

Autonomous factors in the Eurosystem

Paul Mercier
14 March 2010

Weekly financial statement as of 4 March 2011

Assets (EUR millions)	Balance	Difference compared with last week due to transactions	Liabilities (EUR millions)	Balance	Difference compared with last week due to transactions
1 Gold and gold receivables	367,432	0	1 Banknotes in circulation	824,925	5,276
2 Claims on non-euro area residents denominated in foreign currency	230,703	4,185	2 Liabilities to euro area credit institutions related to monetary policy operations denominated in euro	303,748	-10,374
2.1 Receivables from the IMF	75,436	2,864	2.1 Current accounts (covering the minimum reserve system)	182,672	-29,596
2.2 Balances with banks and security investments, external loans and other external assets	155,267	1,324	2.2 Deposit facility	43,179	18,461
3 Claims on euro area residents denominated in foreign currency	26,350	-131	2.3 Fixed-term deposits	77,500	500
4 Claims on non-euro area residents denominated in euro	22,030	177	2.4 Fine-tuning reverse operations	0	0
4.1 Balances with banks, security investments and loans	22,030	177	2.5 Deposits related to margin calls	397	261
4.2 Claims arising from the credit facility under ERM II	0	0	3 Other liabilities to euro area credit institutions denominated in euro	3,569	731
5 Lending to euro area credit institutions related to monetary policy operations denominated in euro	447,045	-11,370	4 Debt certificates issued	0	0
5.1 Main refinancing operations	124,442	4,987	5 Liabilities to other euro area residents denominated in euro	99,316	-6,433
5.2 Longer-term refinancing operations	321,835	0	5.1 General government	91,620	-6,317
5.3 Fine-tuning reverse operations	0	0	5.2 Other liabilities	7,696	-116
5.4 Structural reverse operations	0	0	6 Liabilities to non-euro area residents denominated in euro	43,361	-945
5.5 Marginal lending facility	758	-16,357	7 Liabilities to euro area residents denominated in foreign currency	2,916	613
5.6 Credits related to margin calls	10	-1	8 Liabilities to non-euro area residents denominated in foreign currency	14,906	465
6 Other claims on euro area credit institutions denominated in euro	47,838	-661	8.1 Deposits, balances and other liabilities	14,906	465
7 Securities of euro area residents denominated in euro	471,262	1,505	8.2 Liabilities arising from the credit facility under ERM II	0	0
7.1 Securities held for monetary policy purposes	138,191	0	9 Counterpart of special drawing rights allocated by the IMF	54,552	0
7.2 Other securities	333,070	1,505	10 Other liabilities	180,564	-2,804
8 General government debt denominated in euro	34,904	0	11 Revaluation accounts	331,533	0
9 Other assets	291,655	-6,768	12 Capital and reserves	79,831	412
Total assets	1,939,219	-13,059	Total liabilities	1,939,219	-13,059

Totals/sub-totals may not add up, due to rounding

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Eurosystem simplified balance sheet

As of 4 March 2011 (in €billions)

Assets		Liabilities	
USD repos (*)	0.0	Claims of US Federal reserve (*)	0.0
Autonomous liquidity factors		Autonomous liquidity factors	
Net foreign assets (A.1+A.2+ A.3 -L.7-L.8-L.9-USD repos)	552.1	Banknotes in circulation (L.1)	824.9
Domestic assets (A.7.2+A.8)	368.0	Government deposits (L.5.1)	91.6
		Other autonomous factors (net)	285.4
Monetary policy instruments		Monetary policy instruments	
Main refinancing operation (A.5.1)	124.4	Current accounts (L.2.1)	182.7
Longer term refinancing operation (A.5.2)	321.8	Absorbing operations (L.2.3+L.2.4)	77.5
Marginal lending facility (A.5.5)	0.8	Deposit facility (L.2.2)	43.2
Covered bond portfolio (A.7.1)	60.7		
Securities Markets Programme (A.7.1)	77.5		
Total	1,505.3	Total	1,505.3

Total autonomous liquidity factors (autonomous liability factors – autonomous asset factors): €281.9 billion

Published figure (incl. SMP) on Monday, 7 March: €204.4 billion

Sources: Items in brackets - Eurosystem weekly financial statements - <http://www.ecb.europa.eu/press/pr/wfs/2011/html/index.en.html>

Split SMP-CBPP from text to weekly financial statement

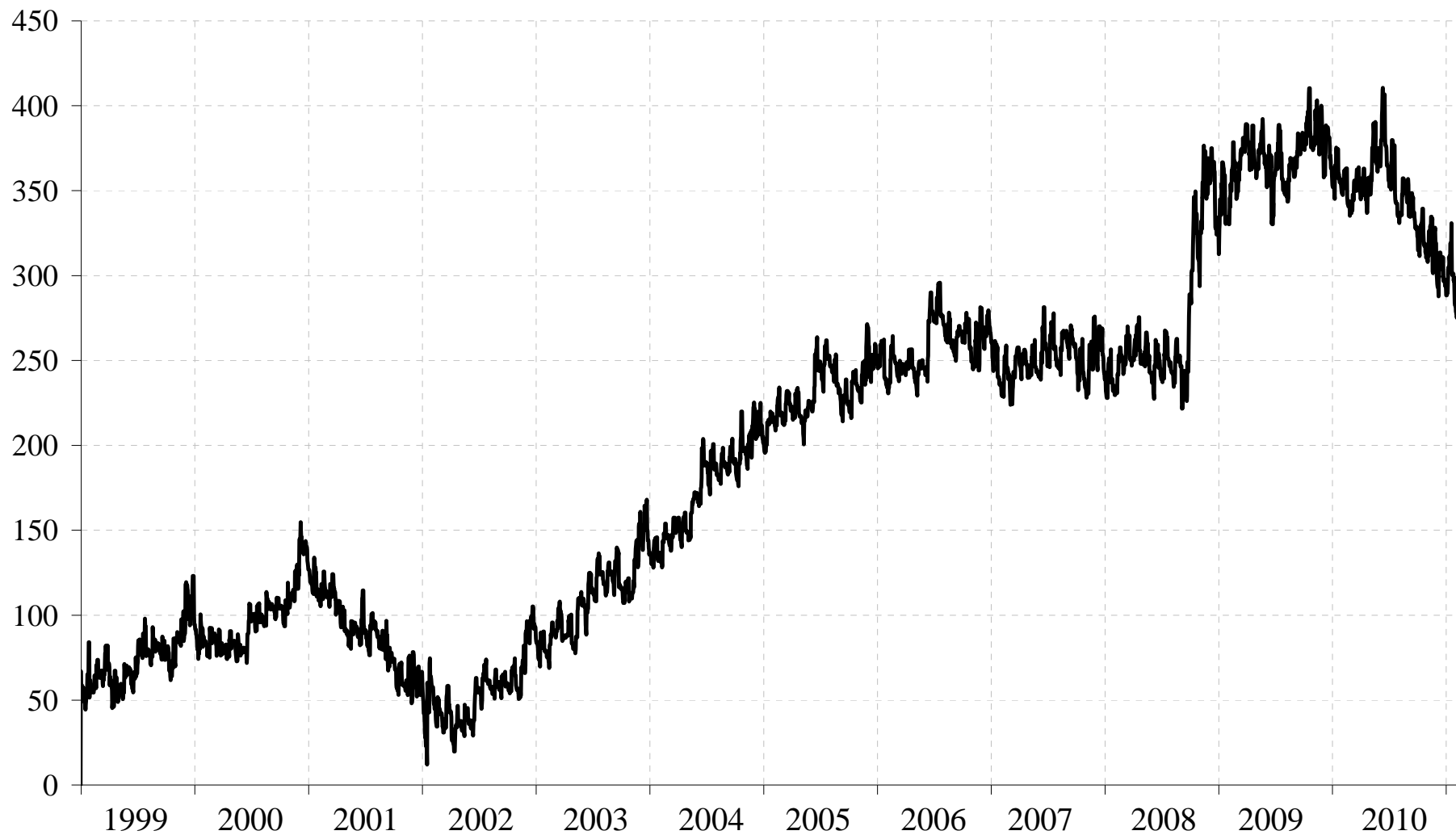
Items with asterisk - Eurosystem open market operations - <http://www.ecb.europa.eu/mopol/implementation/html/index.en.html>

Analysing autonomous factors

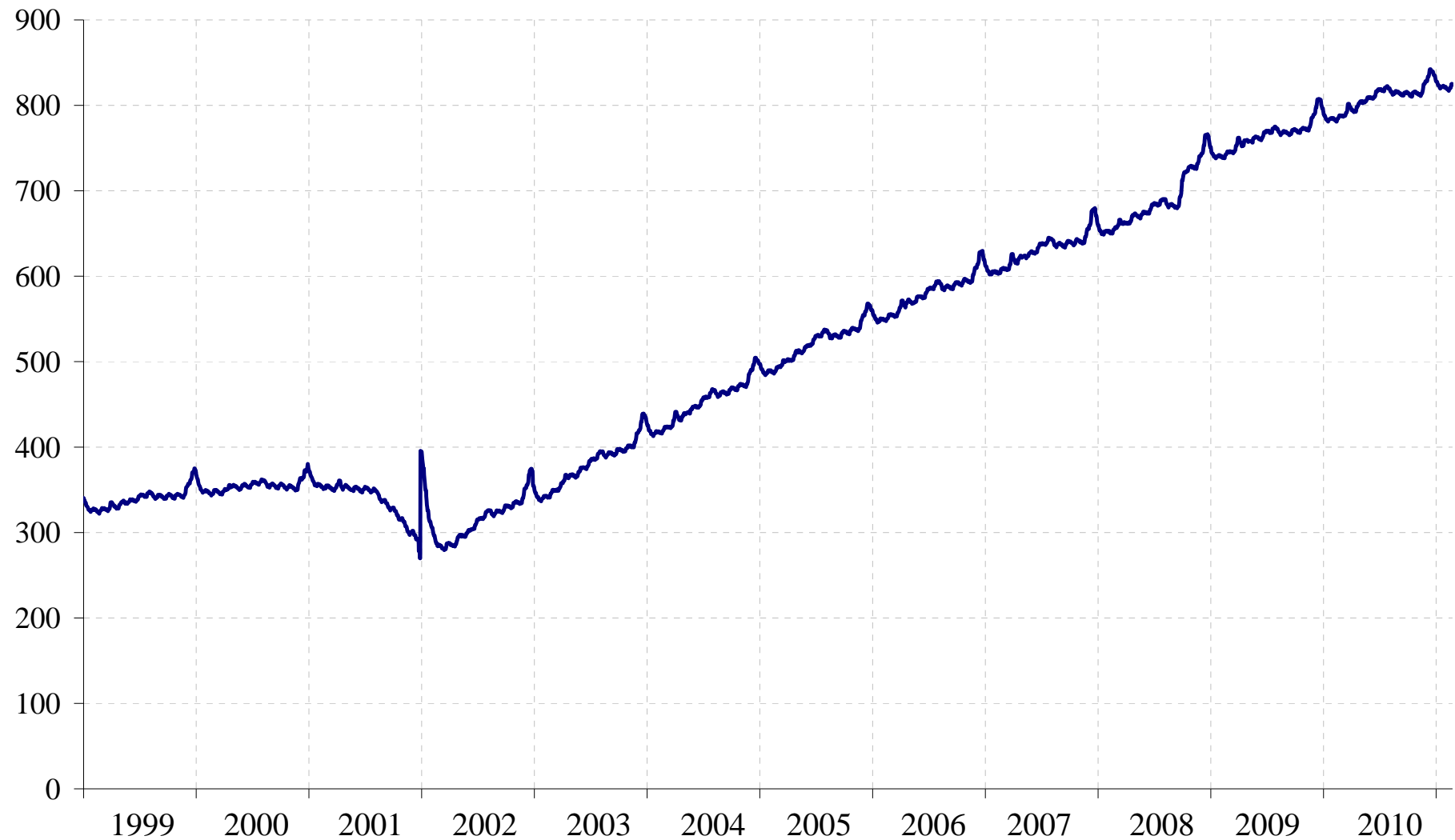
3 categories:

- **Banknotes**
- **Government deposits**
- **Net portfolio:** the sum of **net foreign assets, domestic assets** and **other autonomous factors (OAF)**
 - **Net foreign assets** subject to quarterly revaluations and the revaluation accounts are recorded under **OAF**.
 - Domestic portfolio transactions of NCBs recorded under different autonomous factors (**domestic assets and OAF**).
 - Reclassification of investment portfolios at end 2008 affected **domestic assets and OAF**.

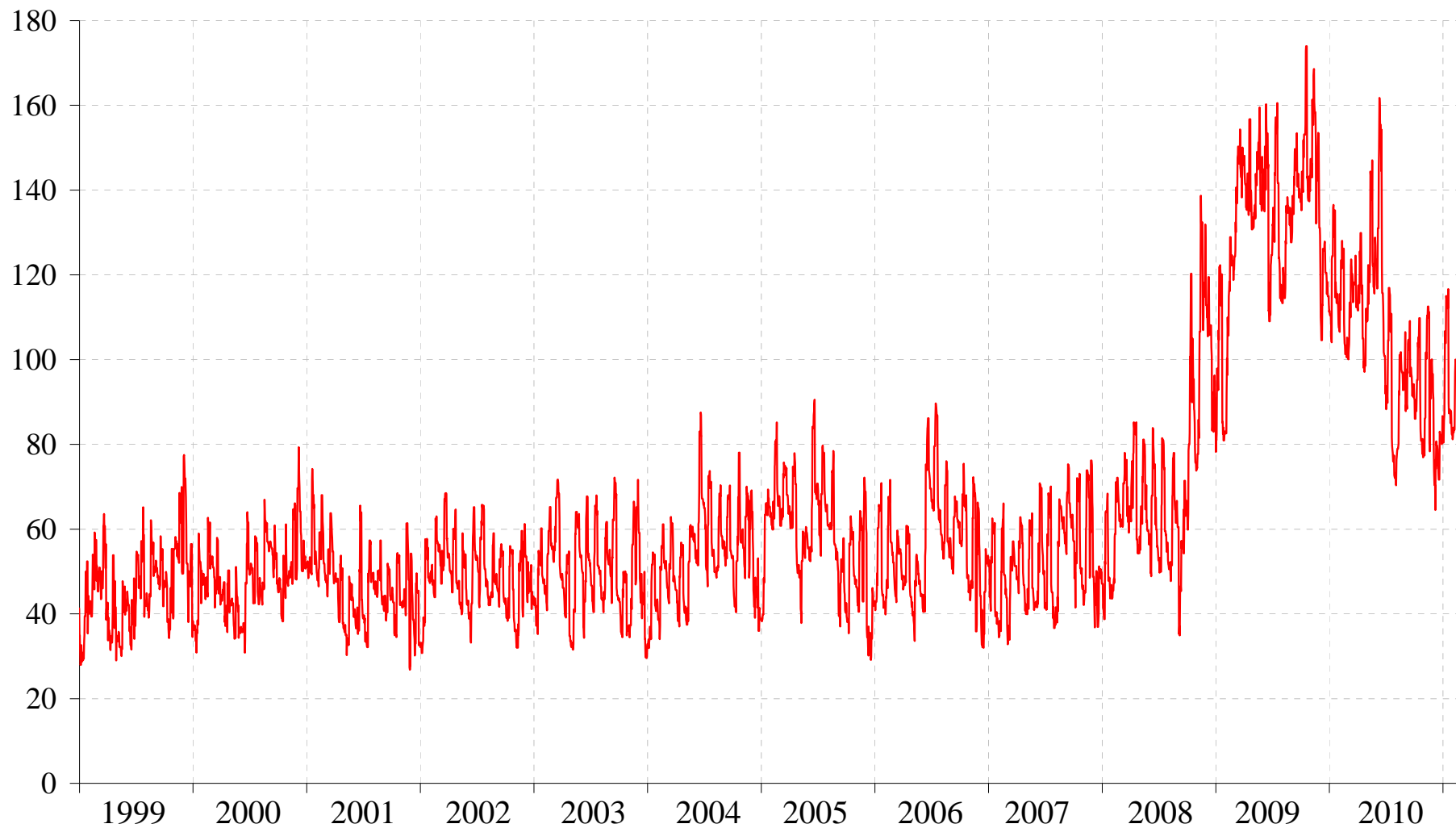
Total autonomous factors: 1999 – 2011 (in € billion)



Banknotes (L.I): 1999 – 2011 (in € billion)



Government deposits (L.5.1): 1999 – 2011 (in € billion)



Eurosystem simplified balance sheet

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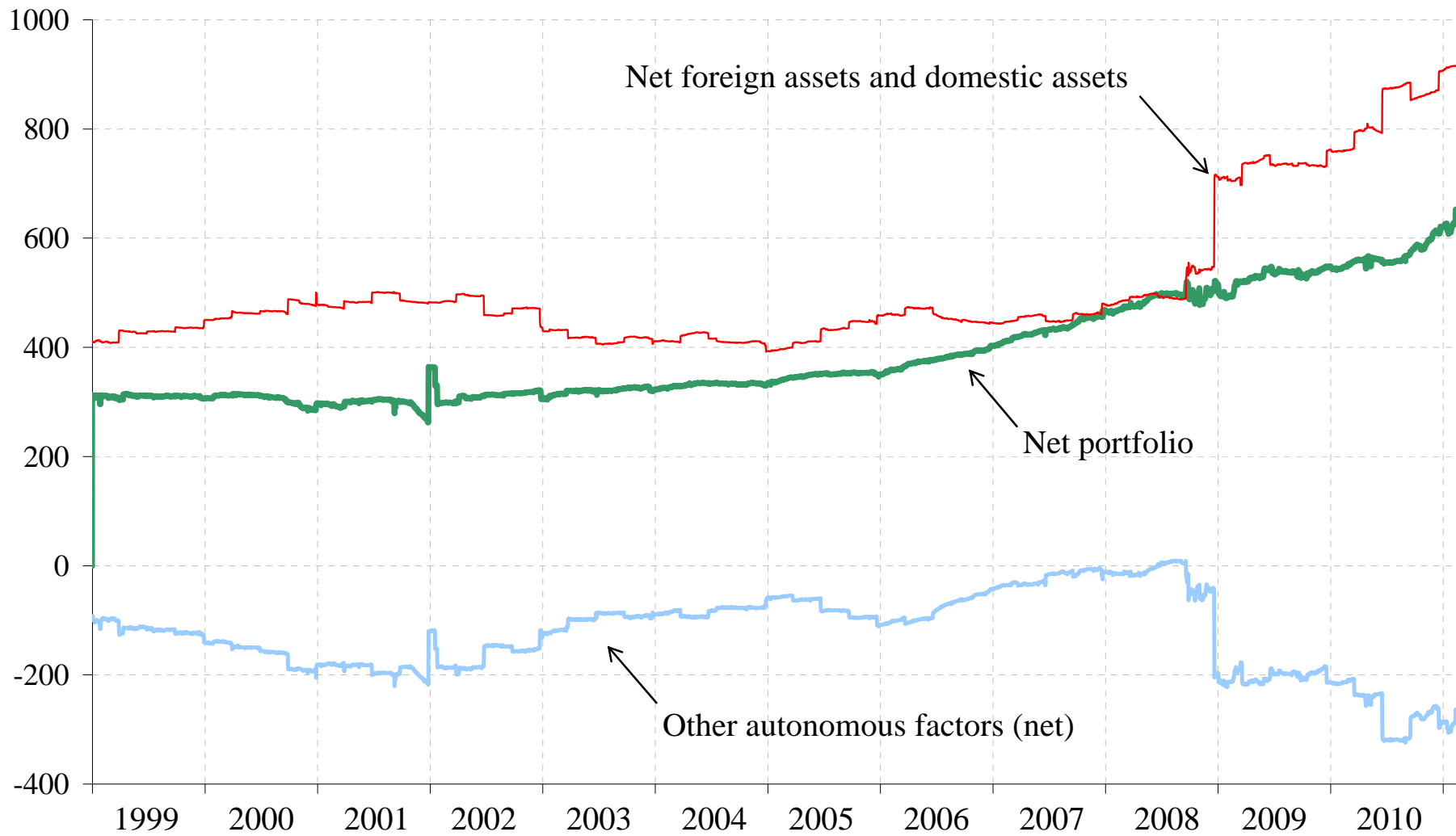
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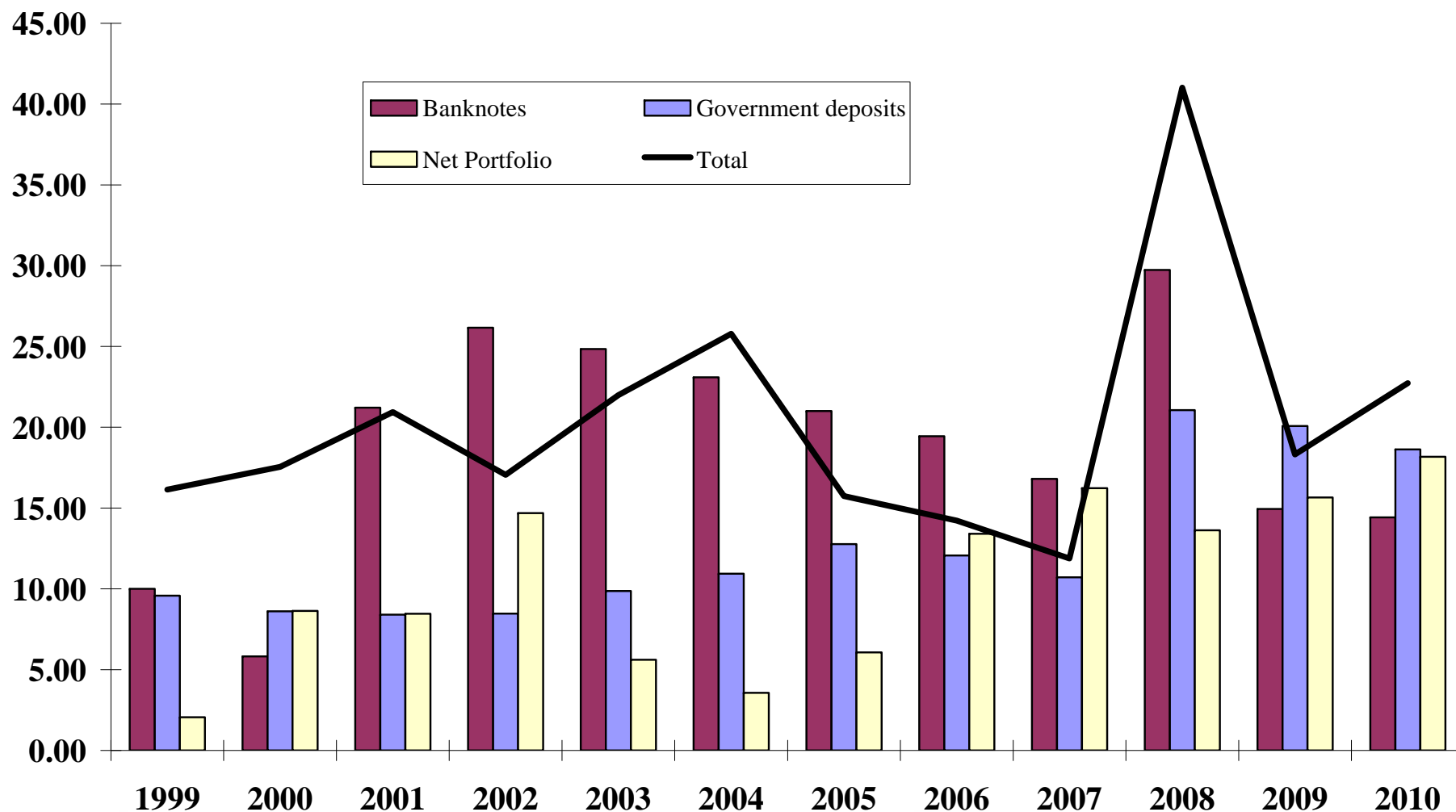
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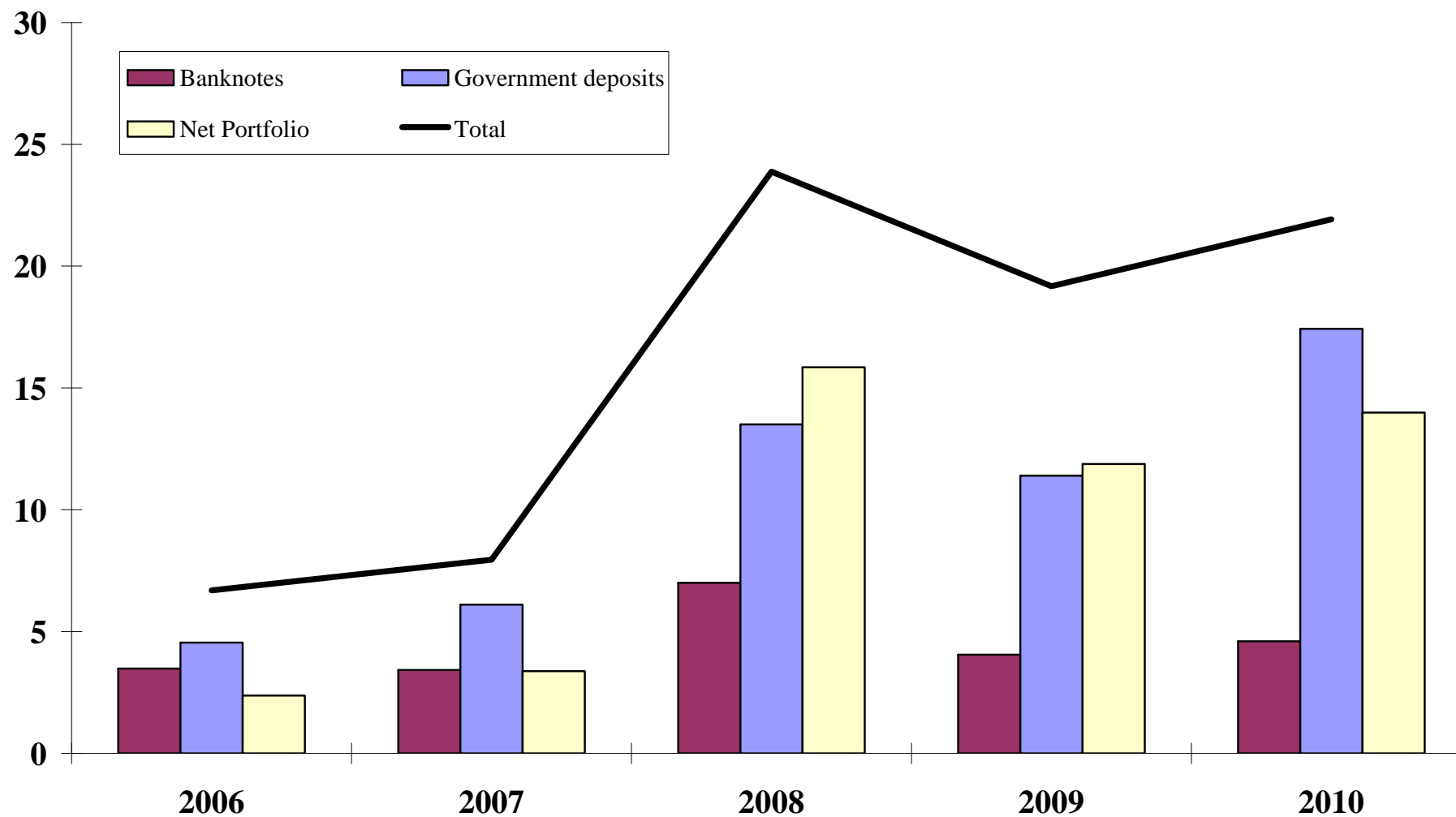
Net portfolio: 1999 – 2011 (in € billion)



Daily volatility of autonomous factors (in € billion)

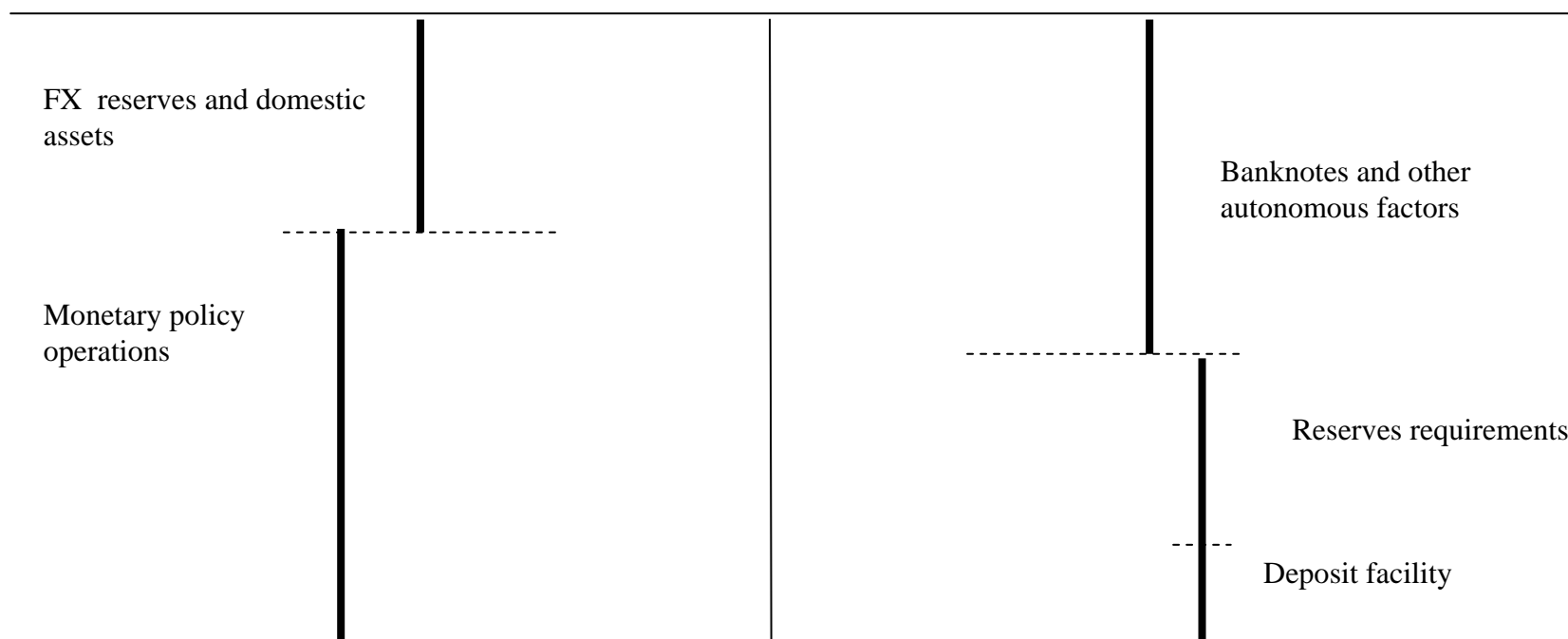


Average absolute accumulated forecast errors – 8 days ahead (in € billion)



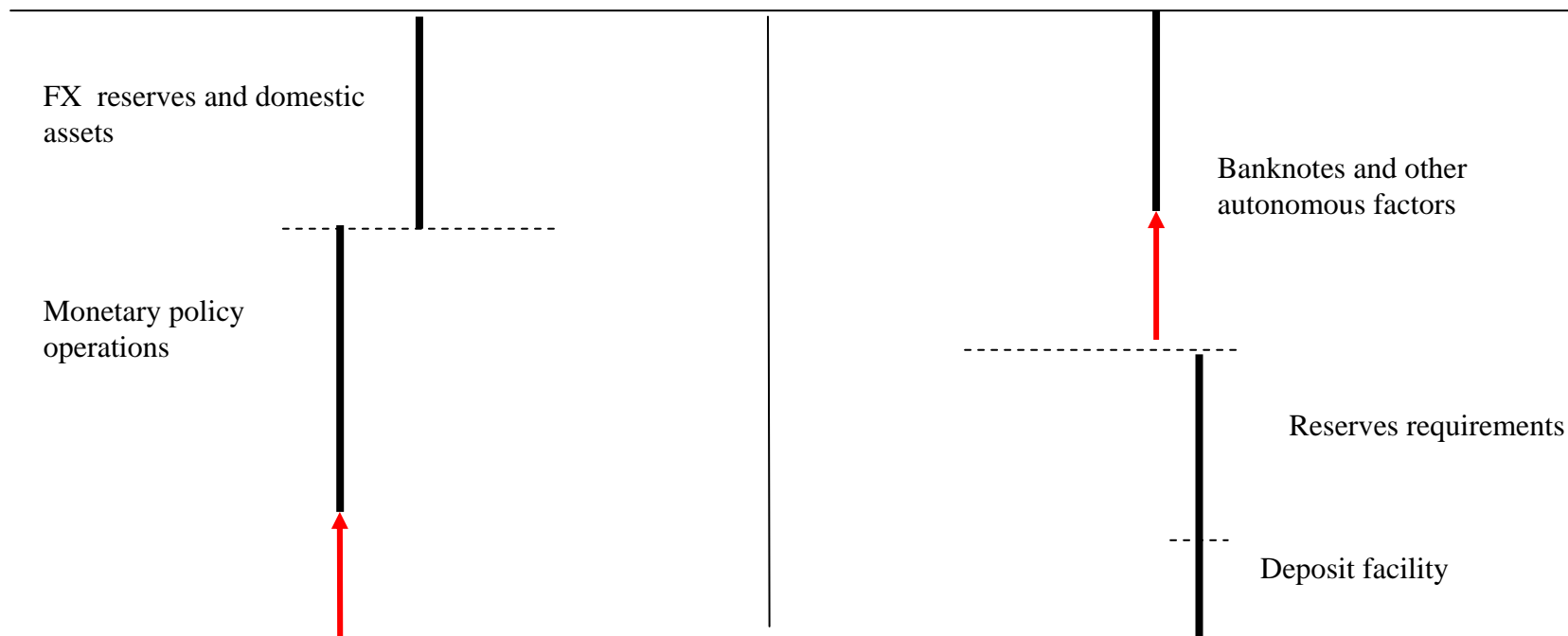
Monetary Policy operations and autonomous factors

Eurosystem



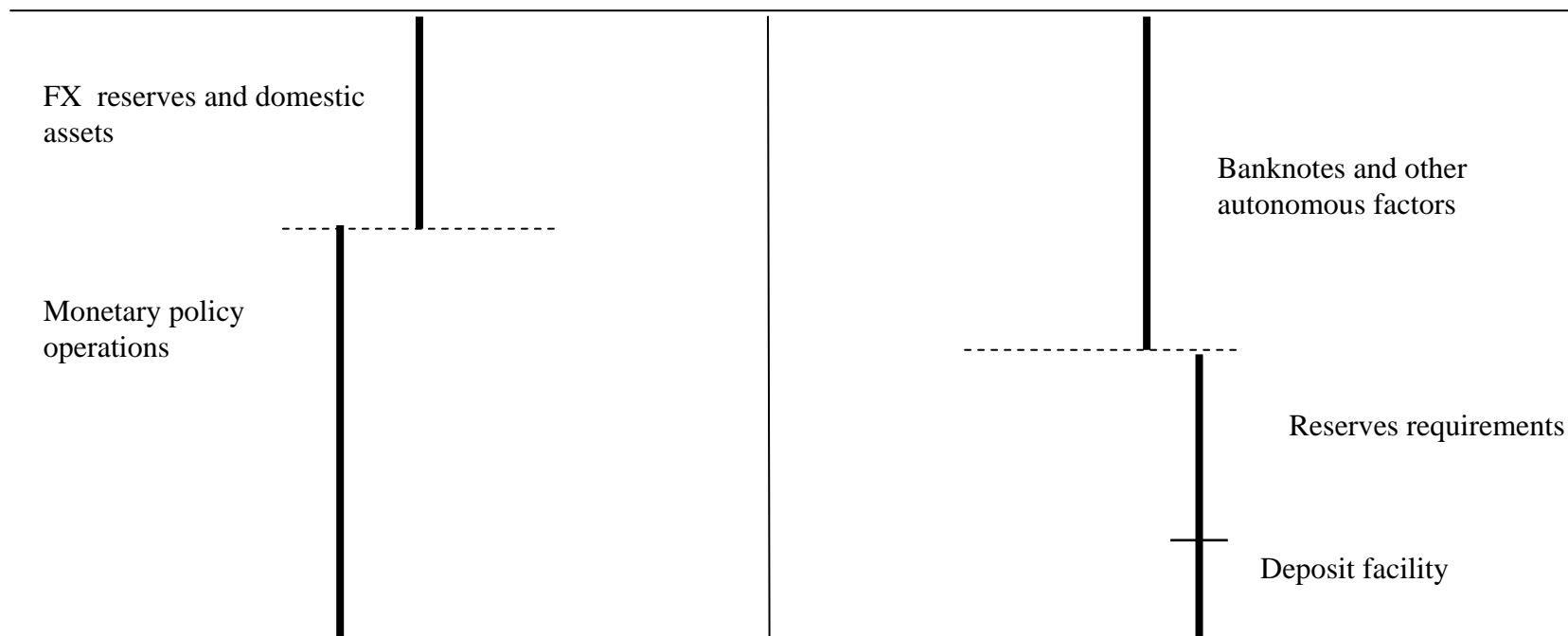
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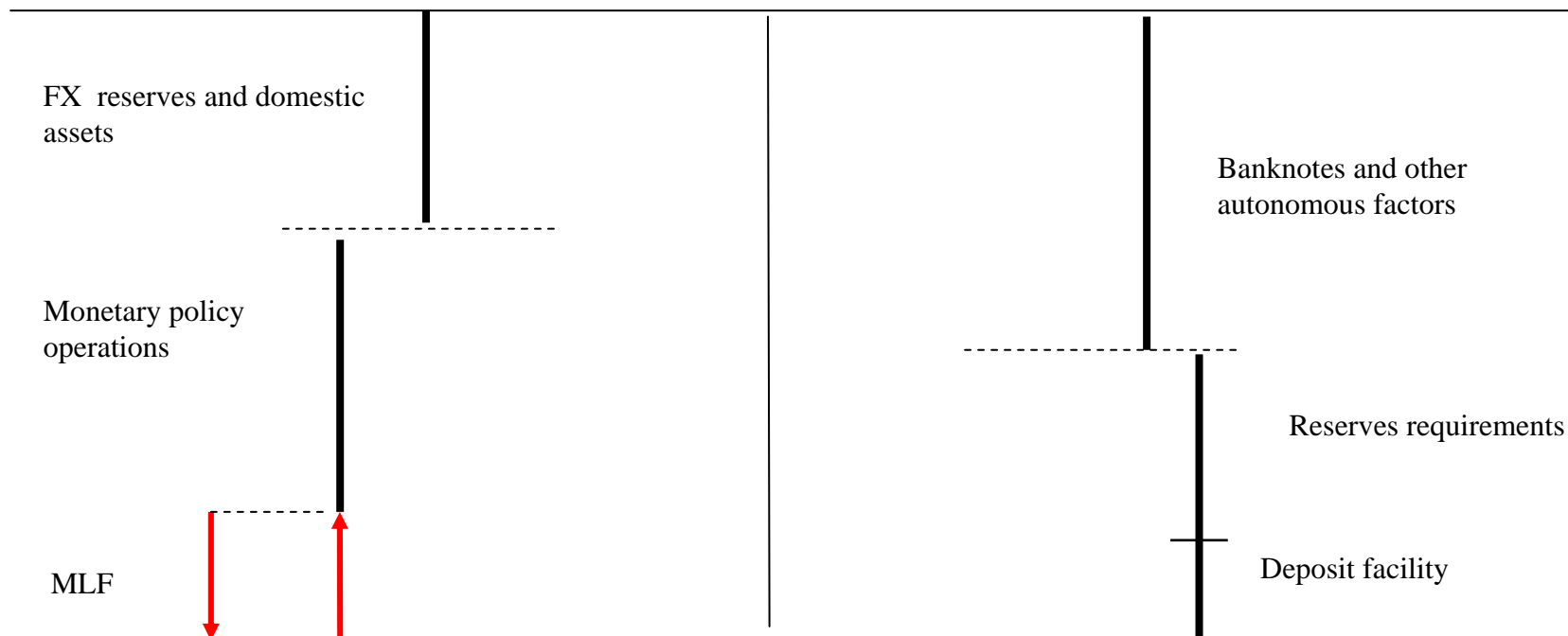
Substitution between Open Market Operations and MLF

Eurosystem



Monetary Policy operations and autonomous factors

Eurosystem



Two ECB 40 publications in February

On 17 February:

Information on liquidity conditions in the euro area (in millions of euro).

Reserve maintenance period (MP): 09/02/2011 to 08/03/2011	
Average reserve requirements for the current MP	211,624
Estimate on 15/02/2011 of average daily autonomous factors: for the period 14/02/2011 to 22/02/2011	274,400
Figures as at 16/02/2011	
Average current account holdings in the current MP (1)	239,205
Outstanding open market operations excl. SMP*	441,513
Use of marginal lending facility	15,801
Use of deposit facility	14,723
Net liquidity effect from autonomous factors and SMP	199,245
Current account holdings (1)	243,345

*Securities Markets Programme
(1) Including minimum reserve holdings. Historical data on subsequent pages.
European Central Bank, Frankfurt, + 49 69 1344 8577

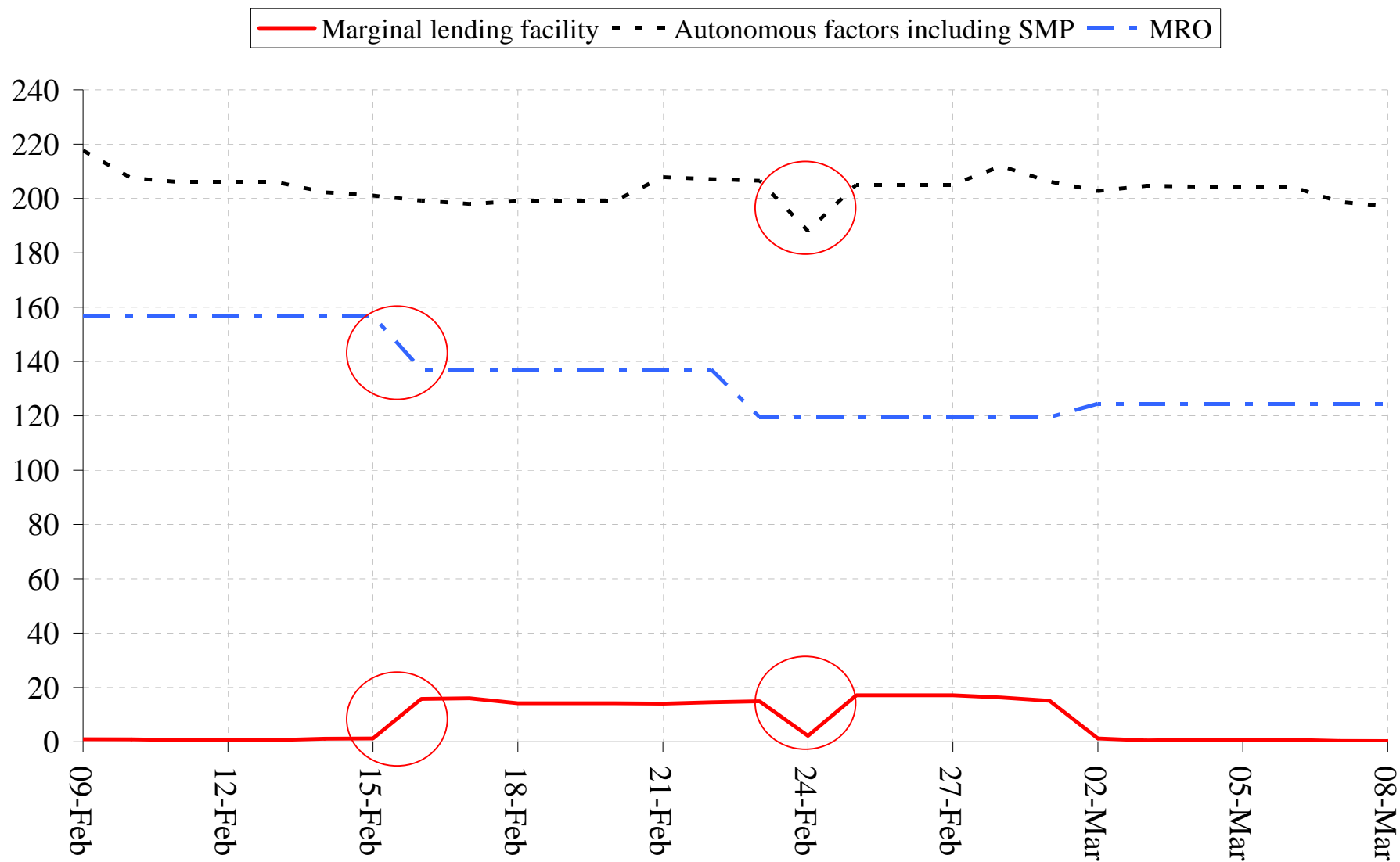
On 25 February:

Information on liquidity conditions in the euro area (in millions of euro).

Reserve maintenance period (MP): 09/02/2011 to 08/03/2011	
Average reserve requirements for the current MP	211,624
Estimate on 22/02/2011 of average daily autonomous factors: for the period 21/02/2011 to 01/03/2011	285,300
Figures as at 24/02/2011	
Average current account holdings in the current MP (1)	231,357
Outstanding open market operations excl. SMP*	424,980
Use of marginal lending facility	2,210
Use of deposit facility	15,962
Net liquidity effect from autonomous factors and SMP	188,021
Current account holdings (1)	223,207

*Securities Markets Programme
(1) Including minimum reserve holdings. Historical data on subsequent pages.
European Central Bank, Frankfurt, + 49 69 1344 8577

Developments in MP 2 2011



Average forecast errors in MP 2 (in € billion, based on forecast on allotment day)

