impact of very low short-term rates on functioning and market structures?*