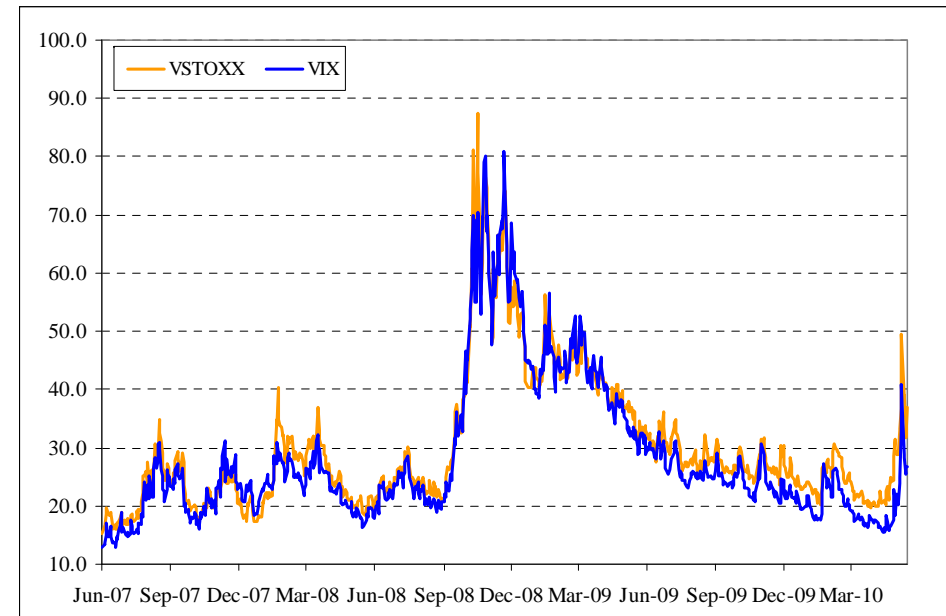
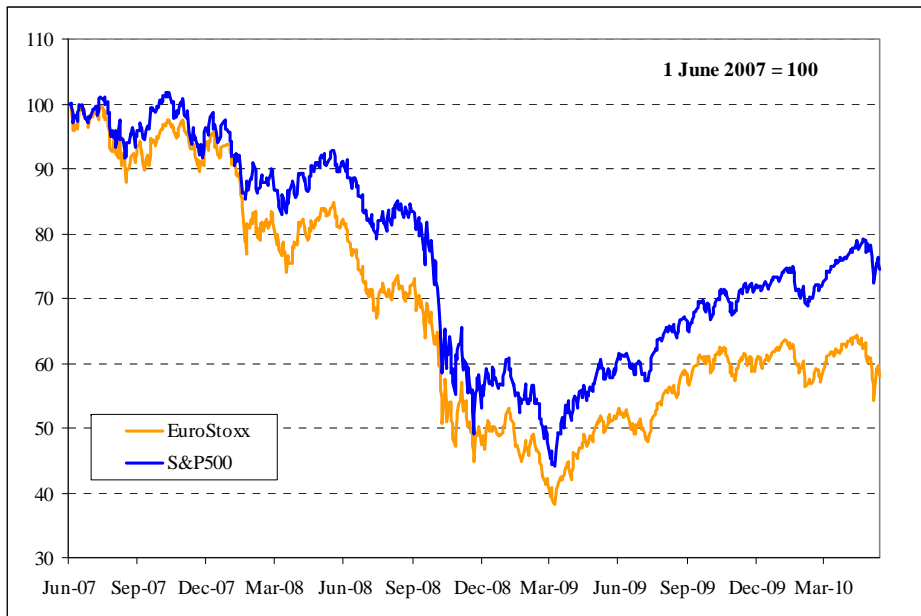


Recent developments in the euro money market

Money Market Contact Group
Frankfurt, 18 May 2010

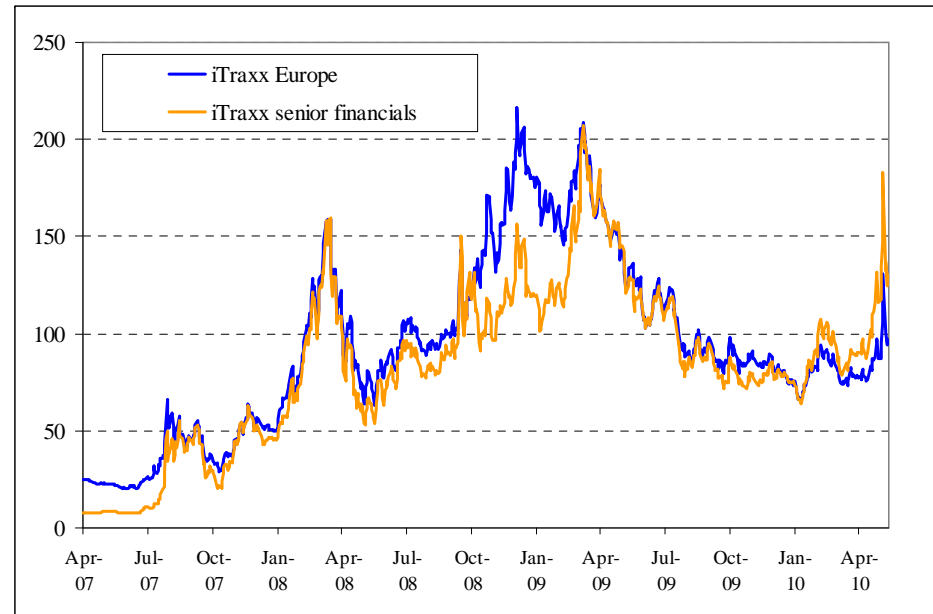
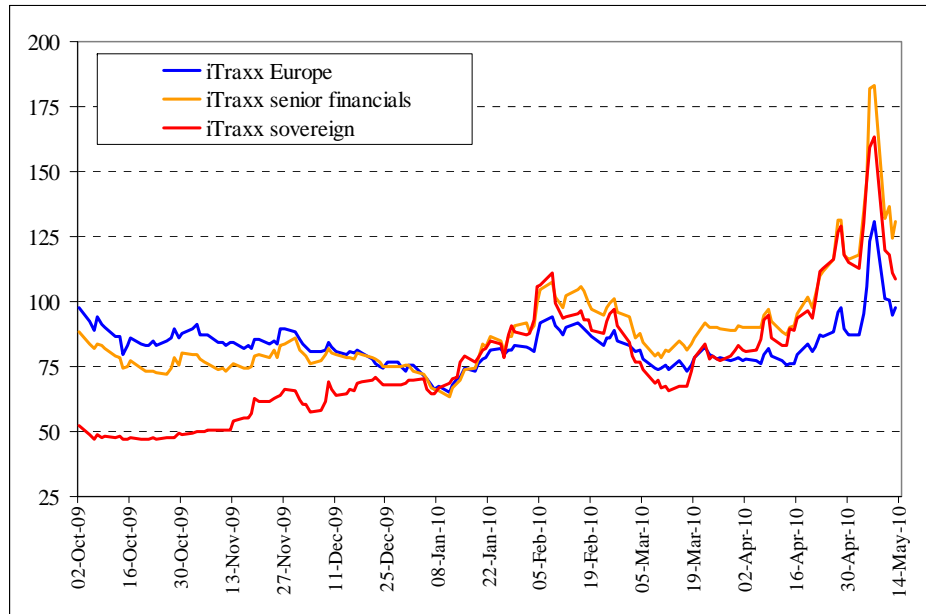
Overall financial market background

I) Stock market prices and implied volatilities

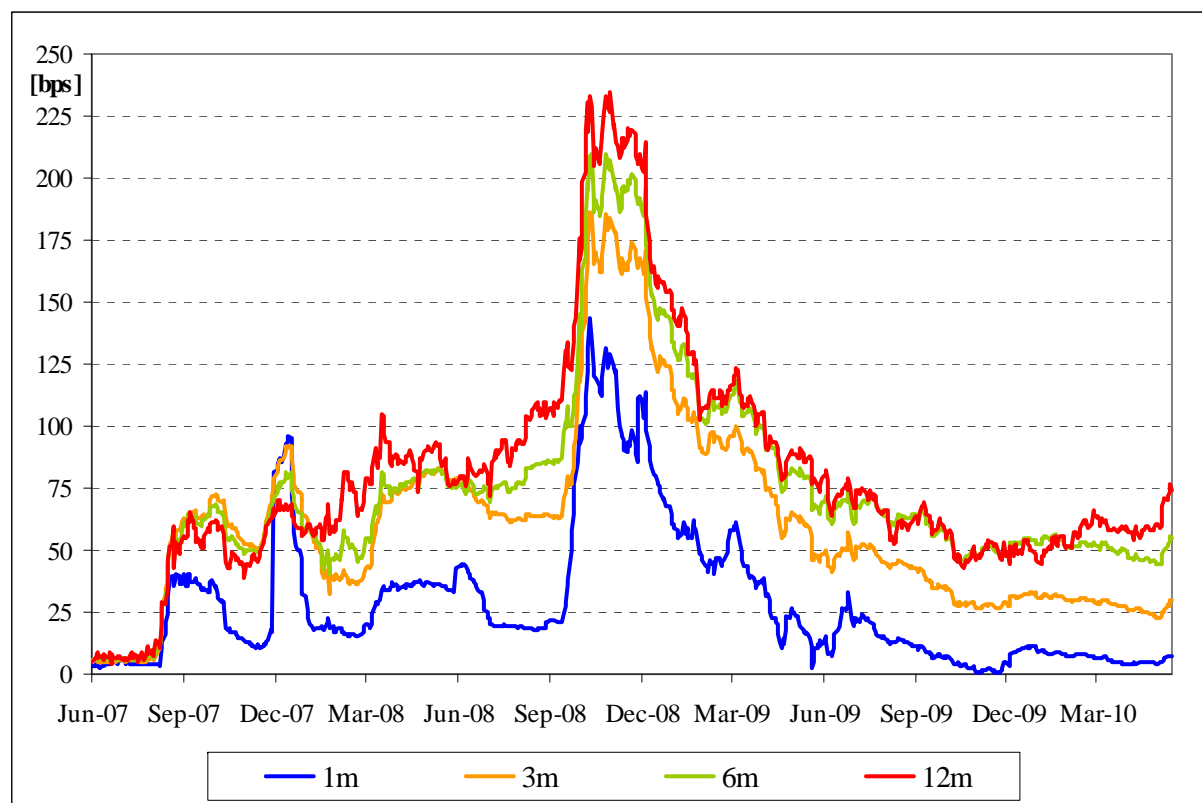


Overall financial market background

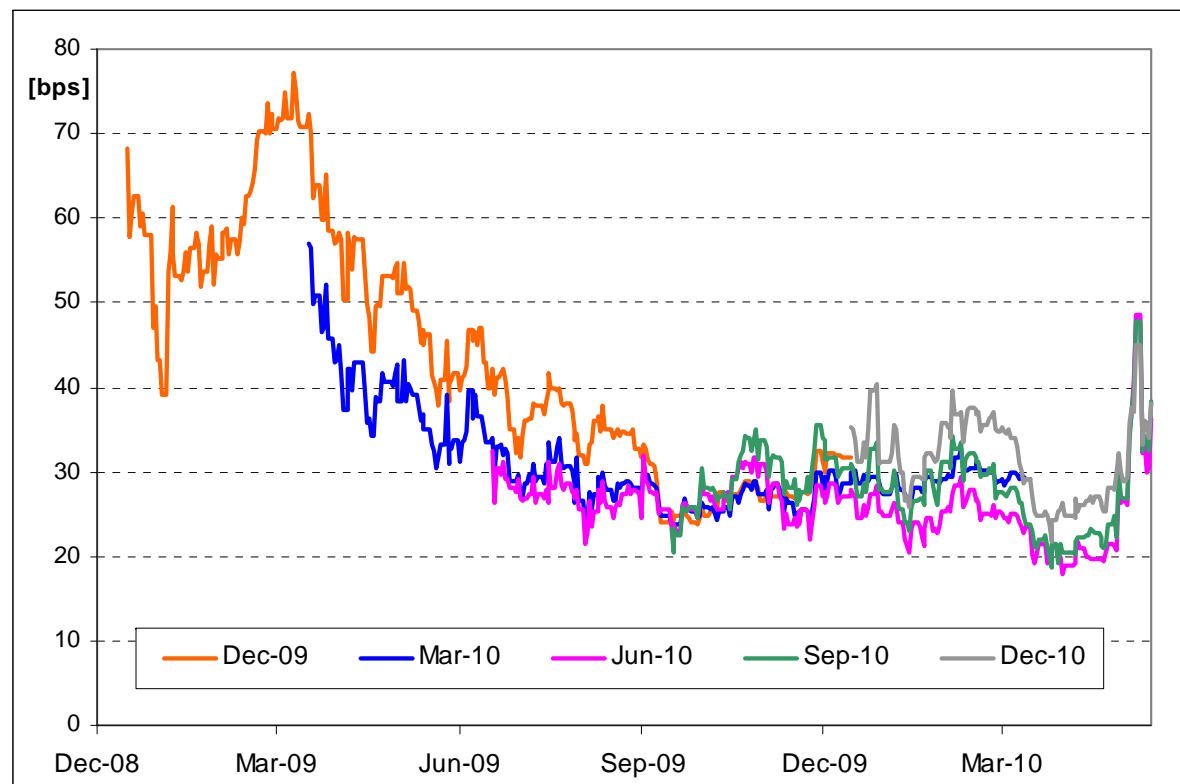
II) Credit market development



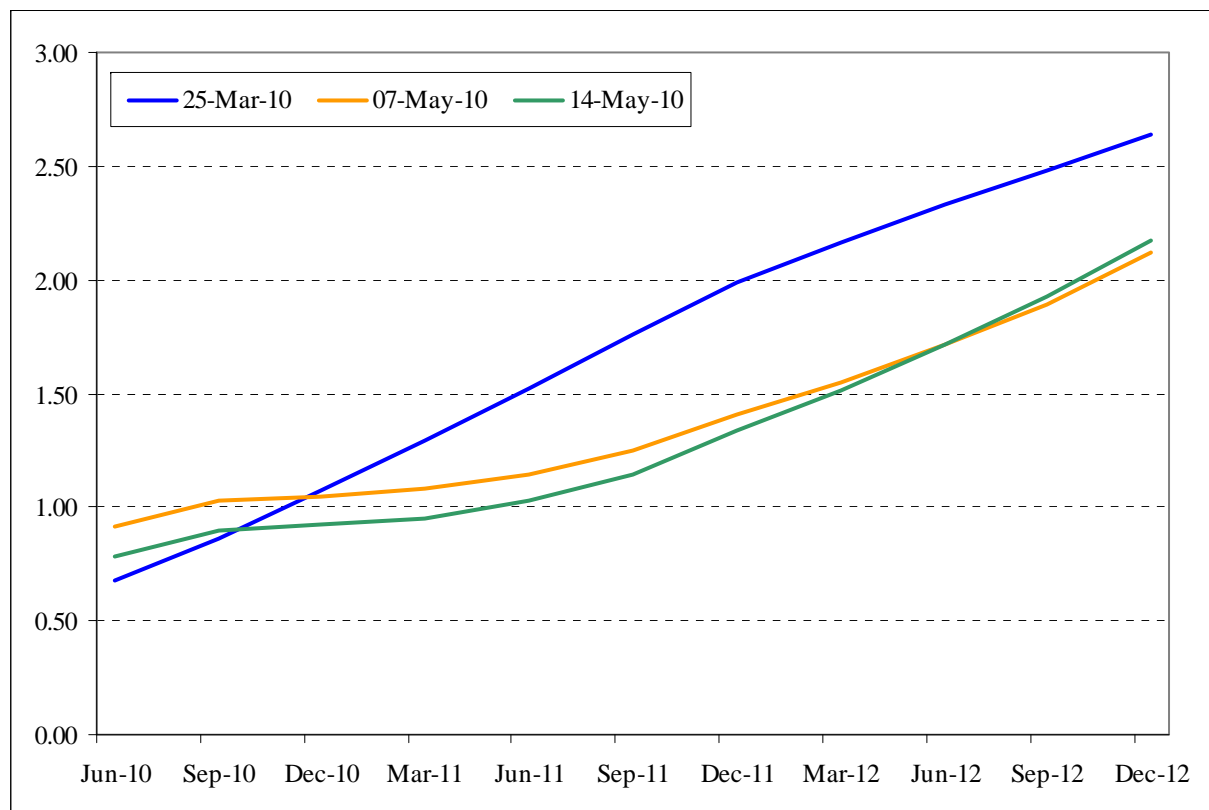
EURIBOR - OIS spreads for different maturities



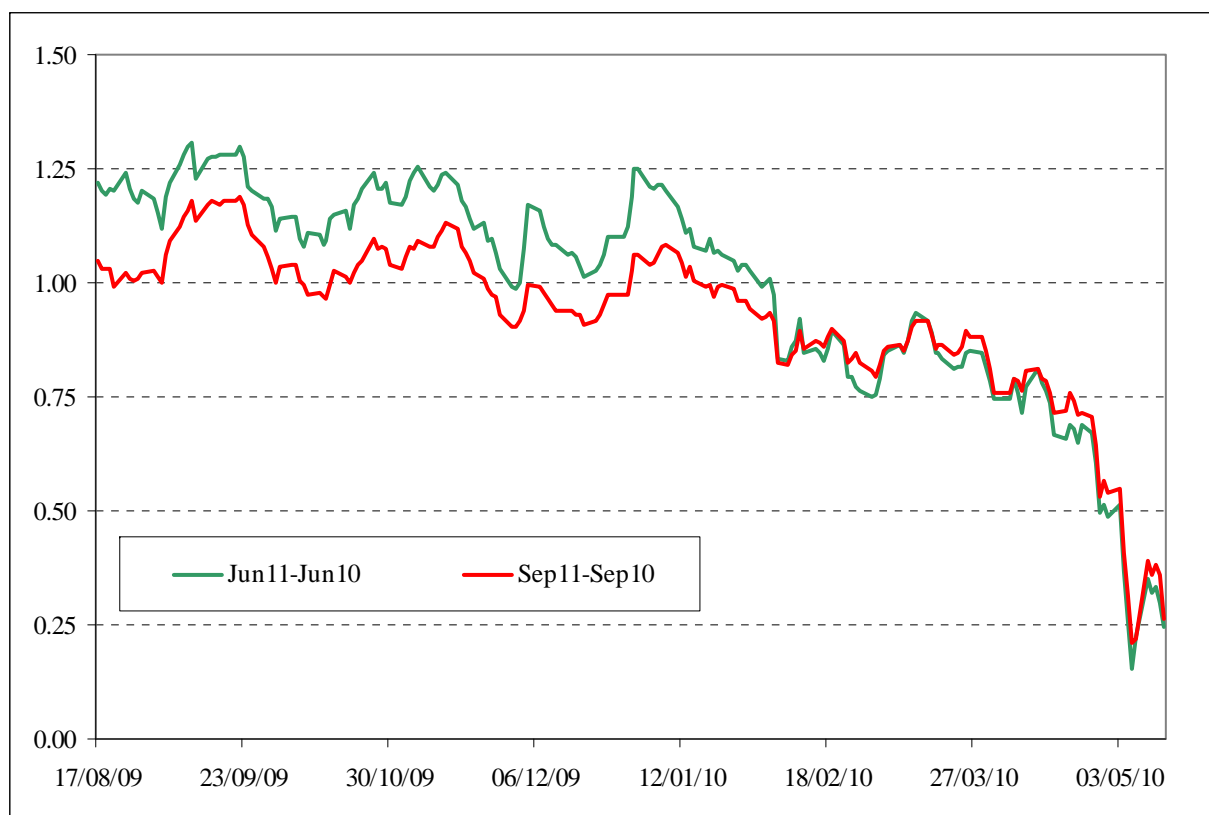
Forward 3-month EURIBOR - OIS spreads



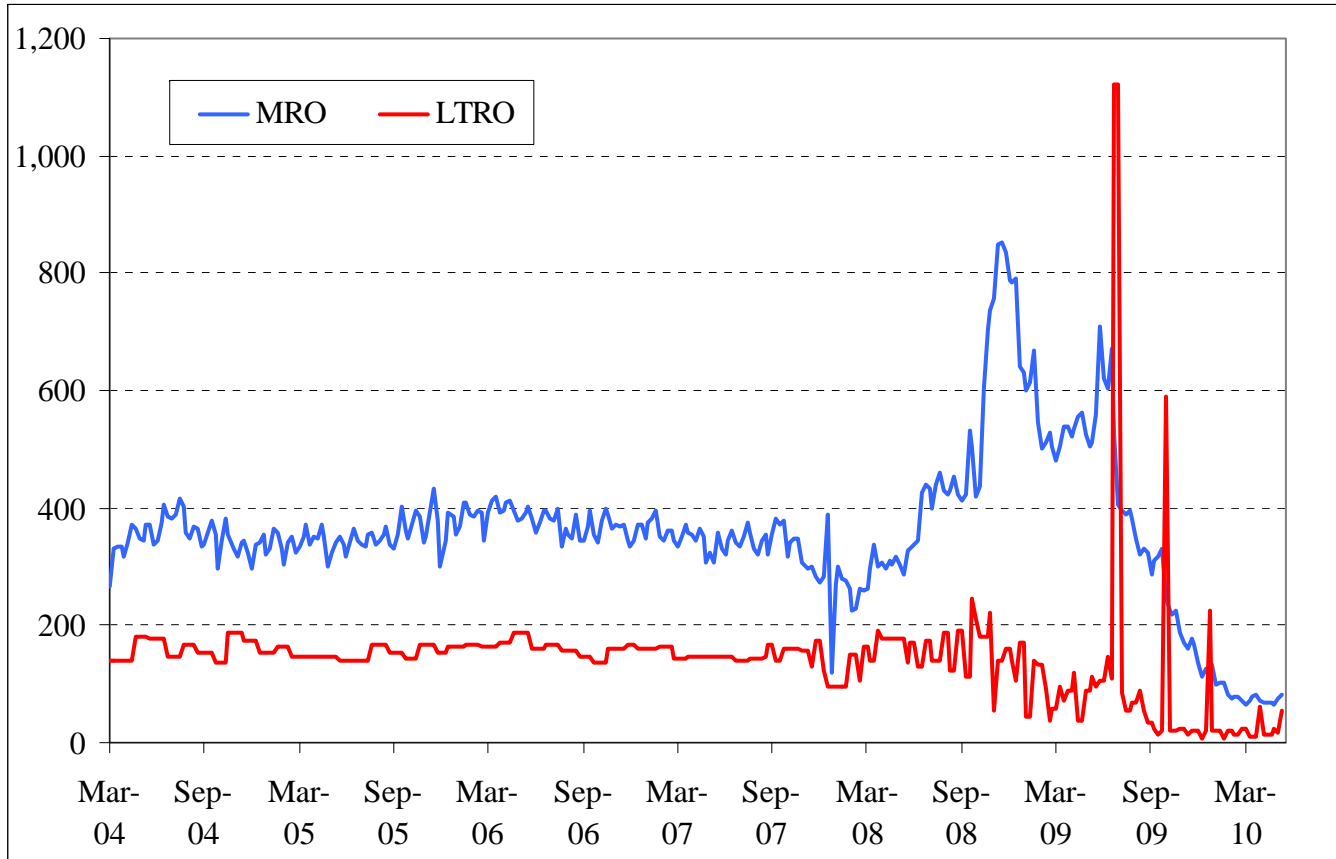
Development of the Euribor futures curve



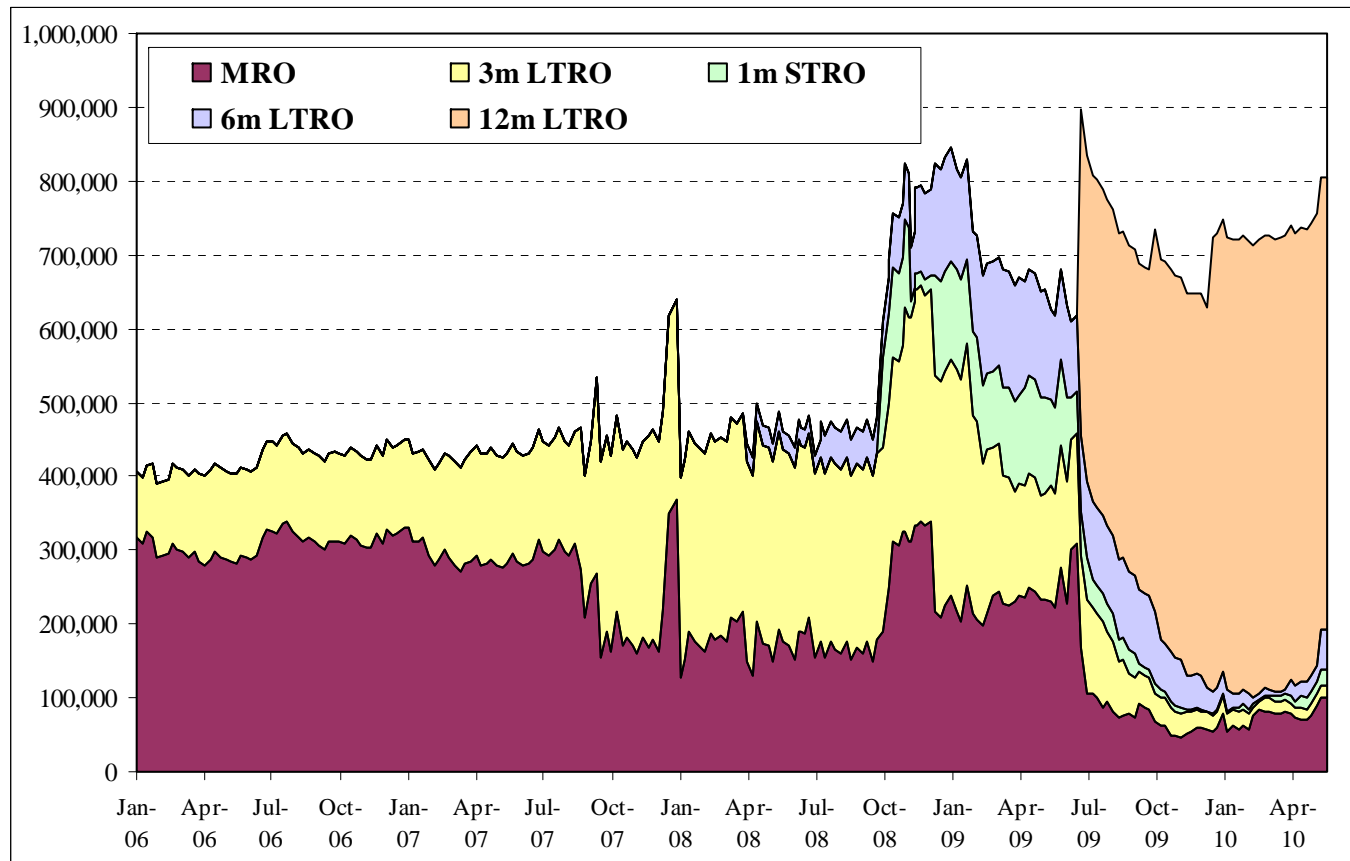
Development of selected Euribor calendar spreads



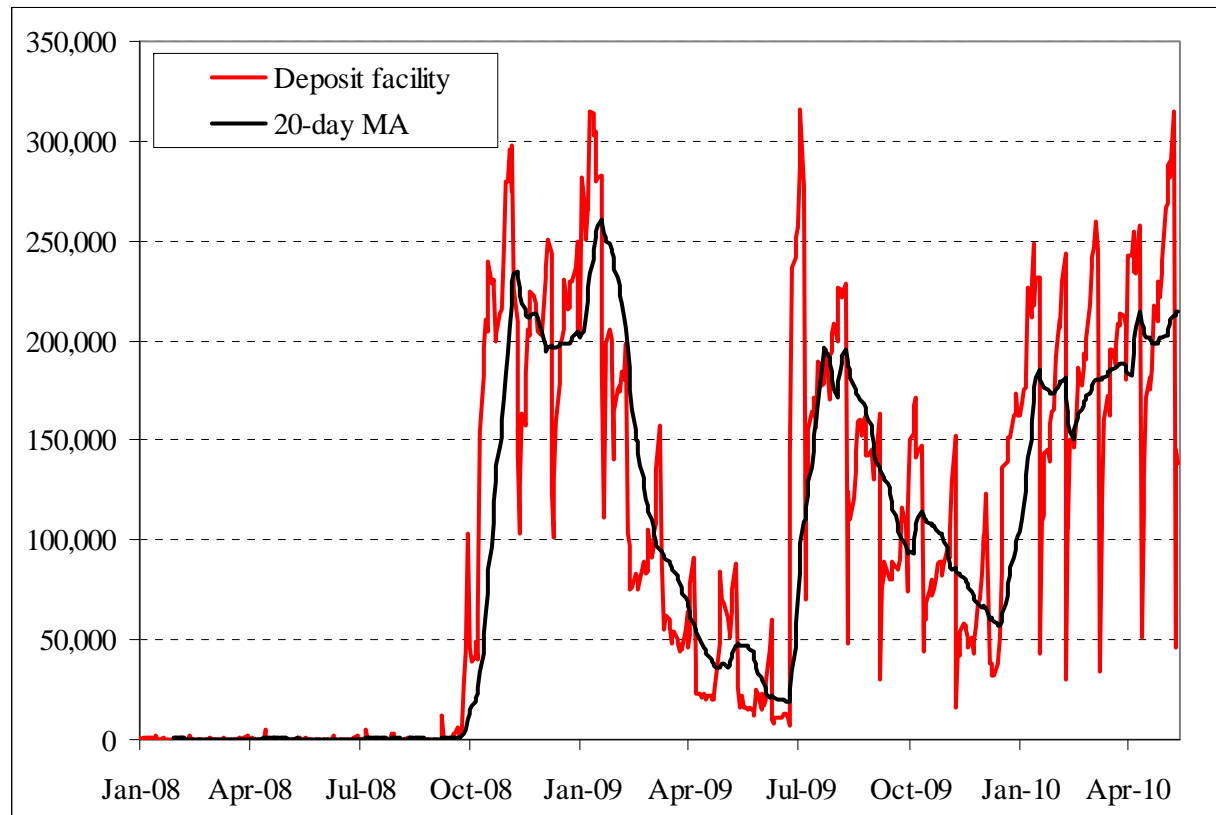
Number of participating banks in MROs and LTROs



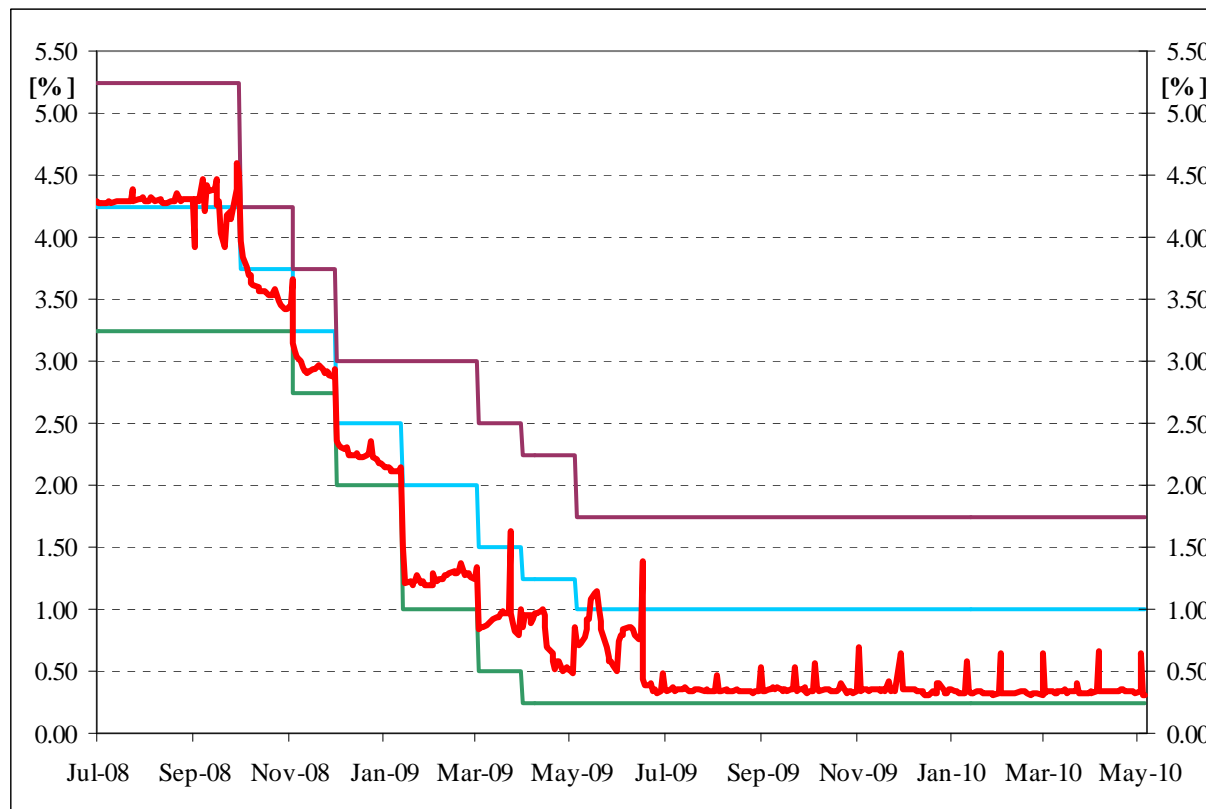
Maturity breakdown of the ECB's liquidity providing operations



Use of the ECB's deposit facility

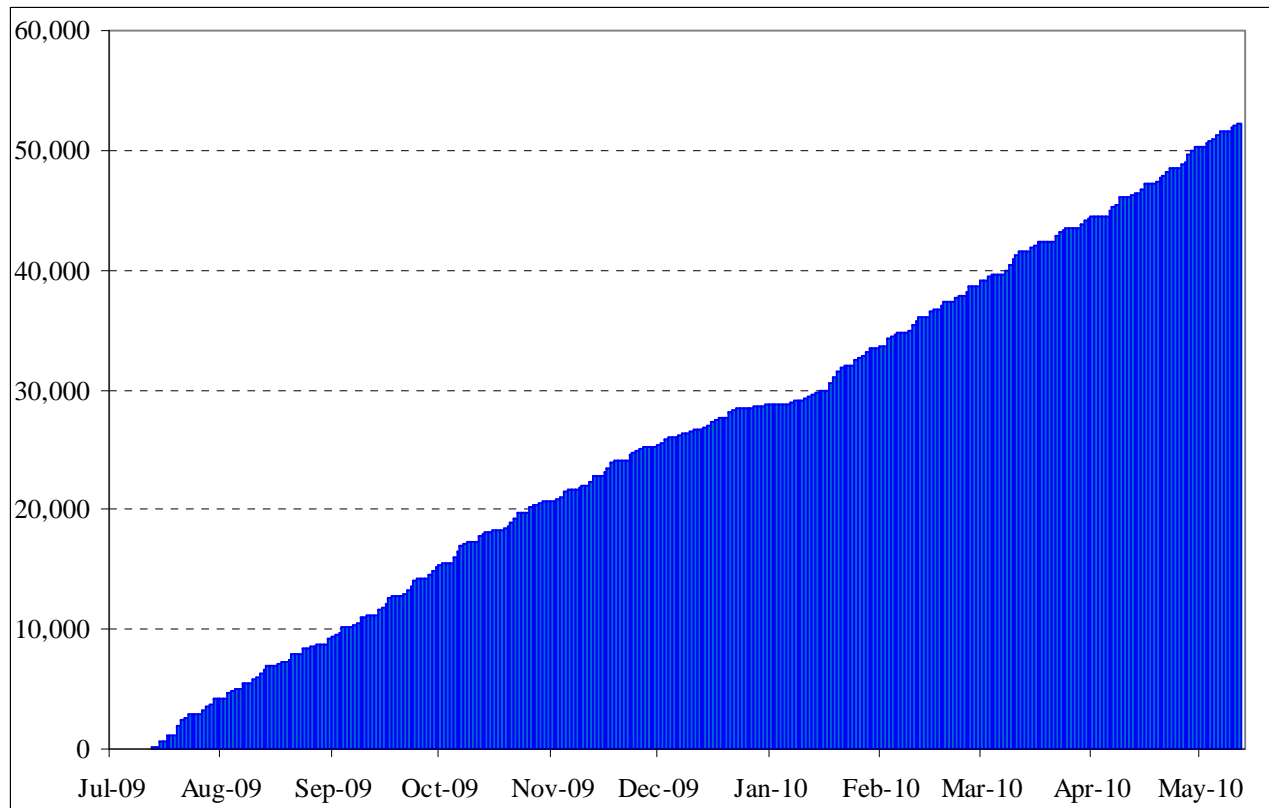


ECB rates and Eonia developments



Covered Bond Purchase Programme

- Evolution of Eurosystem purchases

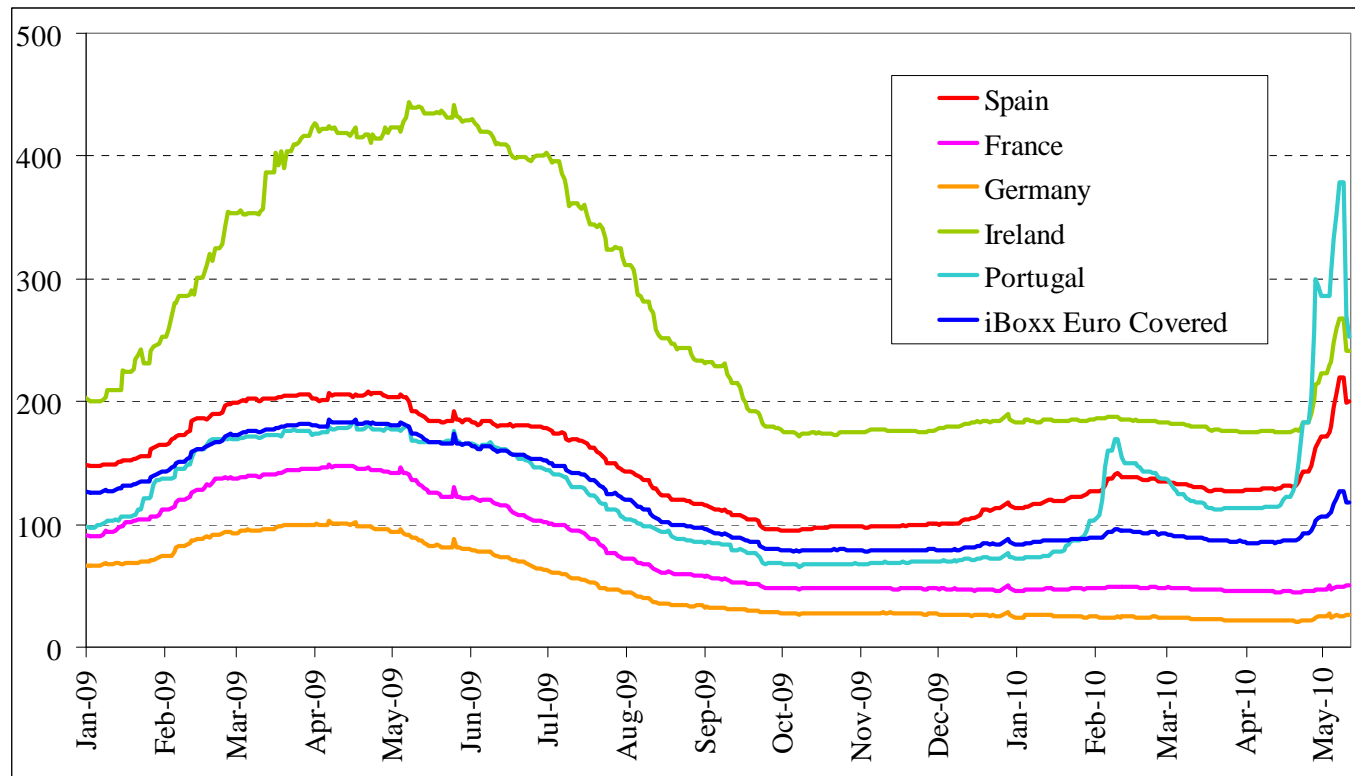


The latest monthly report on the CBPP can be found on the ECB's webpage:

<http://www.ecb.europa.eu/pub/pdf/other/morepeuscovbondpurprogr201005en.pdf>

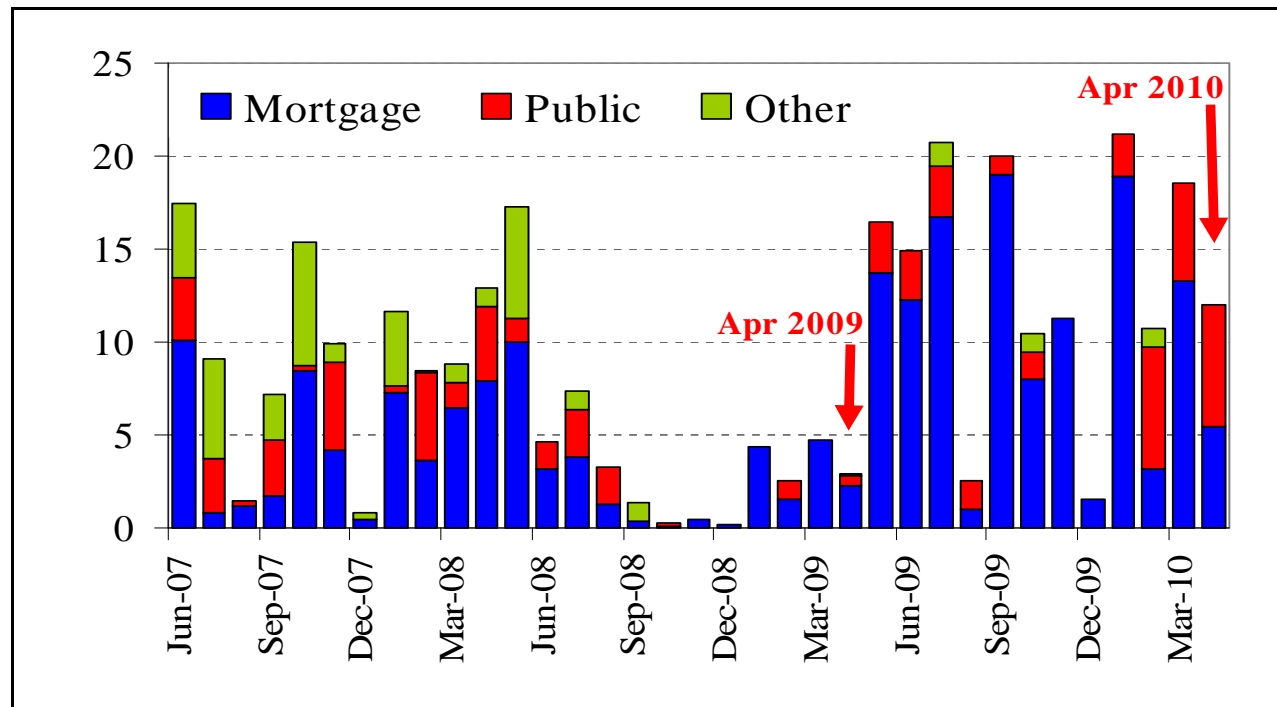
Covered Bond Purchase Programme

- Covered bond spreads in selected countries (in bps)



Covered Bond Purchase Programme

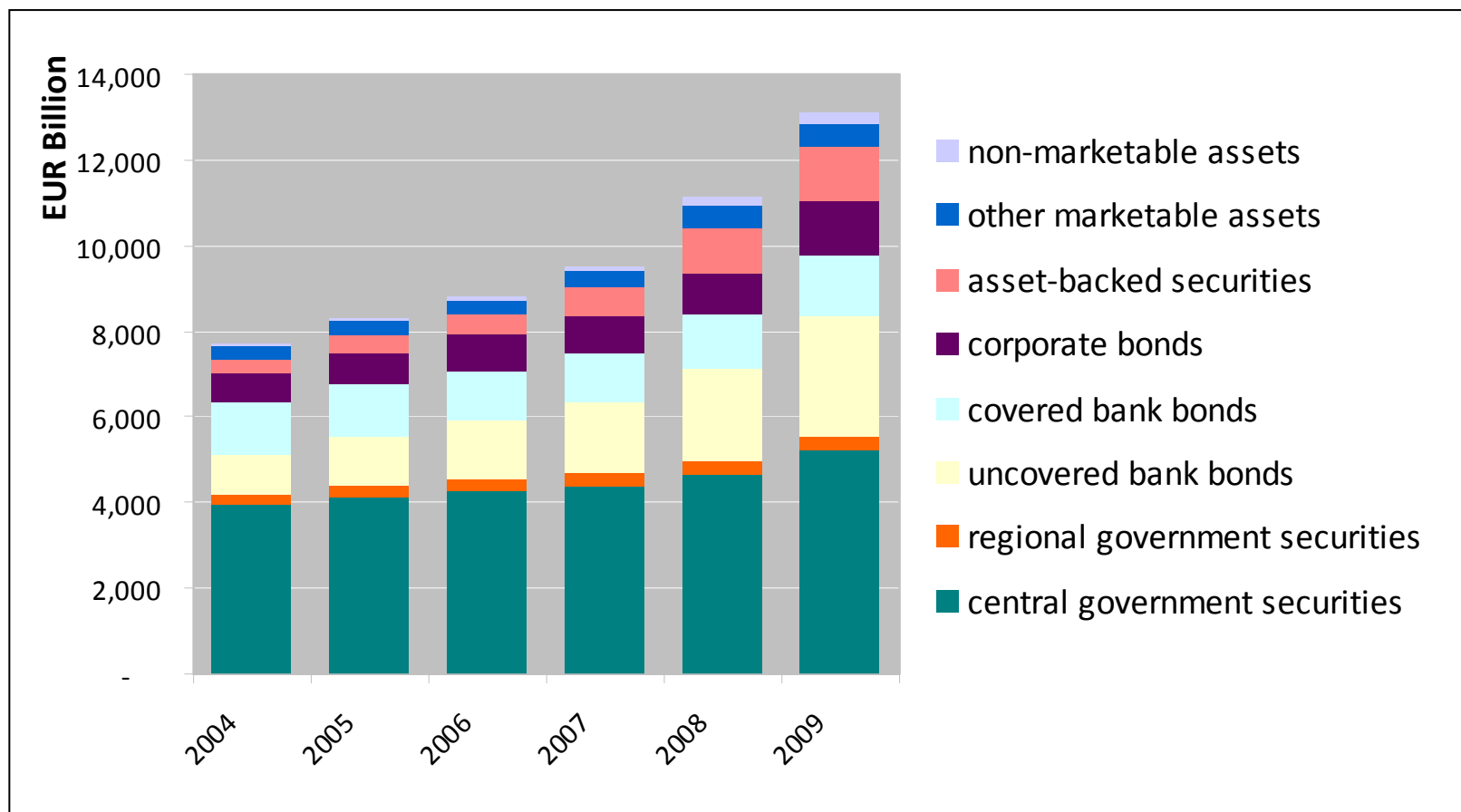
- New issuance volume of jumbo covered bonds [EUR bn]



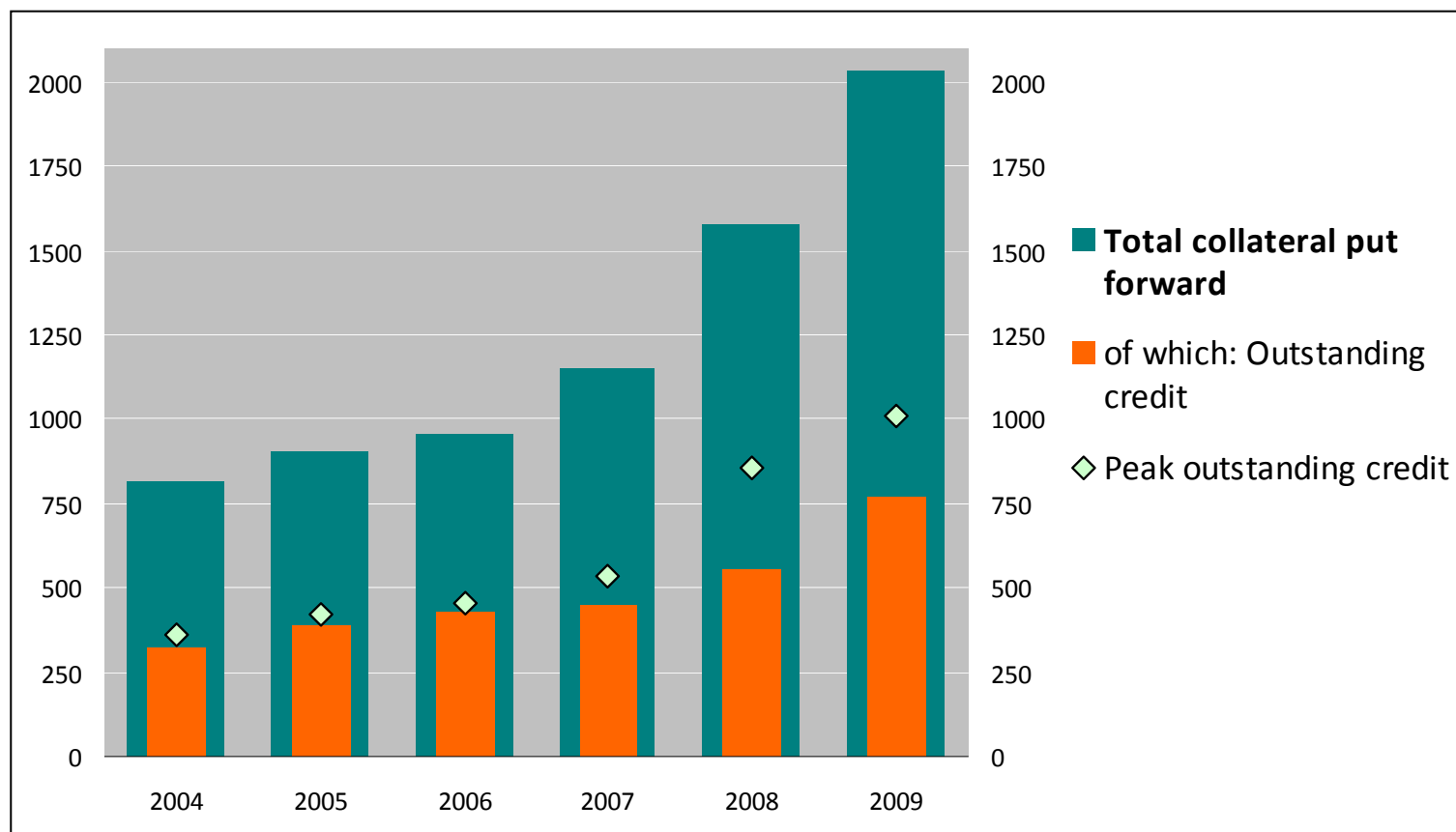
Source: own calculations based on Dealogic

Note: "Other" includes public-, mortgage- and other asset-backed jumbo covered bonds

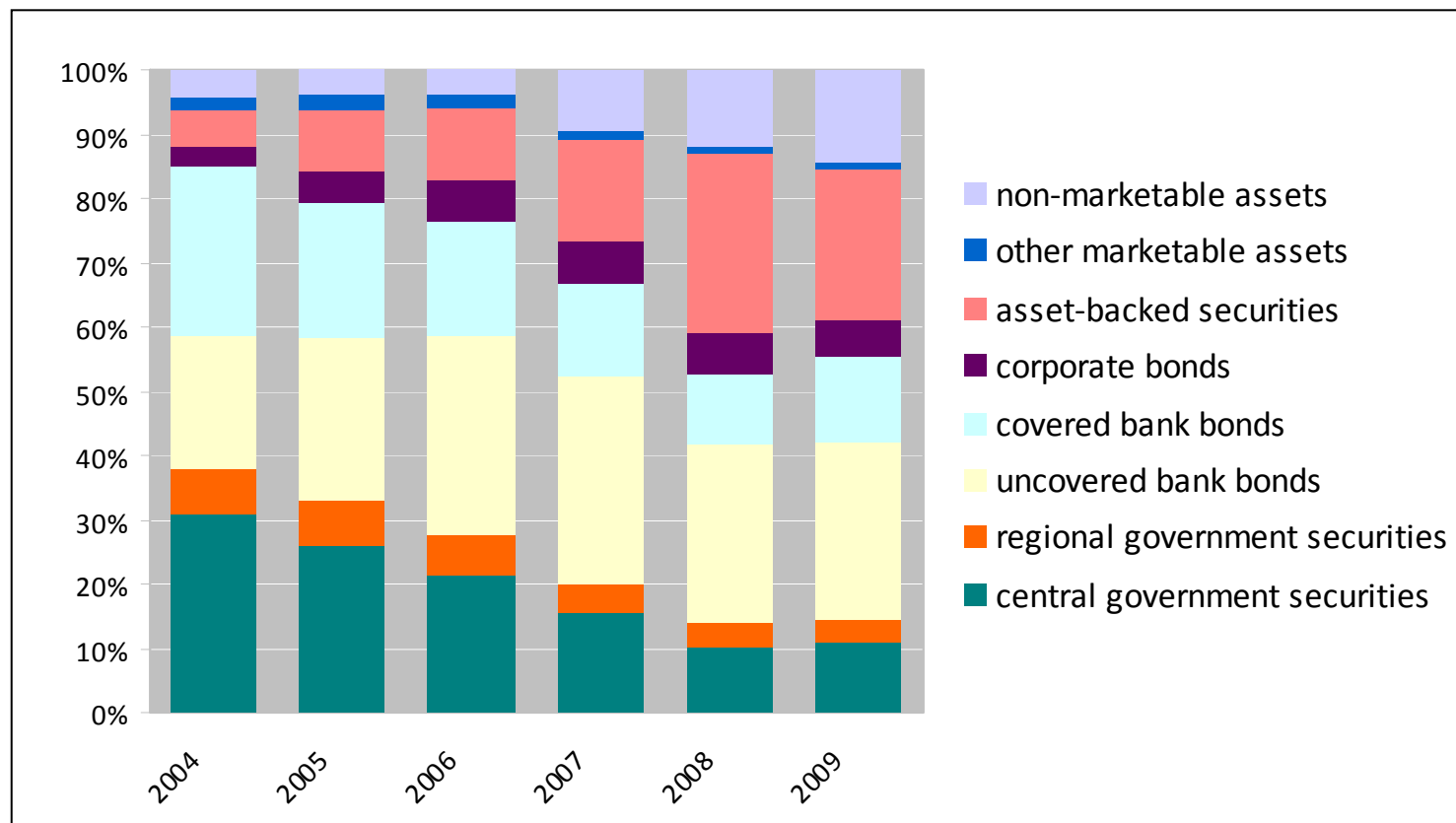
Eligible collateral by asset type



Collateral put forward to ECB vs. outstanding credit



Collateral put forward by asset type



ECB Announcements

4 March 2010

- *Fixed rate / full allotment for all MROs / MPOs until 12 October*
- *Return to variable rate procedure in 3m LTROs*
- *The rate of the last 6-month operation will be fixed at the average minimum bid rate of the MROs over its lifetime.*
- *6-day FTO at the maturity of the first 1-year LTRO*

25 March 2010

- *ECB will keep minimum credit rating threshold in the collateral framework at BBB- beyond the end of 2010*

ECB Announcements

3 May 2010

- *Suspension of minimum credit rating for Greek government bonds*

10 May 2010

- *Return to fixed rate / full allotment in next two 3m LTROs*
- *Additional 6m LTRO with full allotment at average MRO rate*
- *Re-introduction of USD providing operations*
- *Announcement of Securities Markets Programme*
 - *interventions in the euro area public and private debt securities markets*
 - *ensure depth and liquidity in those market segments which are dysfunctional*
 - *restore an appropriate monetary policy transmission mechanism*
 - *scope of the interventions will be determined by the Governing Council*
 - *specific operations will be conducted to re-absorb the liquidity injected through the SMP to ensure that monetary policy stance will not be affected*

Potential issues for discussion

- *What is the assessment of the market reactions to the ECB's latest announcements?*
- *How do you interpret the results of the latest 6m LTRO and of the USD auctions?*
- *What are the expectations for the demand in the 3-month LTRO in late June?*
- *How is the overall assessment of the liquidity in the euro money market?*