



EUROPEAN CENTRAL BANK

EUROSYSTEM

Recent Key Financial Market Developments

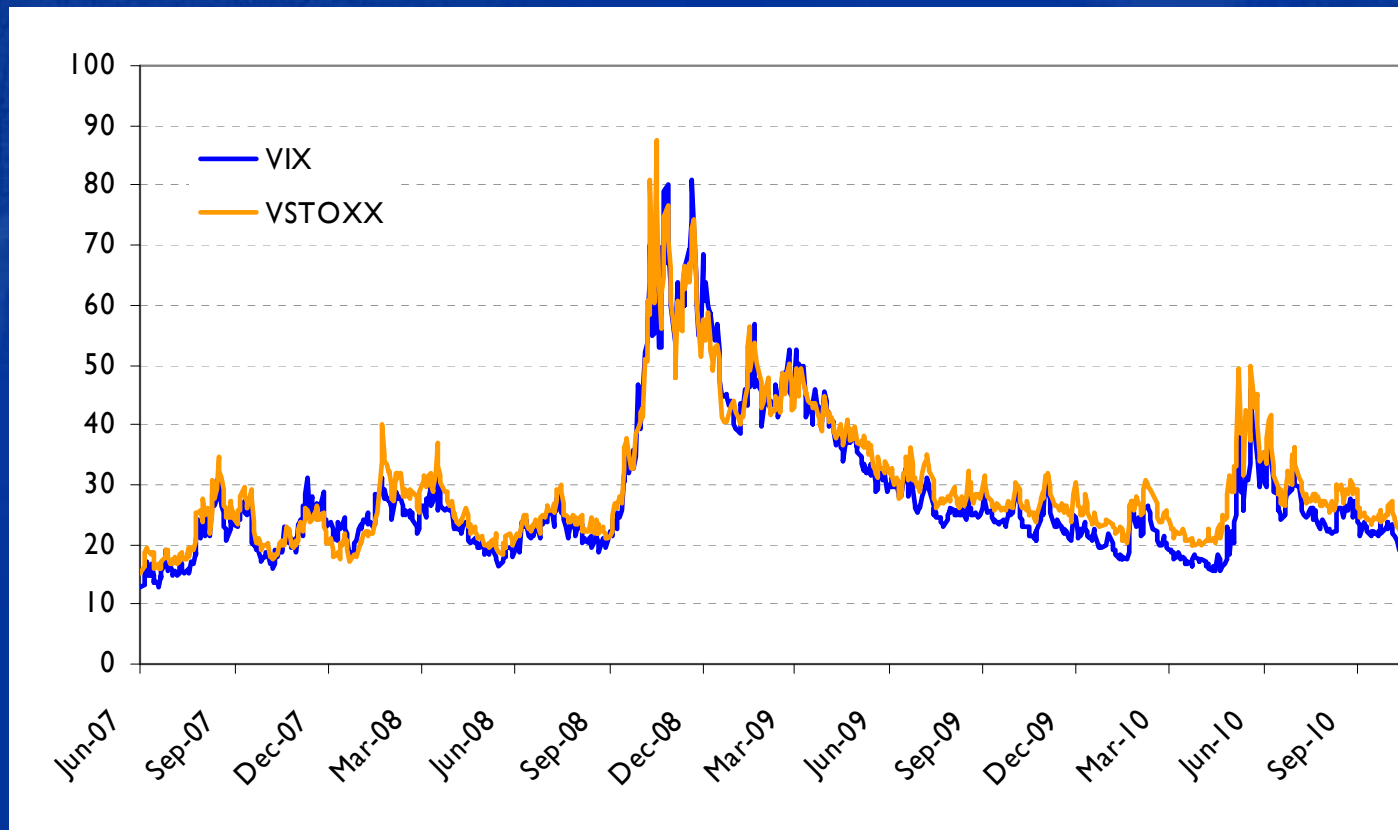
Ivan Frécharde (FXCG secretary)

Frankfurt, 14 October 2010

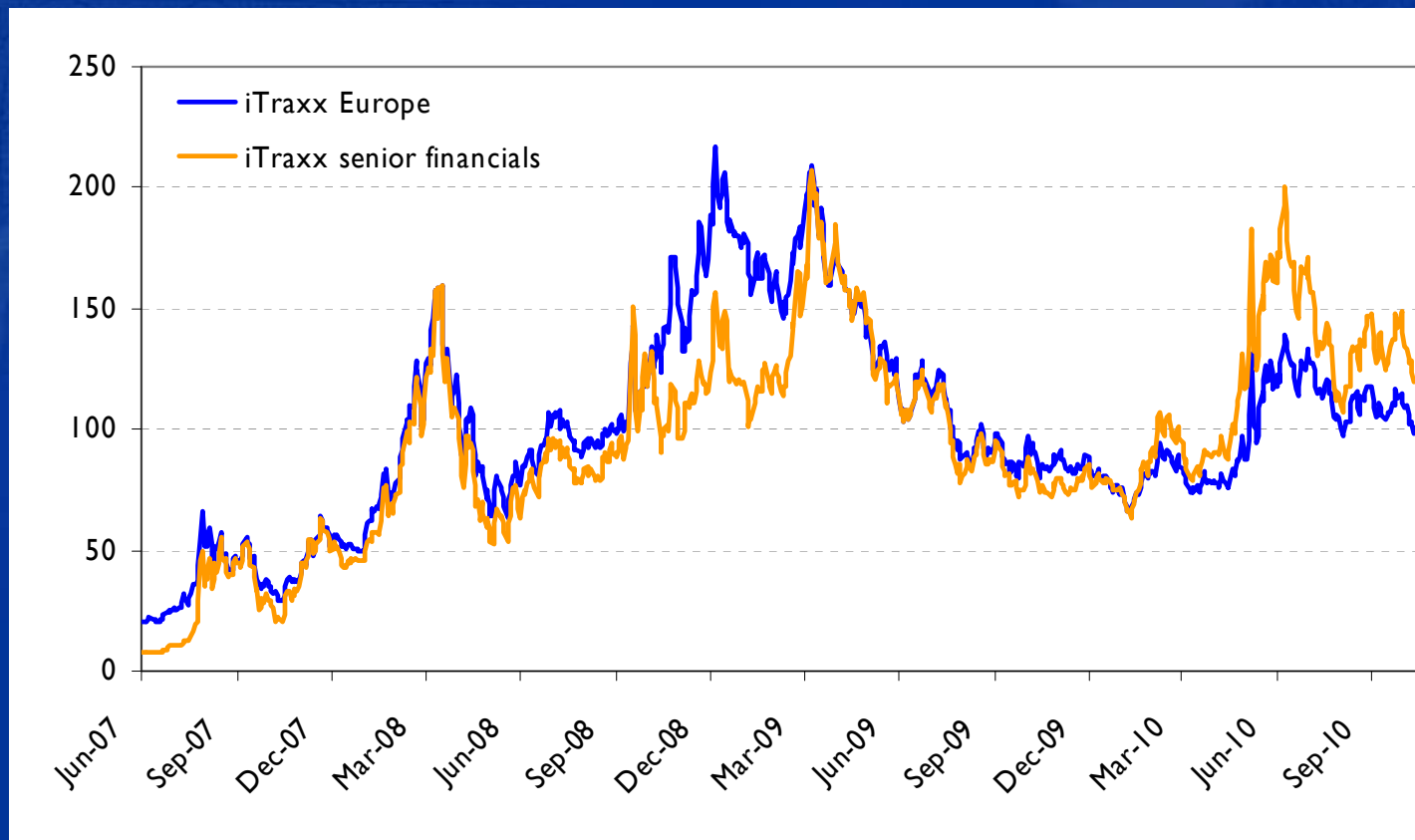
Stock markets have been trading in a range since February, with some volatility around May



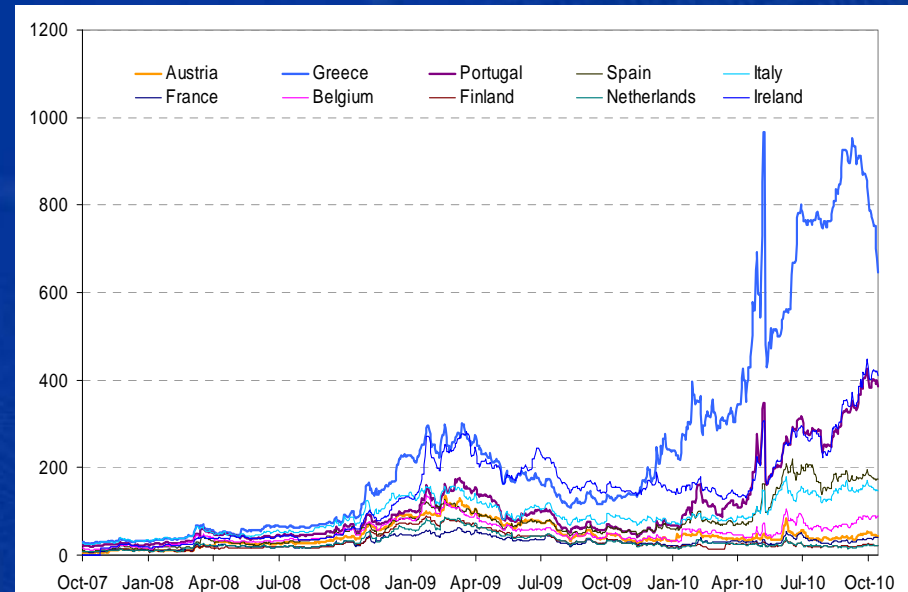
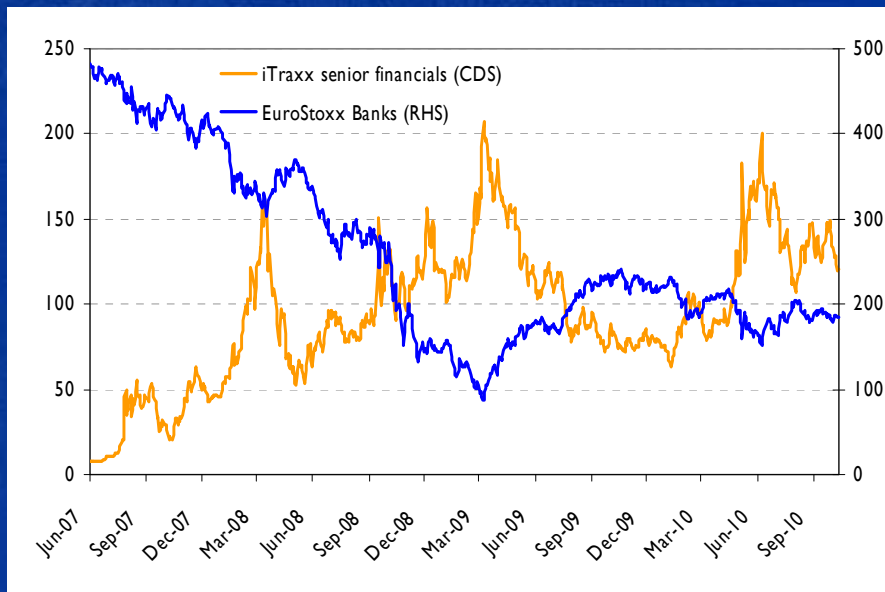
Perceived uncertainty remained at moderate levels with some volatility around May



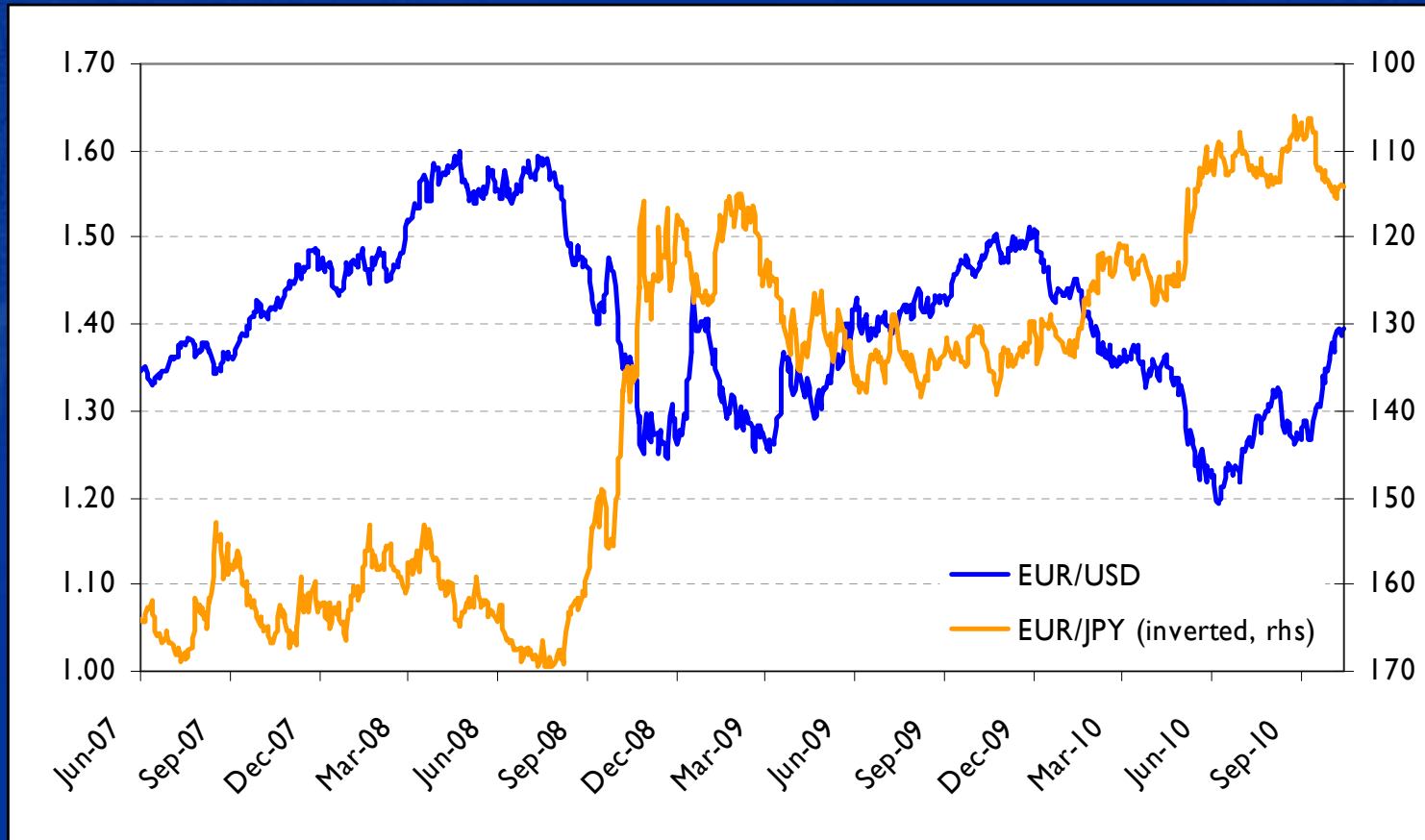
Credit concerns have resurfaced, in particular on financials...



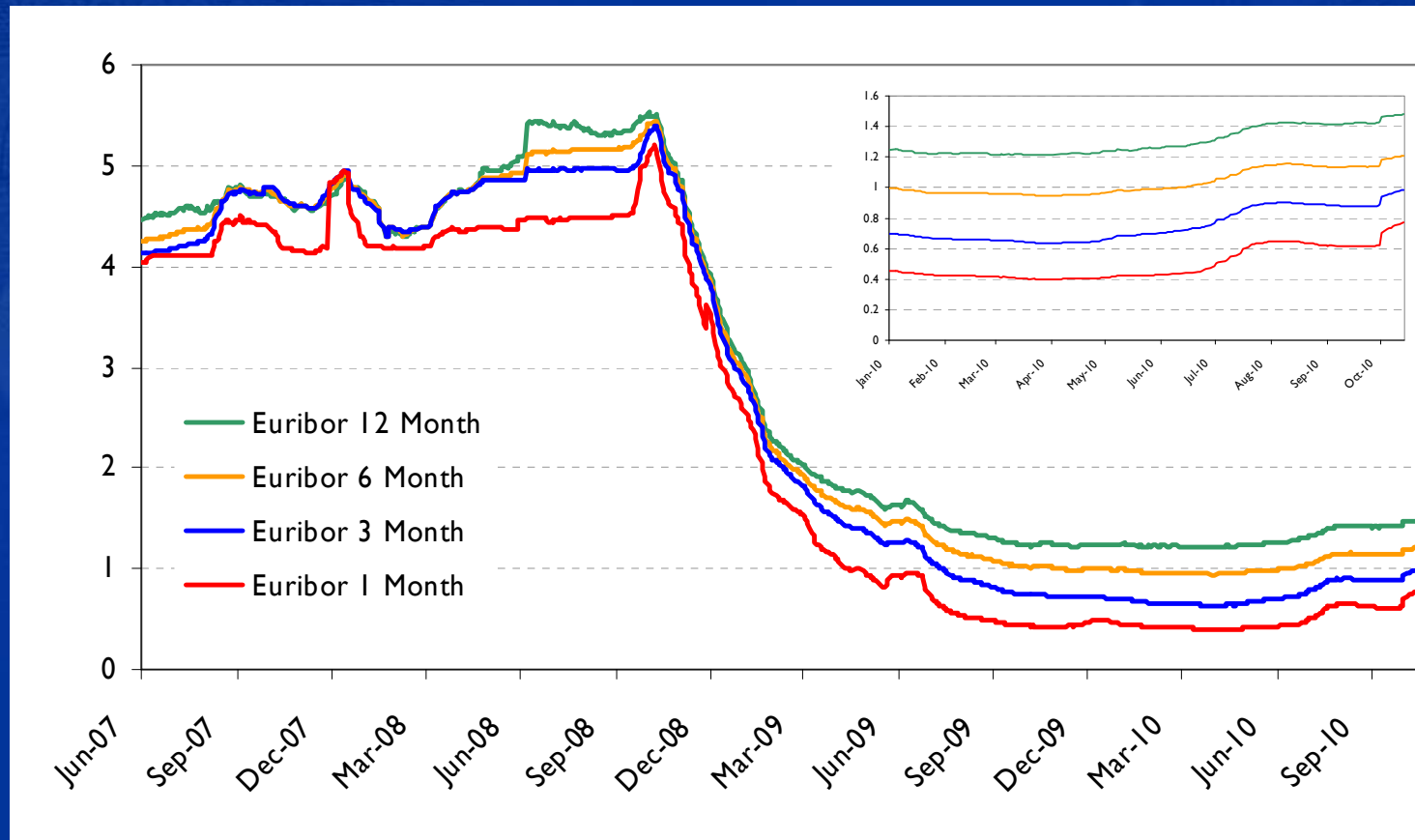
... in tandem with renewed concerns over sovereign debt



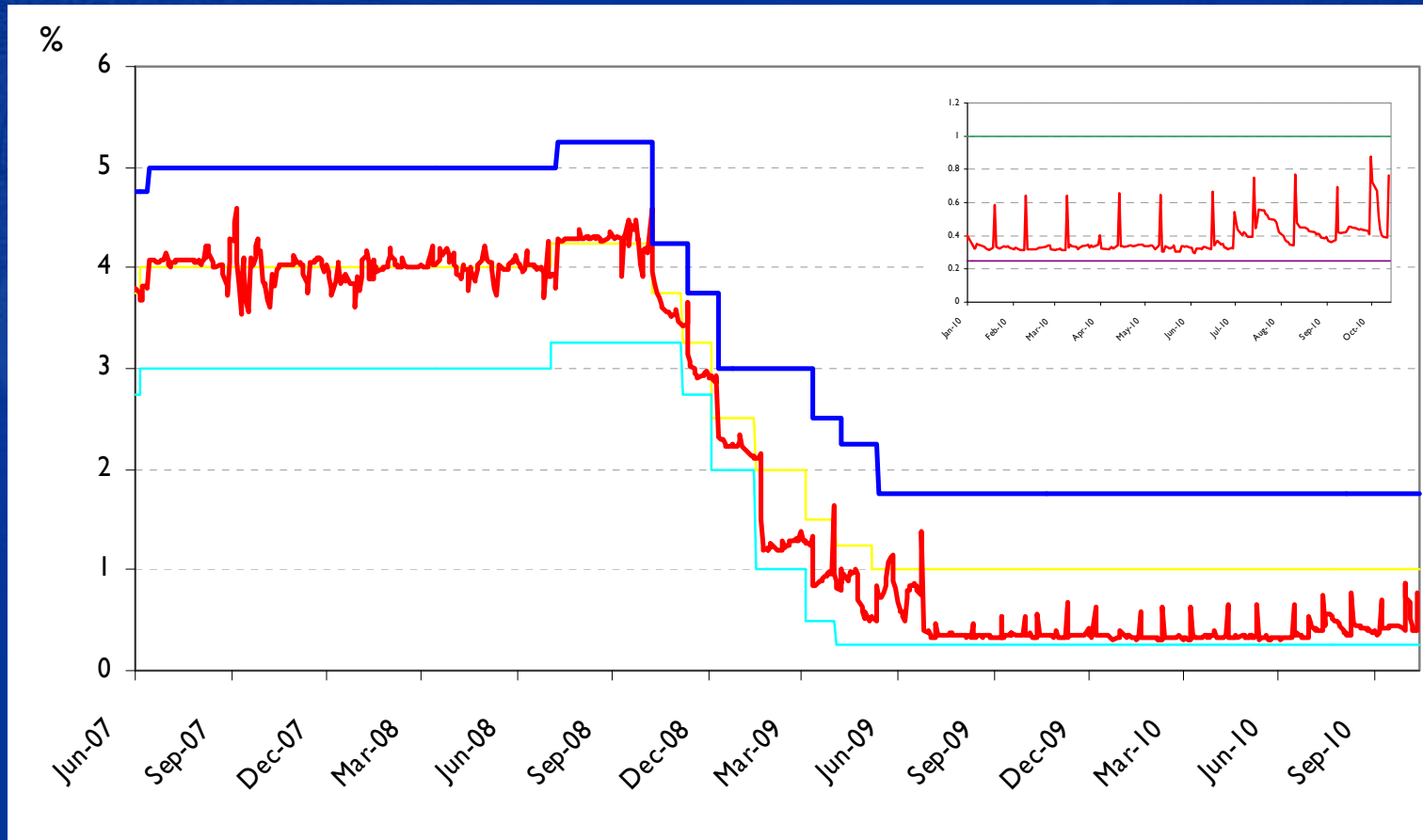
FX markets



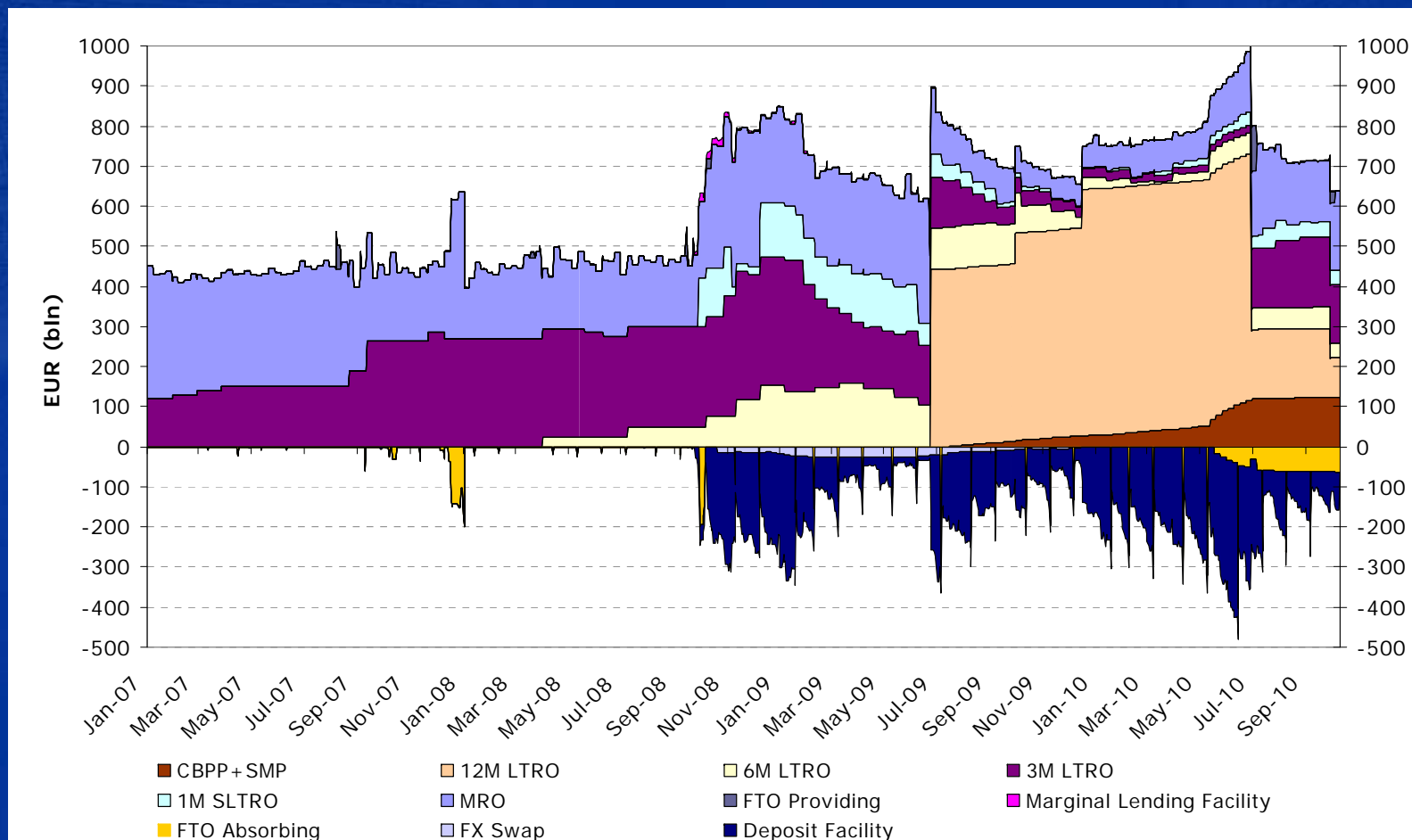
The downward trend in EURIBOR halted



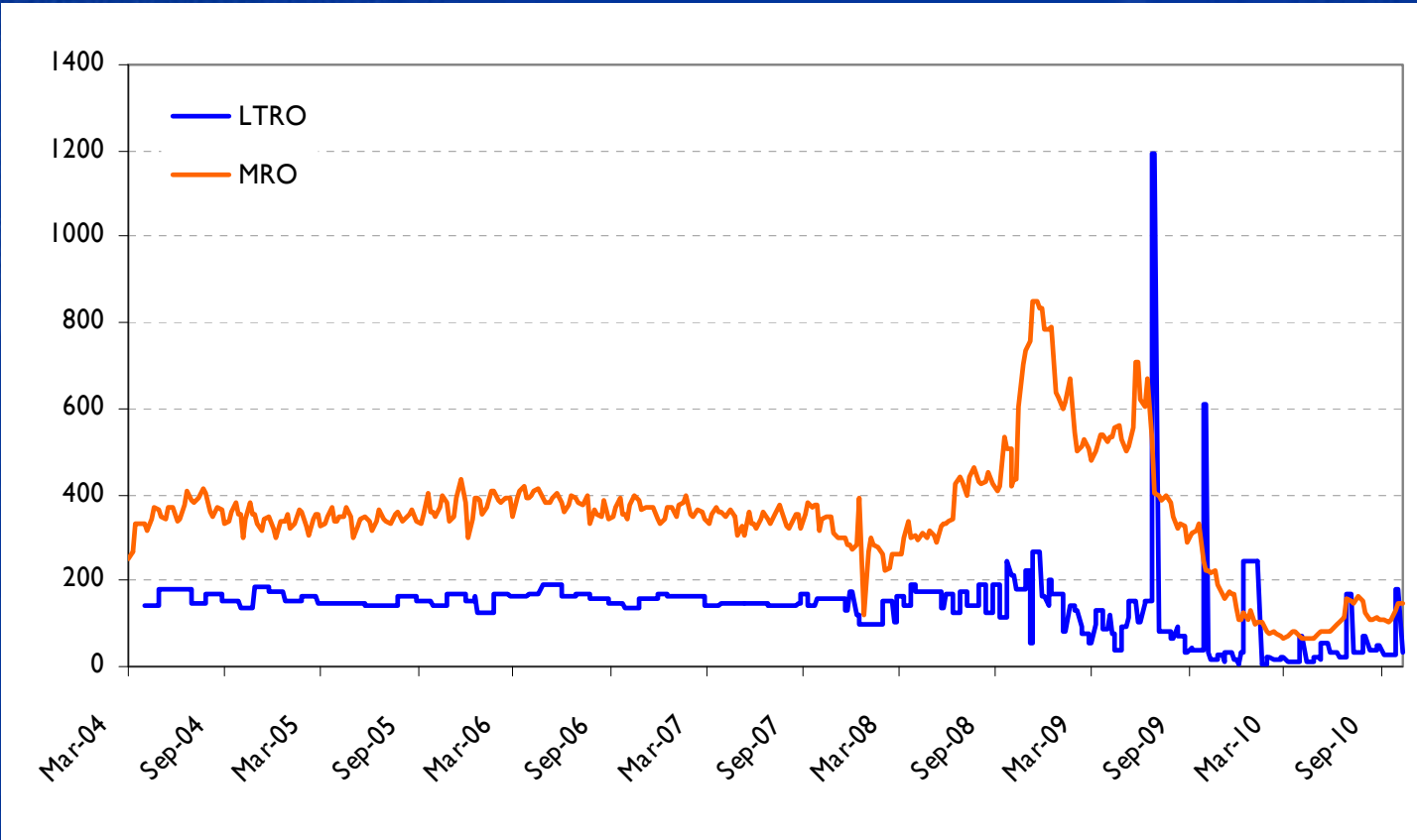
ECB rates and EONIA developments



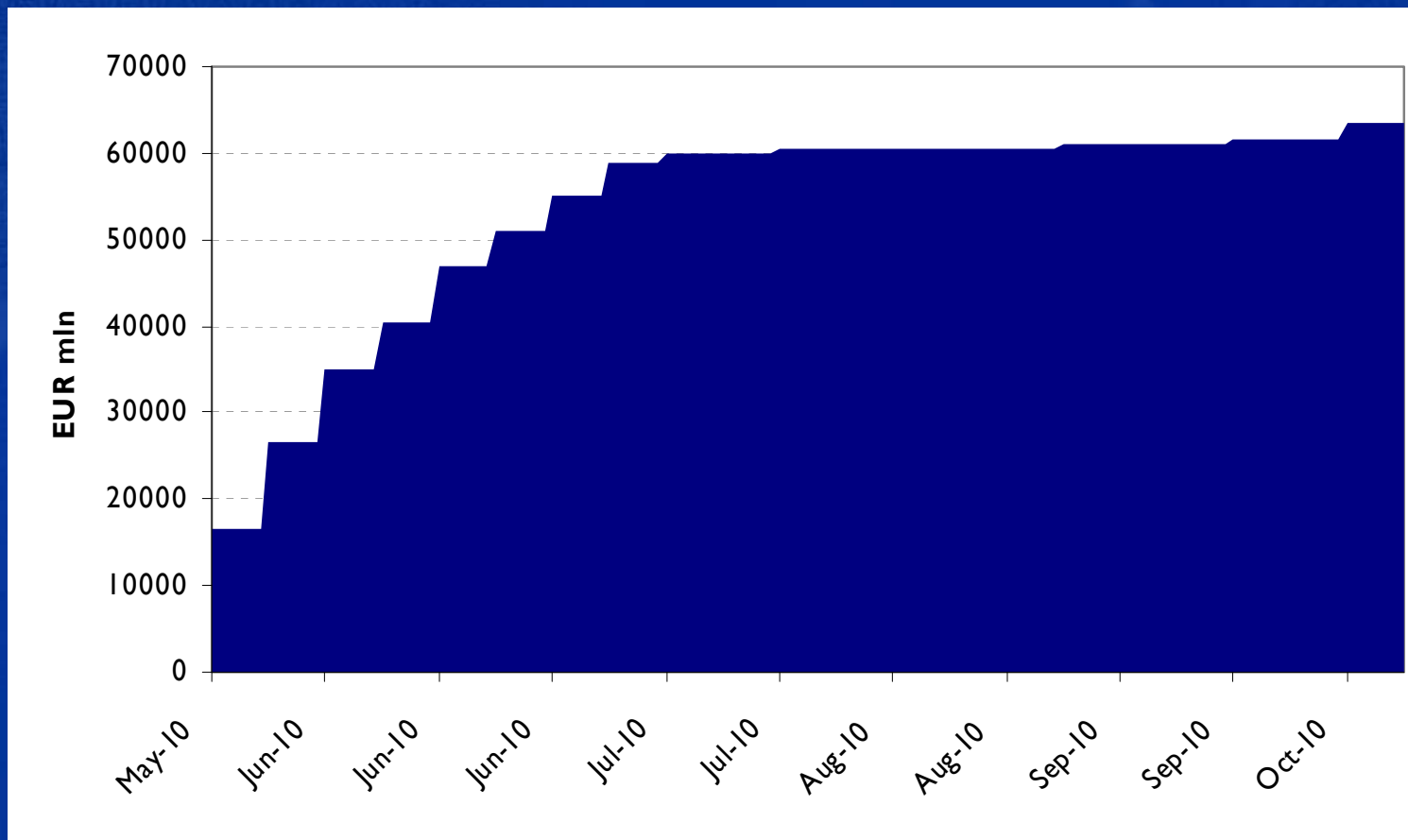
Maturity breakdown of the ECB's liquidity providing operations



Number of participating banks in MROs and LTROs



SMP: evolution of Eurosystem purchases (1-W intended absorbing FTOs)



Recent ECB decisions

- Fixed-rate full allotment for EUR liquidity providing operations at least until January 2011*.
- Interventions on euro debt markets (SMP) and reintroduction of liquidity providing operations in USD**.
- New provisions for the framework for implementation of monetary policy (e.g. collateral)***

(*) For more details see 2 September 2010 press release

(**) see 10 May 2010 press release

(***) see 9 October 2010 press release

Summary

- Renewed tensions arose in relation to sovereign debt since the last OMG meeting in February 2010
- Areas of focus/concern: government debt, central banks' further unconventional measures vs. exit strategies, international cooperation and regulation



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Thank you for your
attention