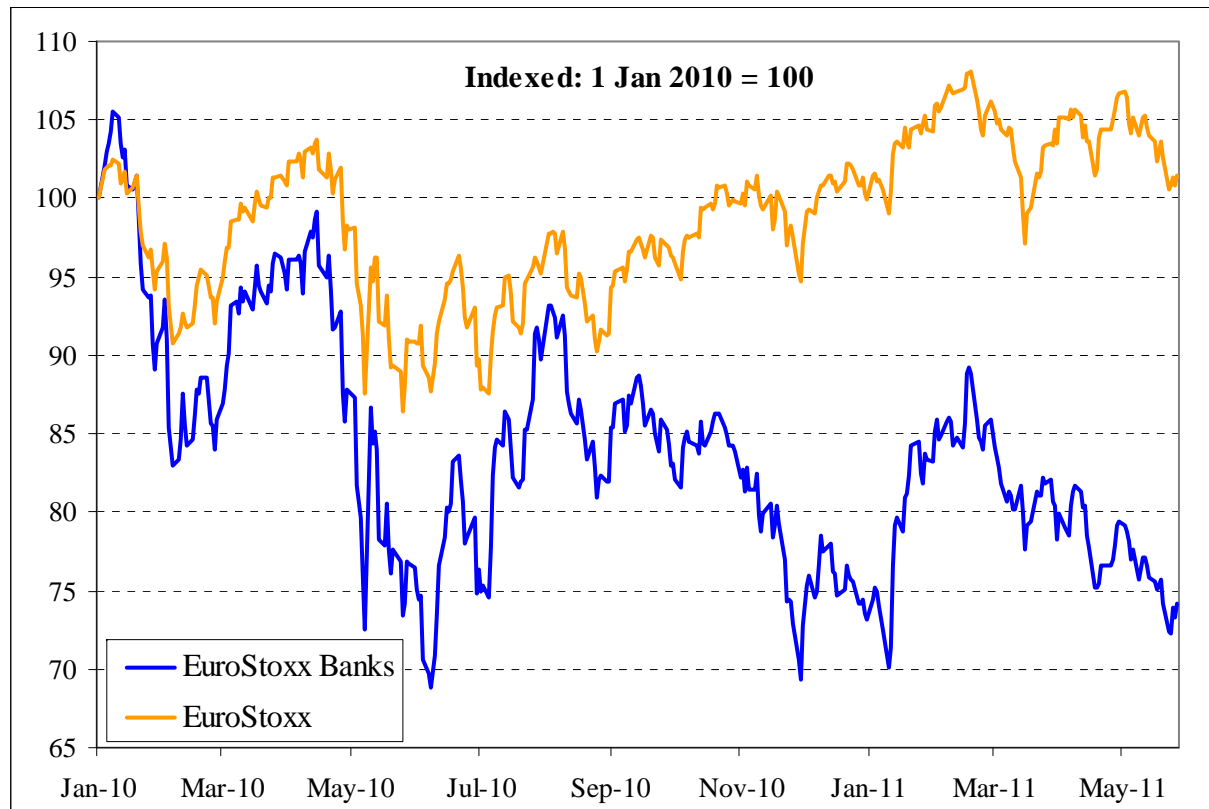


Recent developments in the euro money market

Money Market Contact Group
Frankfurt, 1 June 2011

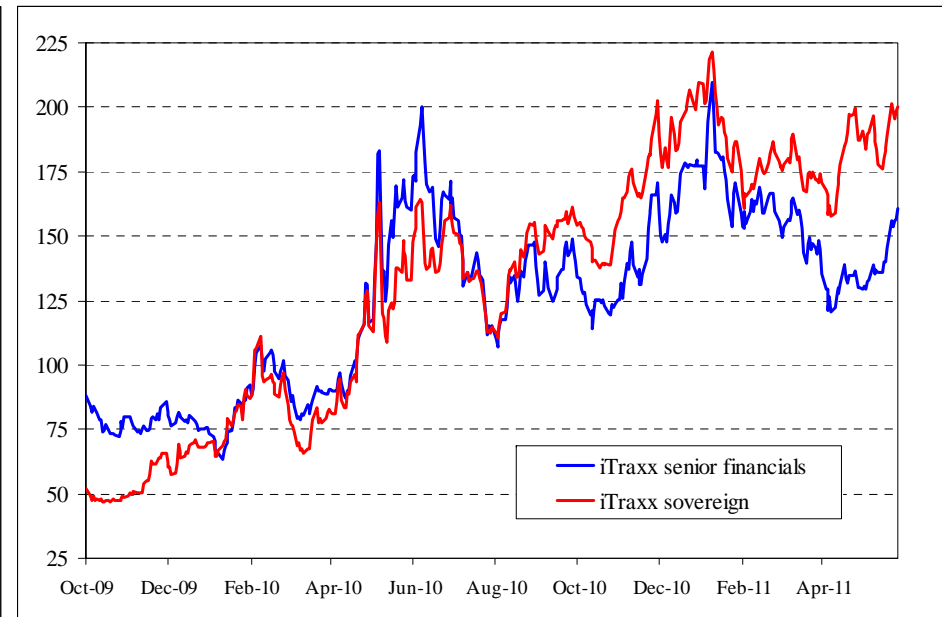
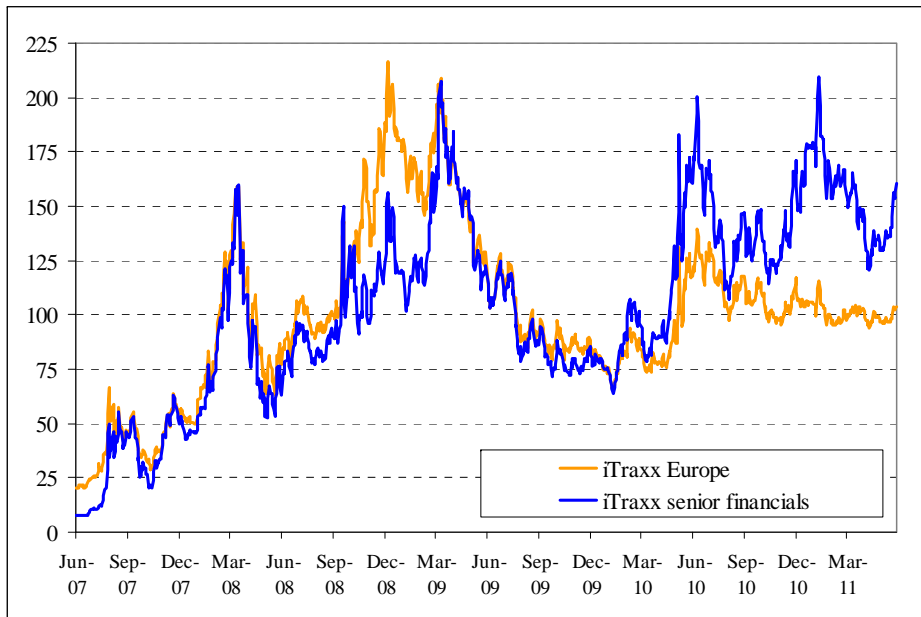
Overall financial market background

I) Bank stocks continue to underperform



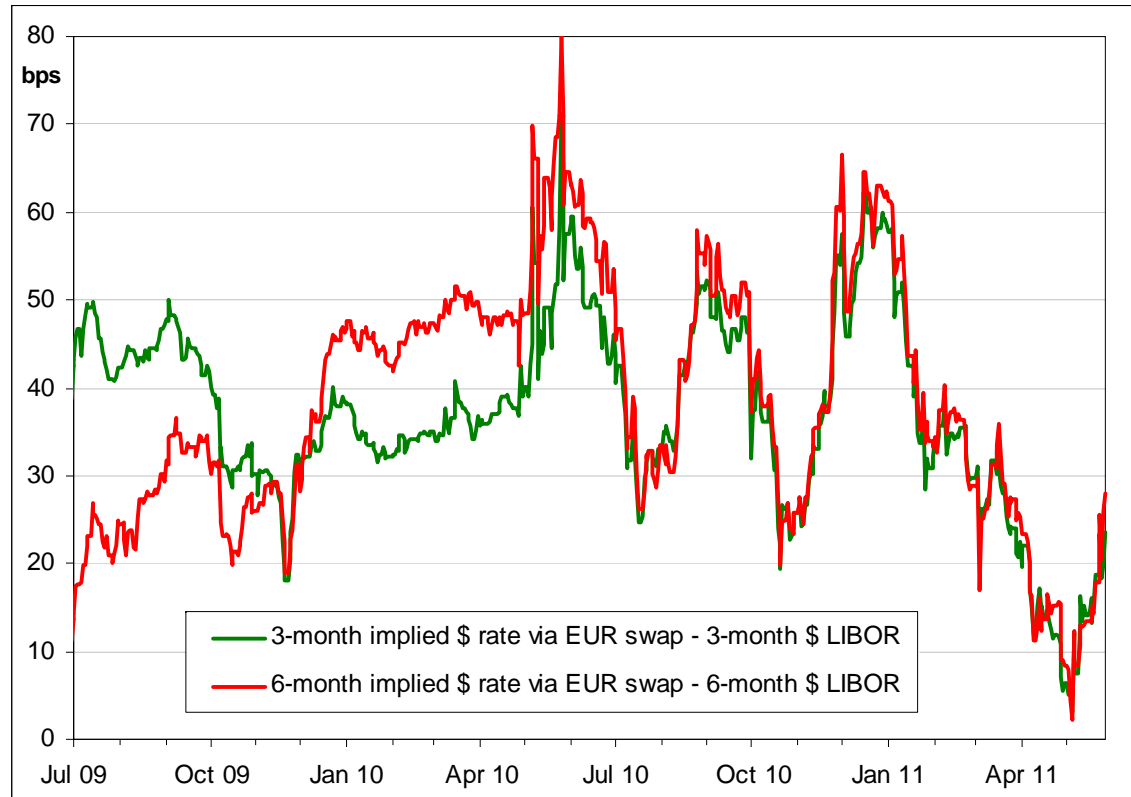
Overall financial market background

II) Similar underperformance of financials in the credit market – continued high correlation with perceived sovereign risk



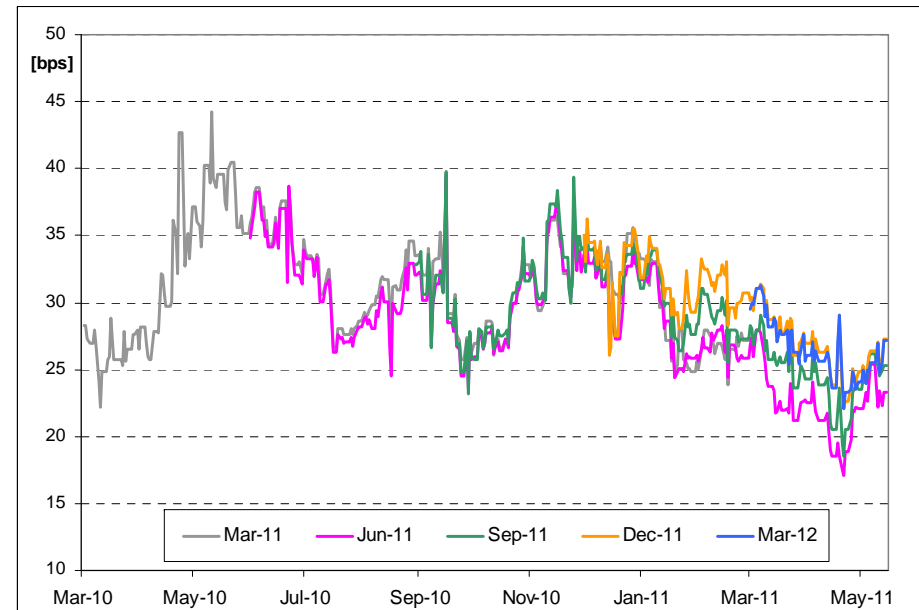
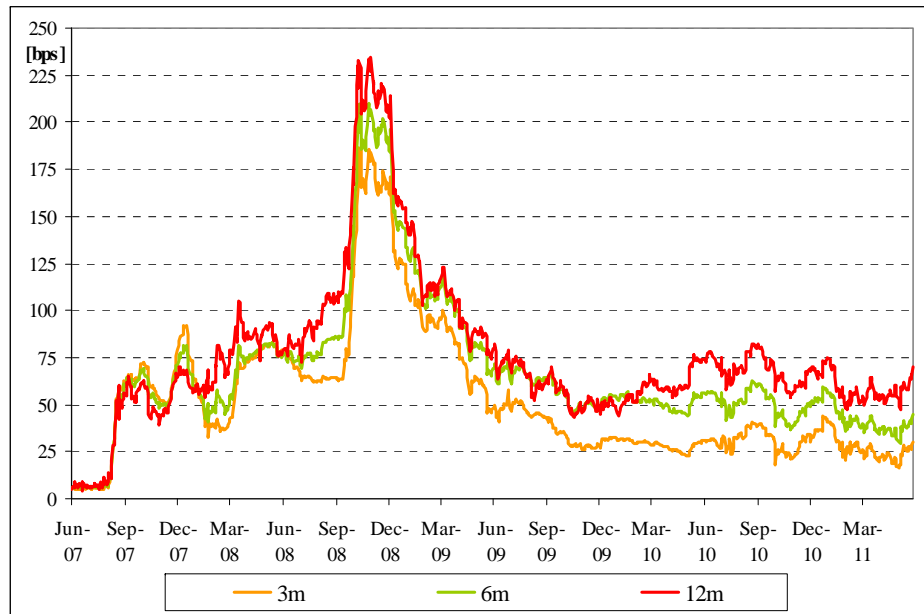
FX swap premia

USD funding pressures seem to ease somewhat – not least because of a change in FDIC rules

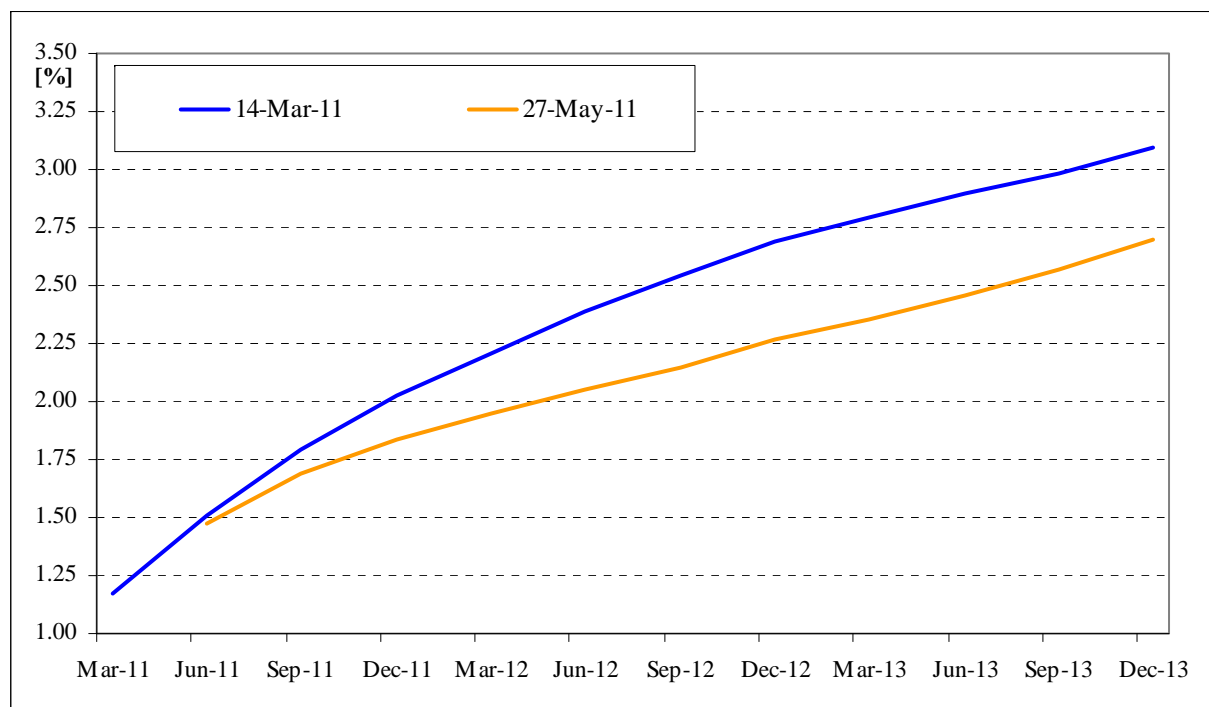


EURIBOR - OIS spreads

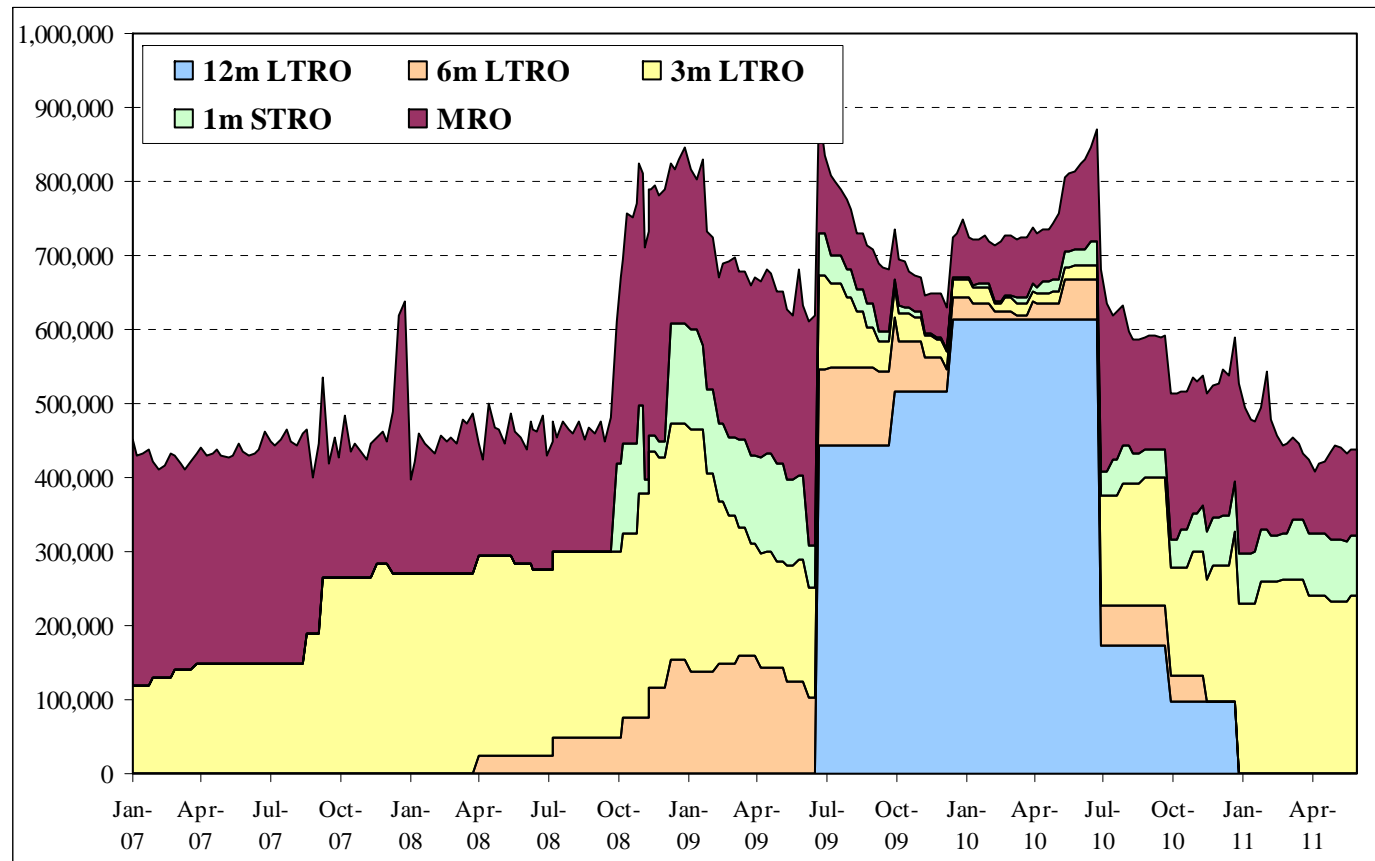
Some re-widening after new long-term lows had been reached April



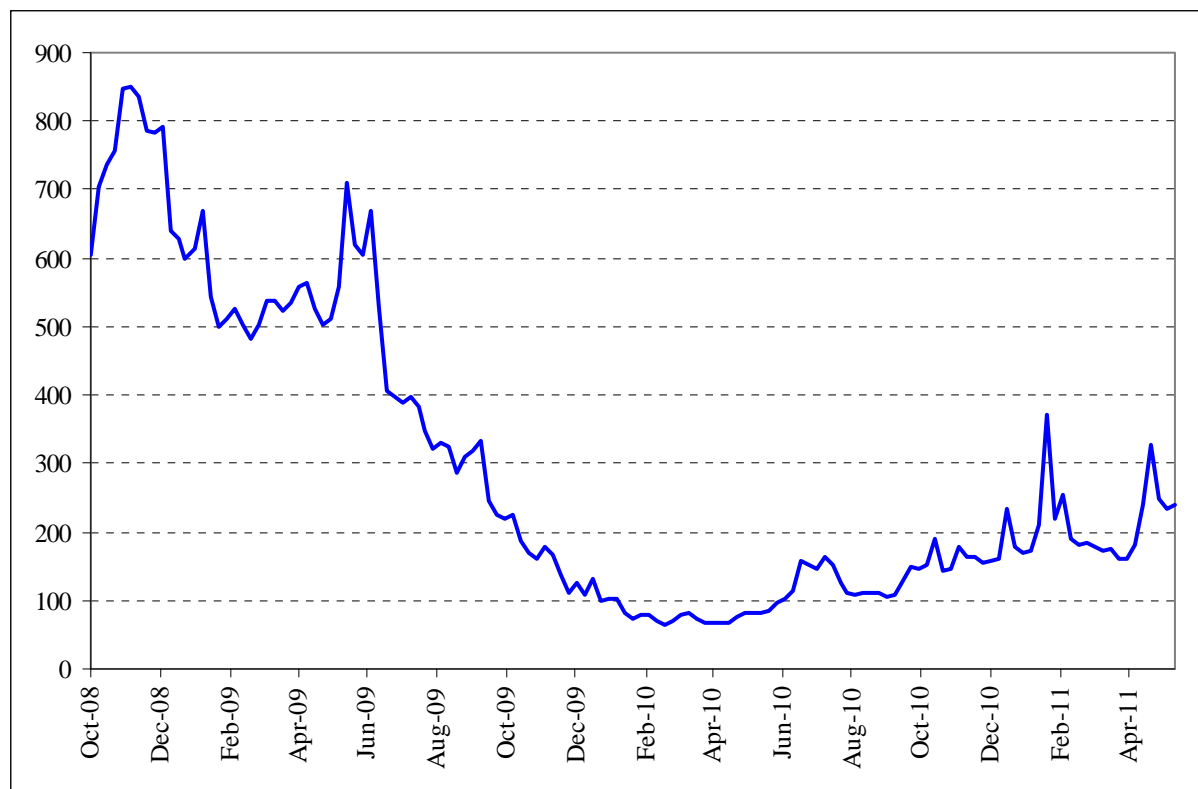
Development of the Euribor futures curve



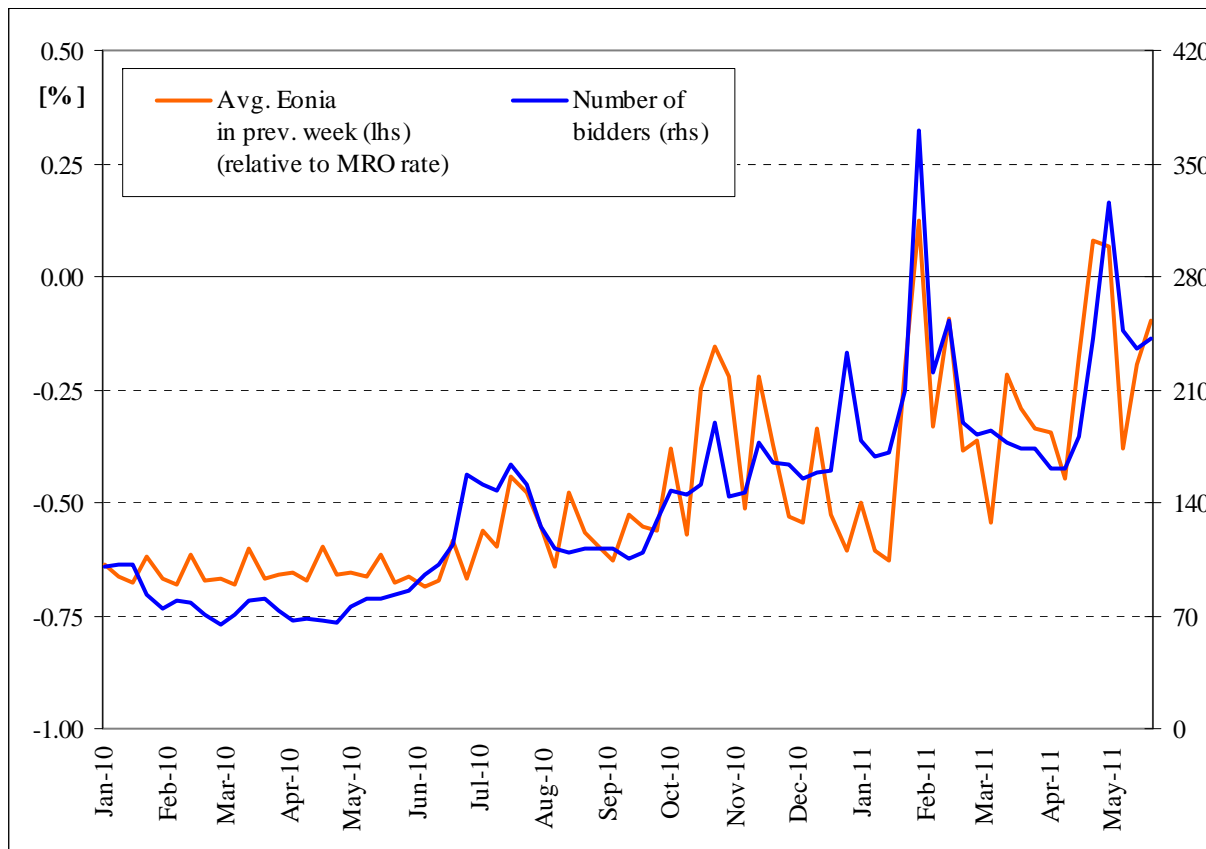
Maturity breakdown of the ECB's liquidity providing operations



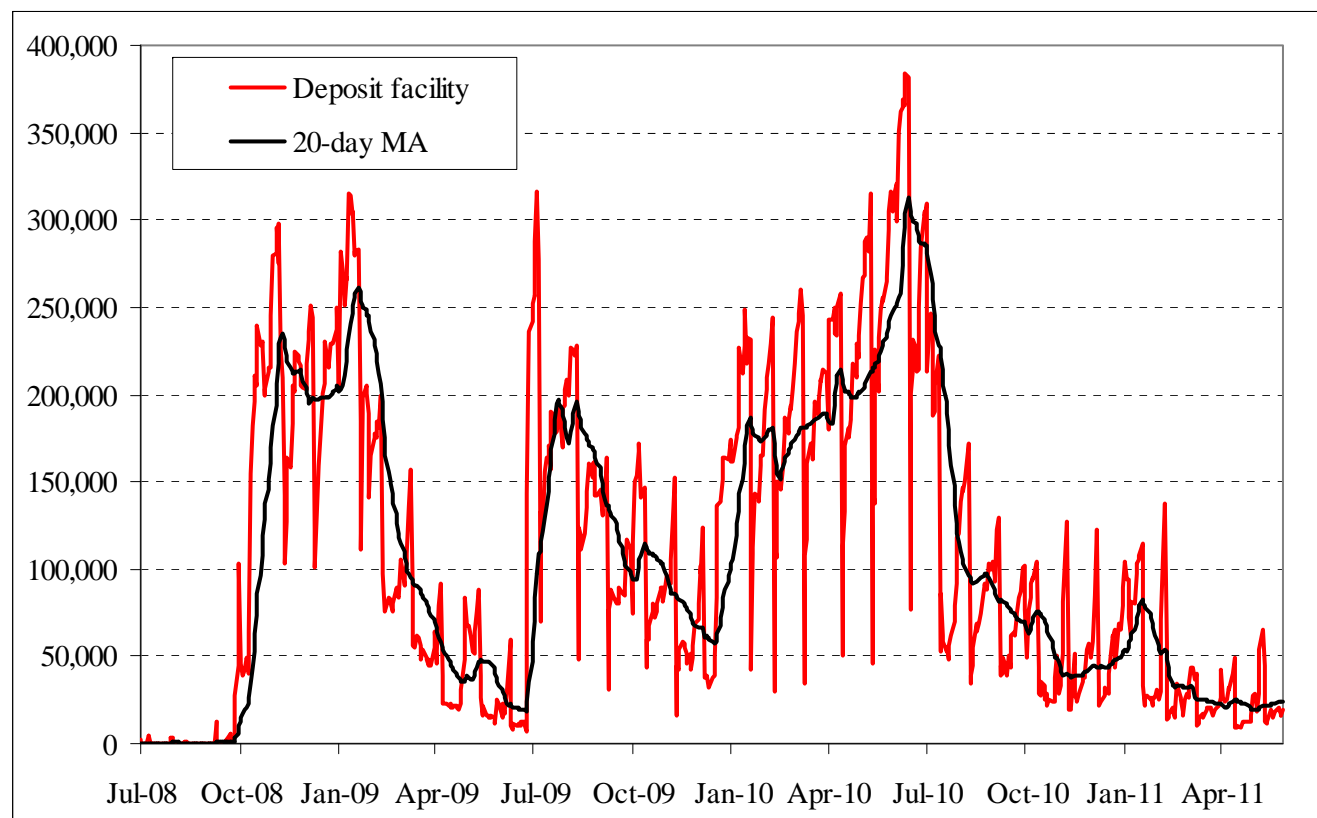
Number of bidders in MROs [since the introduction of FRFA]



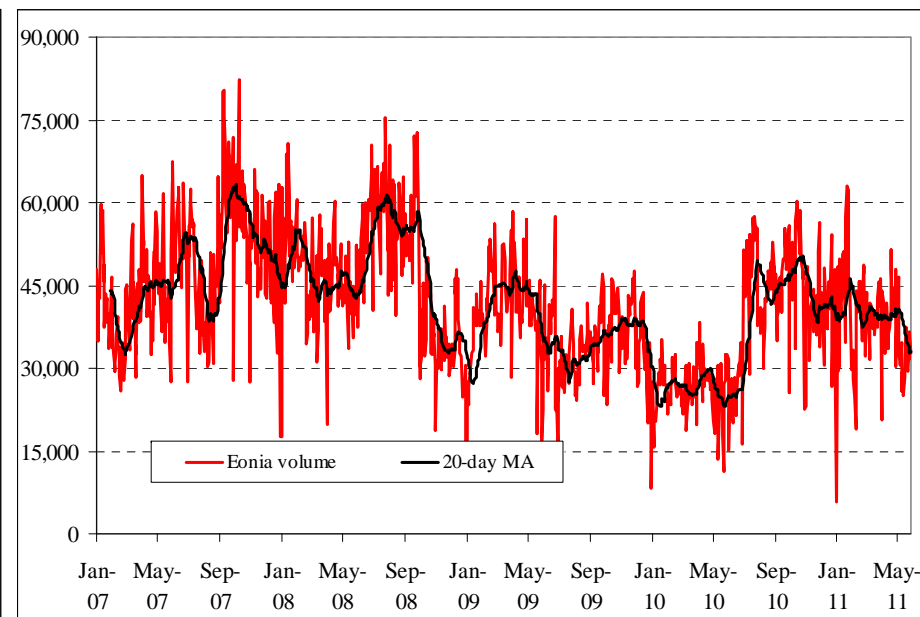
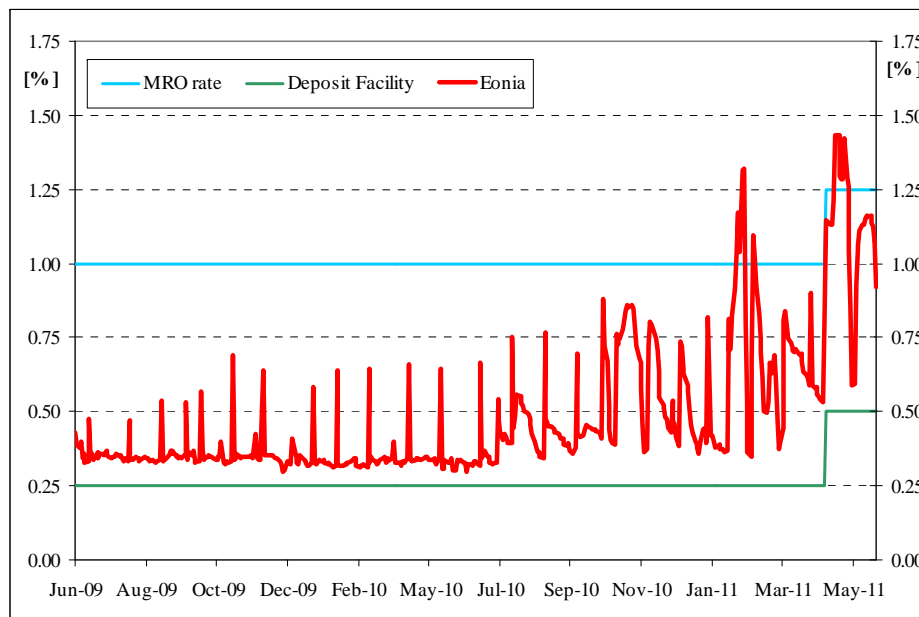
Number of bidders vs. average Eonia rate in the week preceding the respective MRO



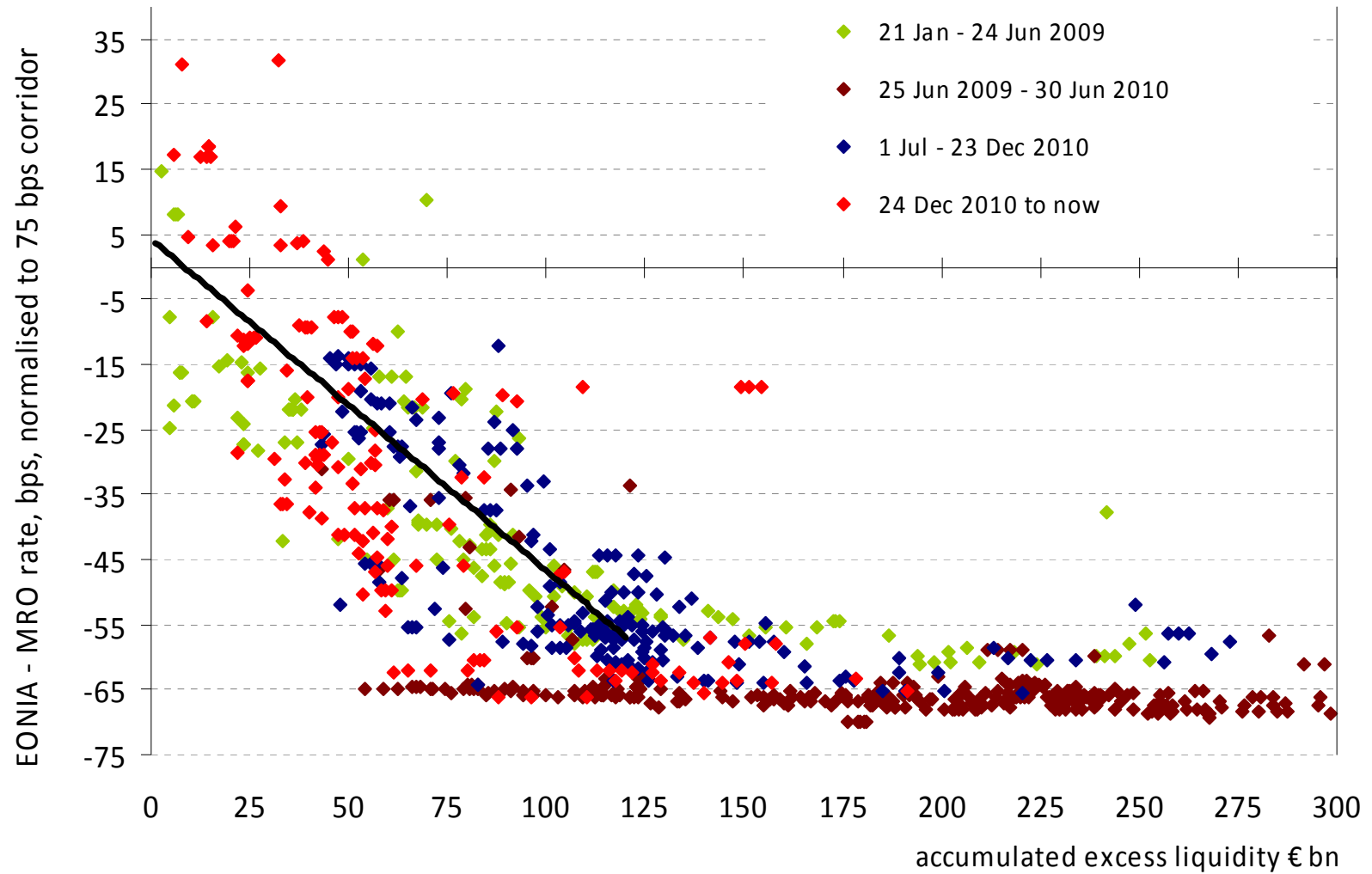
Use of the ECB's deposit facility



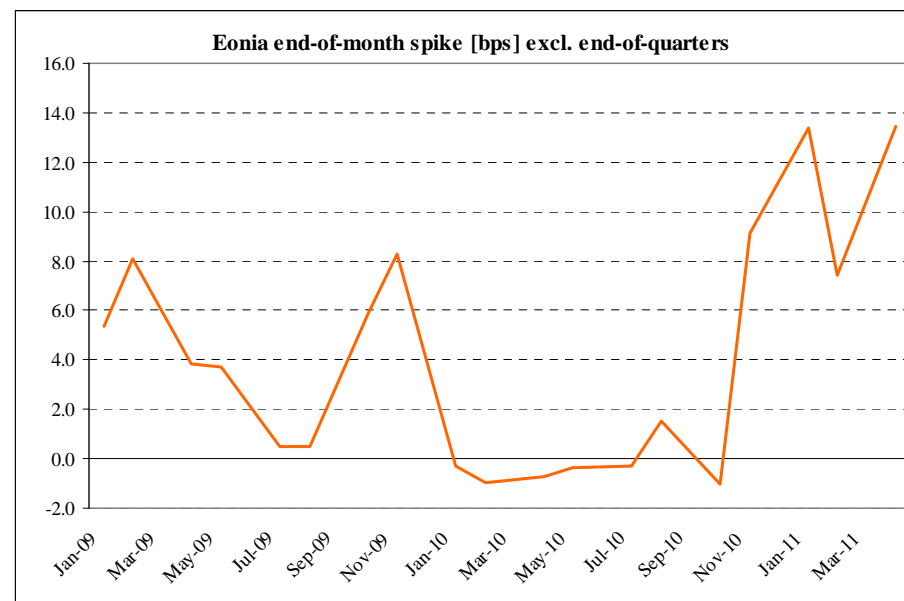
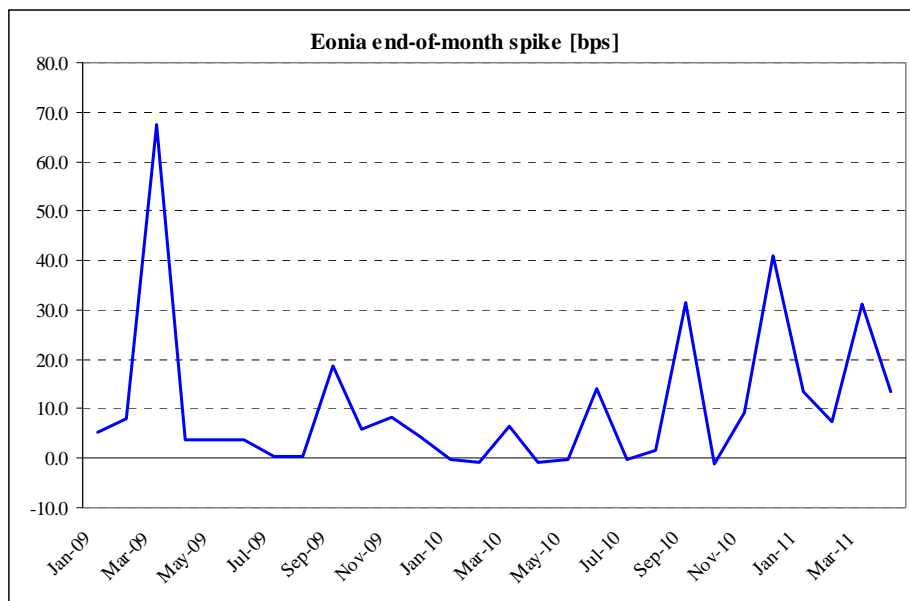
ECB rates and Eonia developments



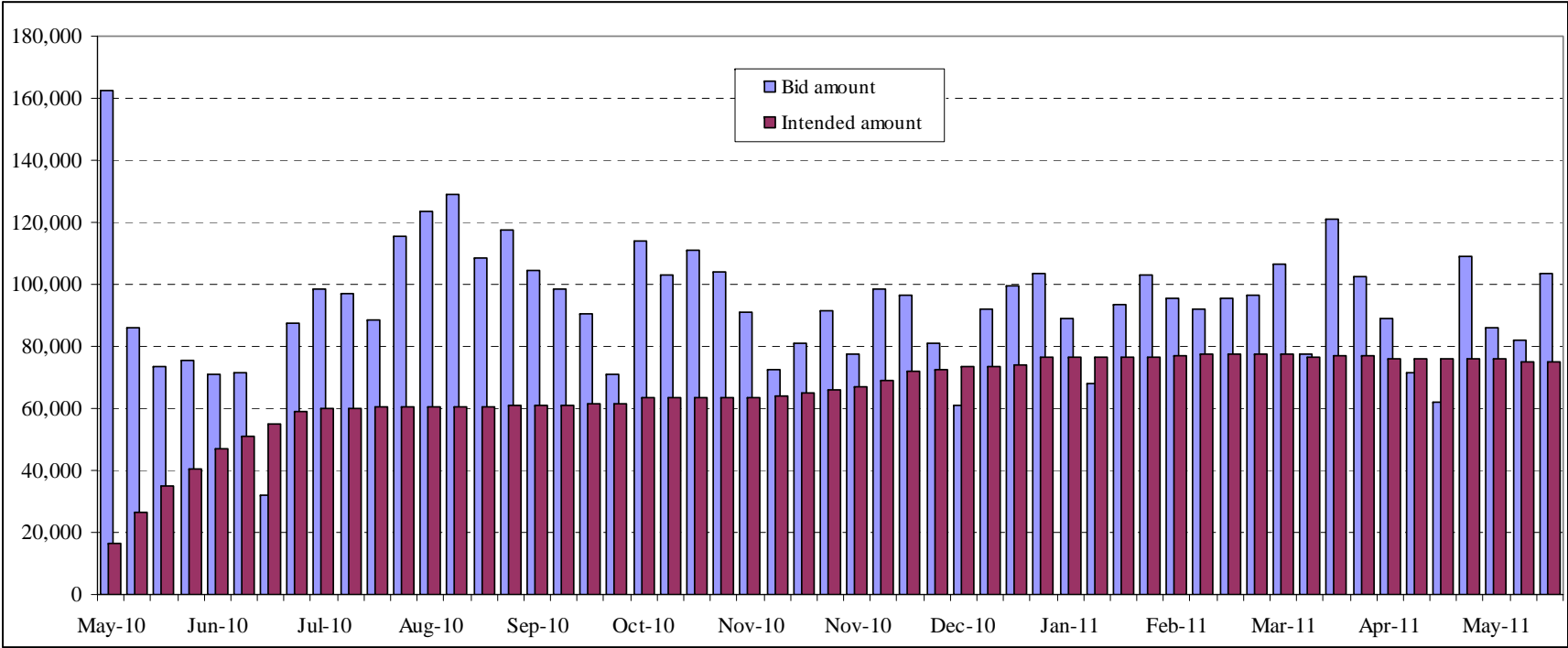
Relation between EONIA spread and excess liquidity



Eonia end-of-month spikes

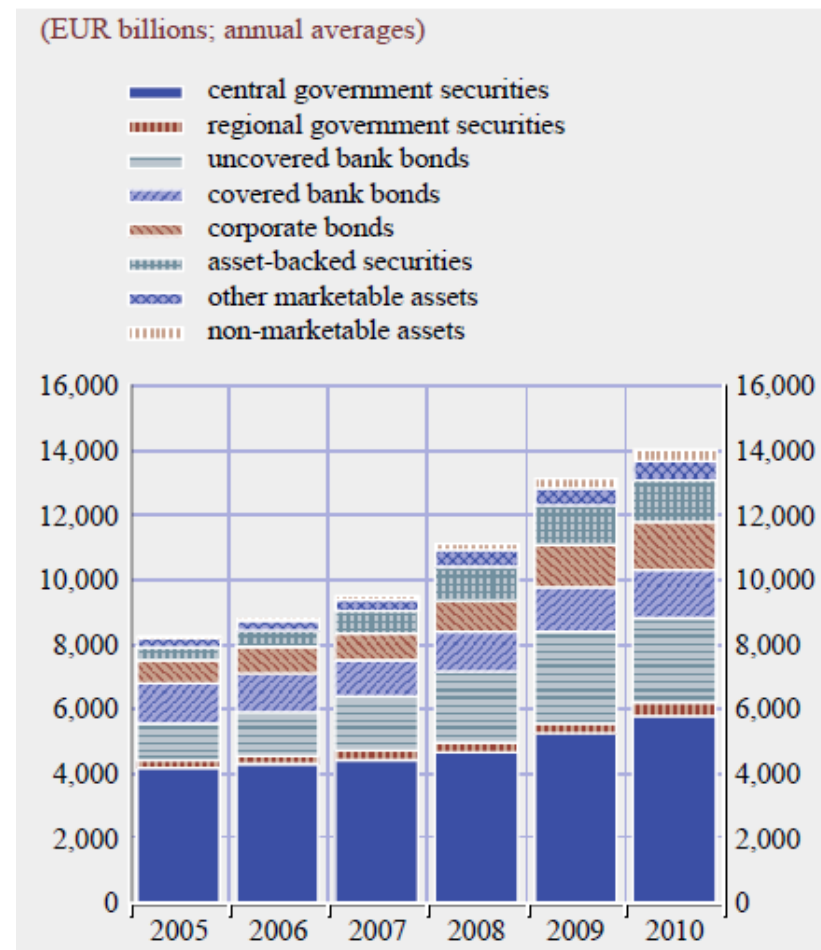


I-week liquidity absorbing FTOs



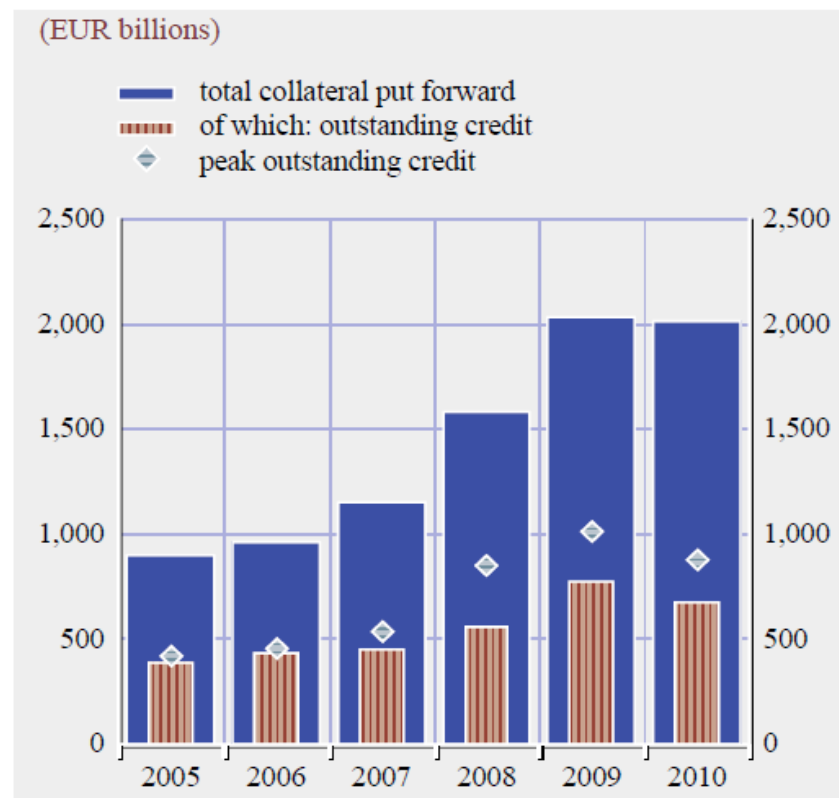
Update on availability and use of collateral

- Evolution of eligible collateral by asset type



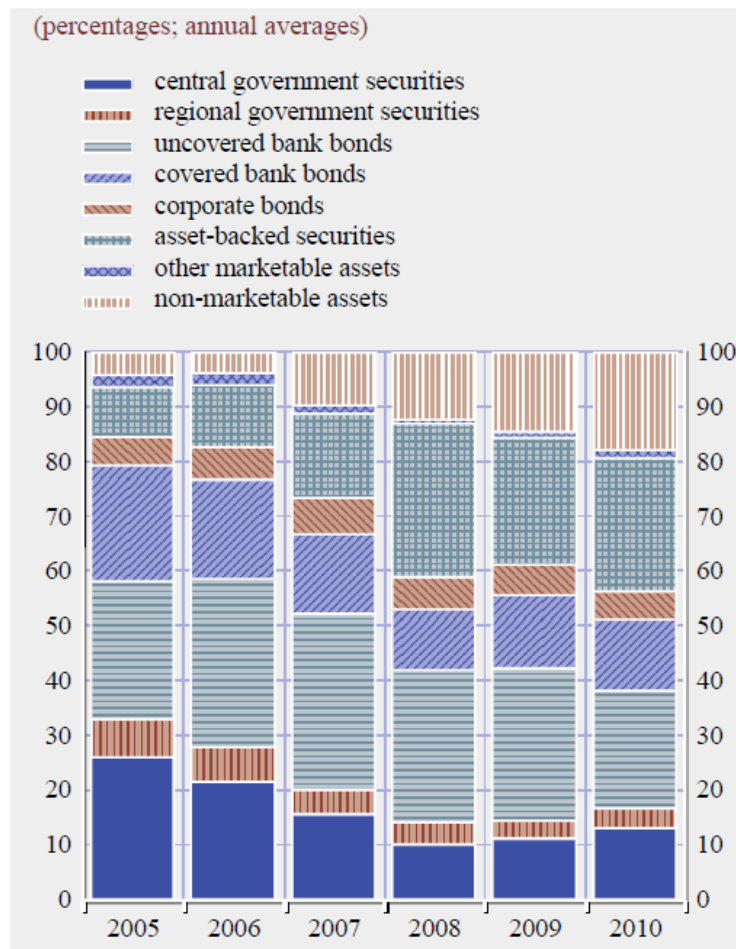
Update on availability and use of collateral

- Collateral put forward and outstanding credit



Update on availability and use of collateral

- Collateral put forward by asset class



ECB developments and announcements

[31 March 2011](#)

Suspension of the rating threshold for marketable debt instruments issued or guaranteed by the Irish government.

[7 April 2011](#)

Rate hike by 25 bps for all three policy rate. This implies that the rate corridor remains unchanged at +/- 75 bps.

[29 April 2011](#)

Following the general decision to establish loan-by-loan information requirements for ABSs, the ECB intends to introduce these requirements for CMBSs and SME transactions within the next 18 months.

[20 May 2011](#)

Publication of tender and MP calendars for 2012 and 2013

Potential issues for discussion

- *How do members assess the continued high volatility of very short term interest rates and their impact on market liquidity?*
- *Are there any comments on the Governing Council's decision to keep the width of the interest rate corridor unchanged?*
- *What are the main factors determining banks' interest in the 1-week liquidity absorbing fine-tuning operations?*
- *What are members' expectations for the tender procedures in the ECB's liquidity providing operations in Q3/2011?*
- *Are there any comments on the 2010 developments in the use of collateral?*