



EUROPEAN CENTRAL BANK

EUROSYSTEM

Drivers of euro interest rate expectations

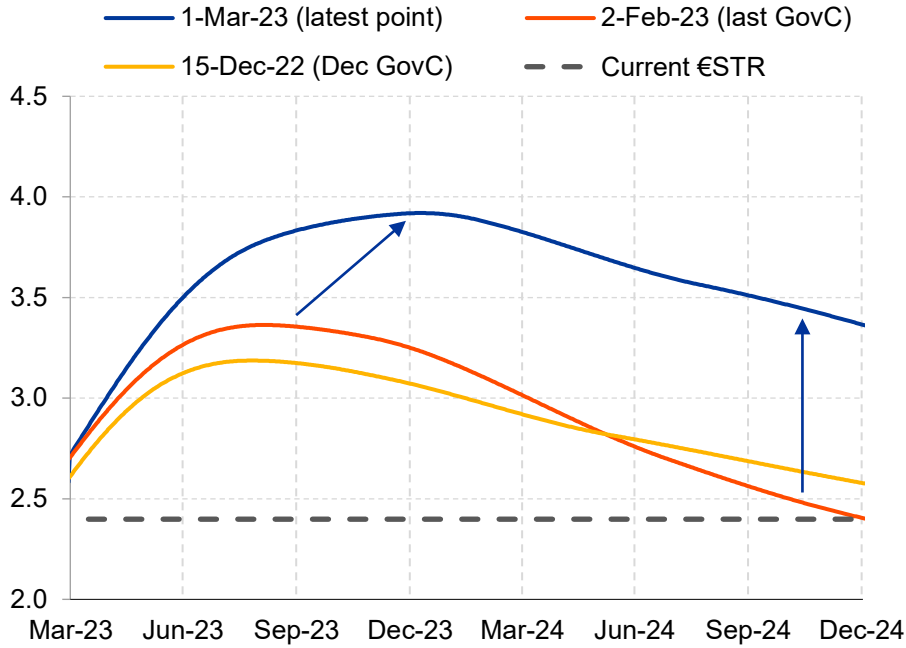
2 March 2023

Money Market Contact Group, Frankfurt am Main



EUR nominal OIS forward curve and €STR

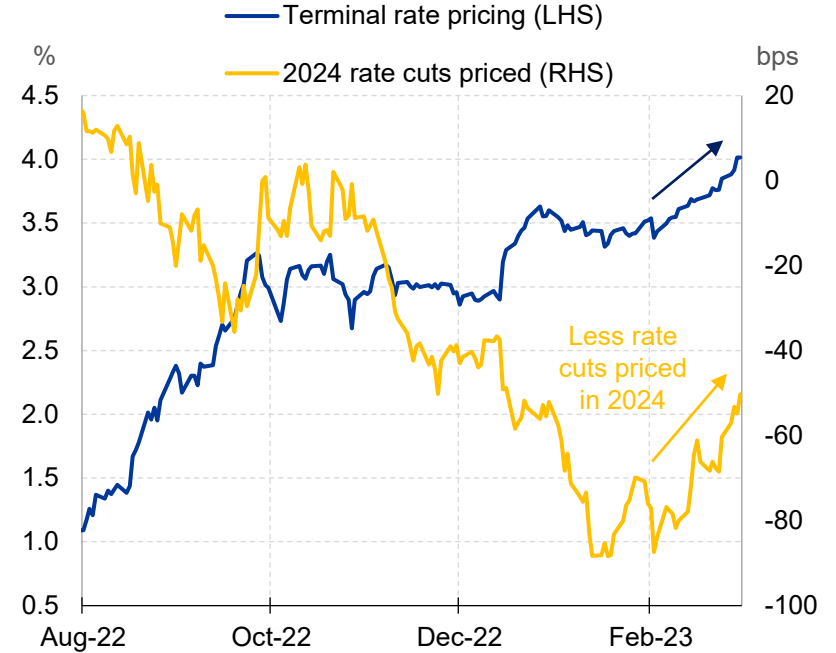
(percent)



Sources: Bloomberg, ECB calculations. Last observation: 01 March 2023.

Market-based expectations for ECB terminal rate (DFR) and curve inversion

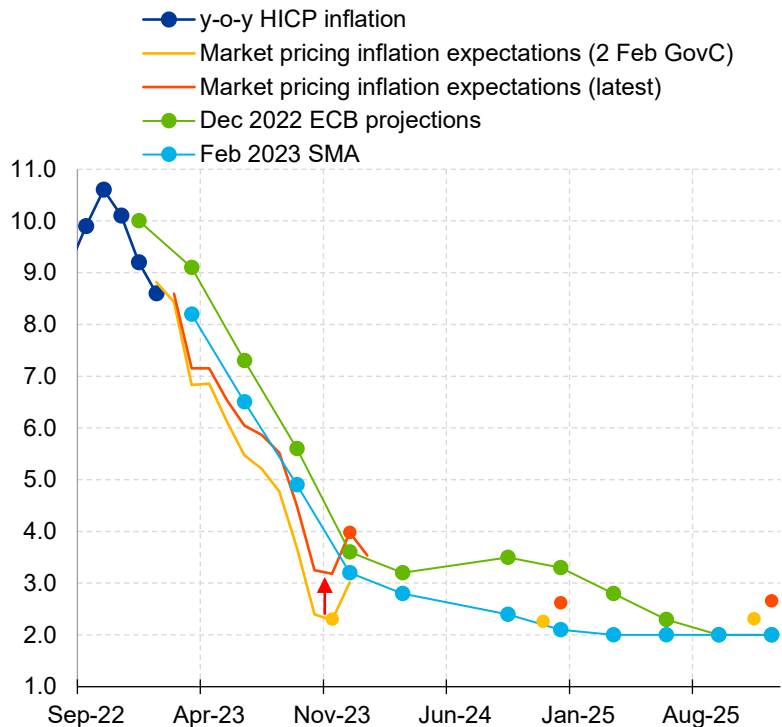
(percent, basis points)



Sources: Bloomberg, ECB calculations. Notes: Market pricing for terminal rate refers to the maximum of the Maintenance Period-dated OIS forward contracts. Rate cut pricing reflects expectations for the implied rate of 3-month Euribor futures in December 2024. Last observation: 01 March 2023.

Realised and expected YoY inflation

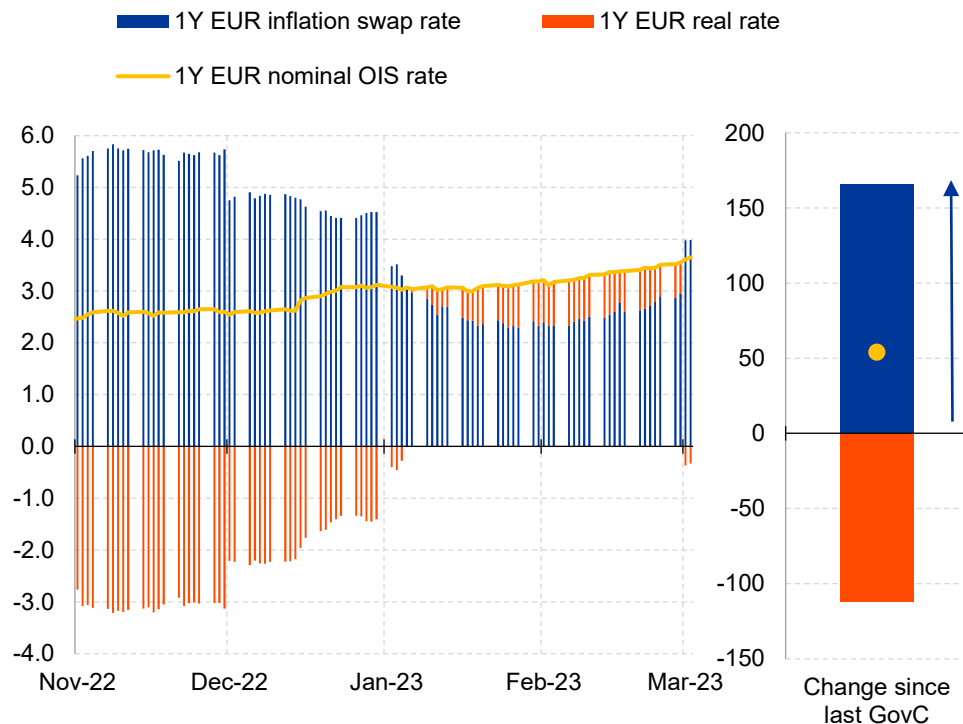
(percent)



Sources: Bloomberg, SMA, ECB calculations. Last observation: 01 March 2023.

1Y nominal, real and inflation swap rates

(percent, basis points)

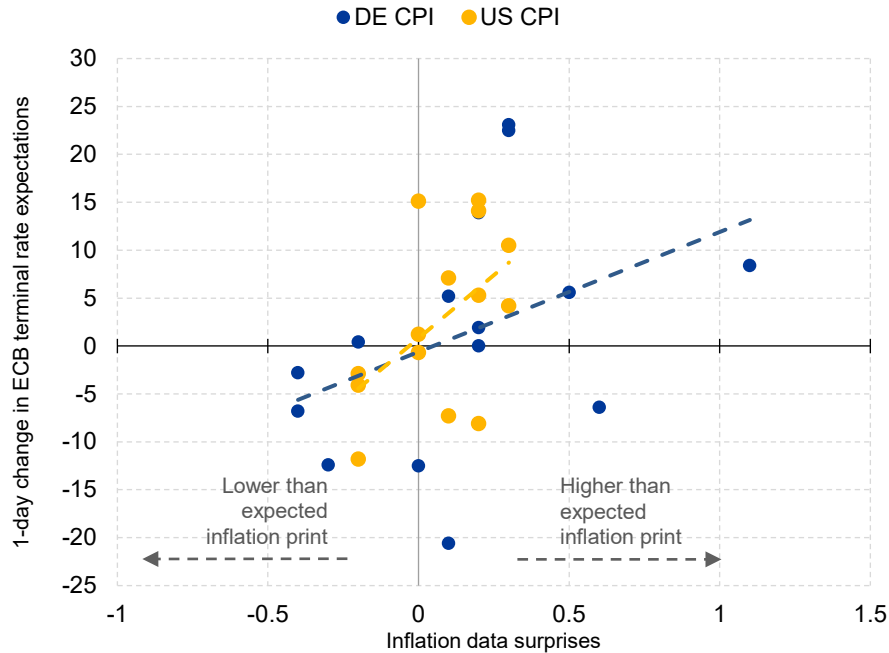


Sources: Bloomberg, ECB calculations.

Notes: Charts displays 1Y EUR OIS rate and 1Y inflation swap rate. 1Y real rate is calculated as the difference between nominal OIS rate and inflation swap rate. Last observation: 01 March 2023.

Changes in terminal rate expectations on days of US and DE CPI data release in 2022 and 2023

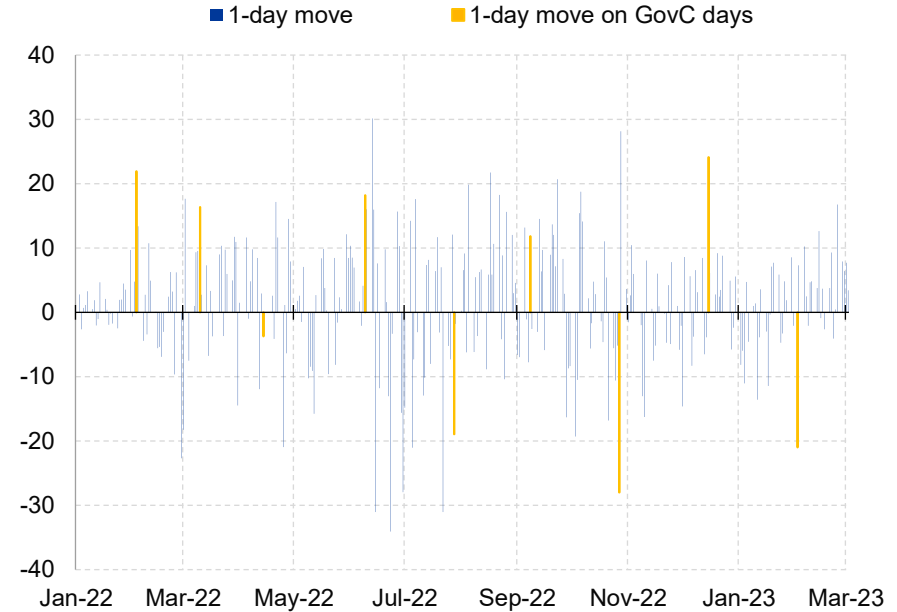
(x-axis: percentage points, y-axis: basis points)



Sources: Bloomberg, ECB calculations. Notes: Inflation data surprises refer to the difference between the surveyed and realised monthly CPI headline inflation data print in 2022 and 2023 for Germany and the US in percentage points. Market pricing for terminal rate refers to the maximum of Maintenance Period-dated forward OIS contracts, 1-day change in basis points. Last observation: 01 March 2023.

1-day move of 1Y/1Y EUR OIS forward rate

(basis points)



Sources: Bloomberg, ECB calculations. Last observation: 01 March 2023.