



EUROPEAN CENTRAL BANK

EUROSYSTEM

DG MARKET OPERATIONS

2 June 2022

ECB Money Market Contact Group

Wednesday, 15 June 2022, 13:00-15:30 CET

Teleconference

AGENDA

1. Main developments in the money markets since the previous meeting

Bineet Shah (Barclays), Jürgen Sklarczyk (Deutsche Bank) and Werner Driscart (Belfius Bank) will present the main developments in money markets since the last MMCG meeting on 16 March 2022. The group will provide views of market participants on (i) the market reaction to the 14 April and 9 June 2022 Governing Council meetings; (ii) expectations regarding lift-off including the path of cumulative hikes by end-2022 and beyond as well as the terminal interest rate and the evolution of the width of the spread between DFR and MRO interest rates; (iii) aftershocks and lessons learned for the money market from Russia's invasion of Ukraine and the imposition of sanctions.

2. Expected evolution of excess liquidity and consequences for euro money markets

Xavier Combis (CaixaBank), Eric di Scotto-Rinaldi (Rabobank) and Michael Schneider (DZ Bank) will initiate the discussion on the future path for aggregate excess liquidity with particular focus on (i) (early) TLTRO III repayments and the underlying considerations; (ii) the expected impact of the gradual phasing out of the temporary pandemic collateral easing measures as announced by the ECB on 24 March; (iii) the level of aggregate excess liquidity where short-term rates may become reactive to changes in central bank reserves. The discussion will touch upon the factors driving this level.

3. The growing impact of non-bank financial intermediaries (NBFIs) in the money market

Olivia Maguire (JP Morgan Asset Management) will open the discussion with a presentation. Her intervention will focus on (i) NBFIs' cash holdings, the factors driving them and the impact they have on the spread between policy and market rates (ii) MMFs' asset maturity preferences and how they are affected by lift-off expectations and investor behaviour and (iii) the ongoing MMF reform and its potential impact on the money market.