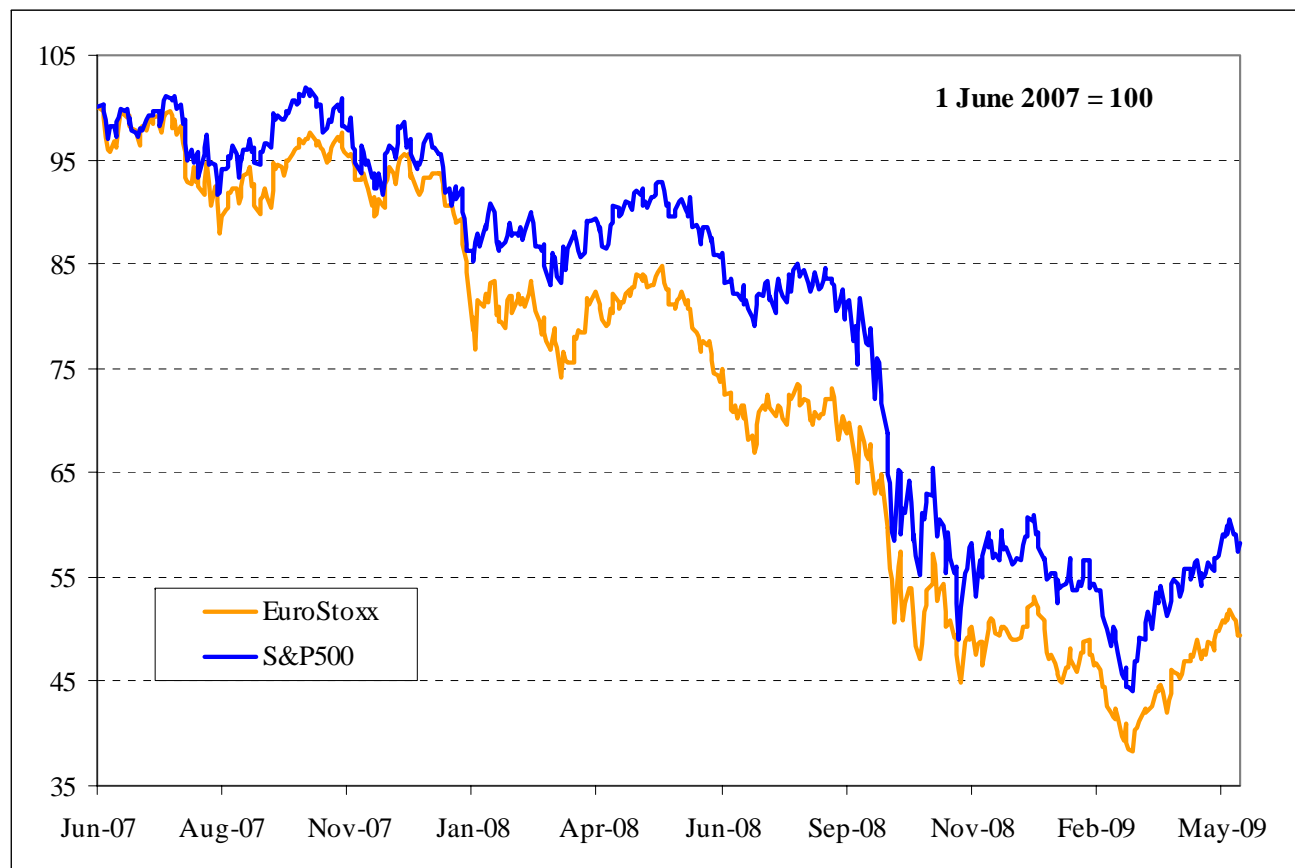


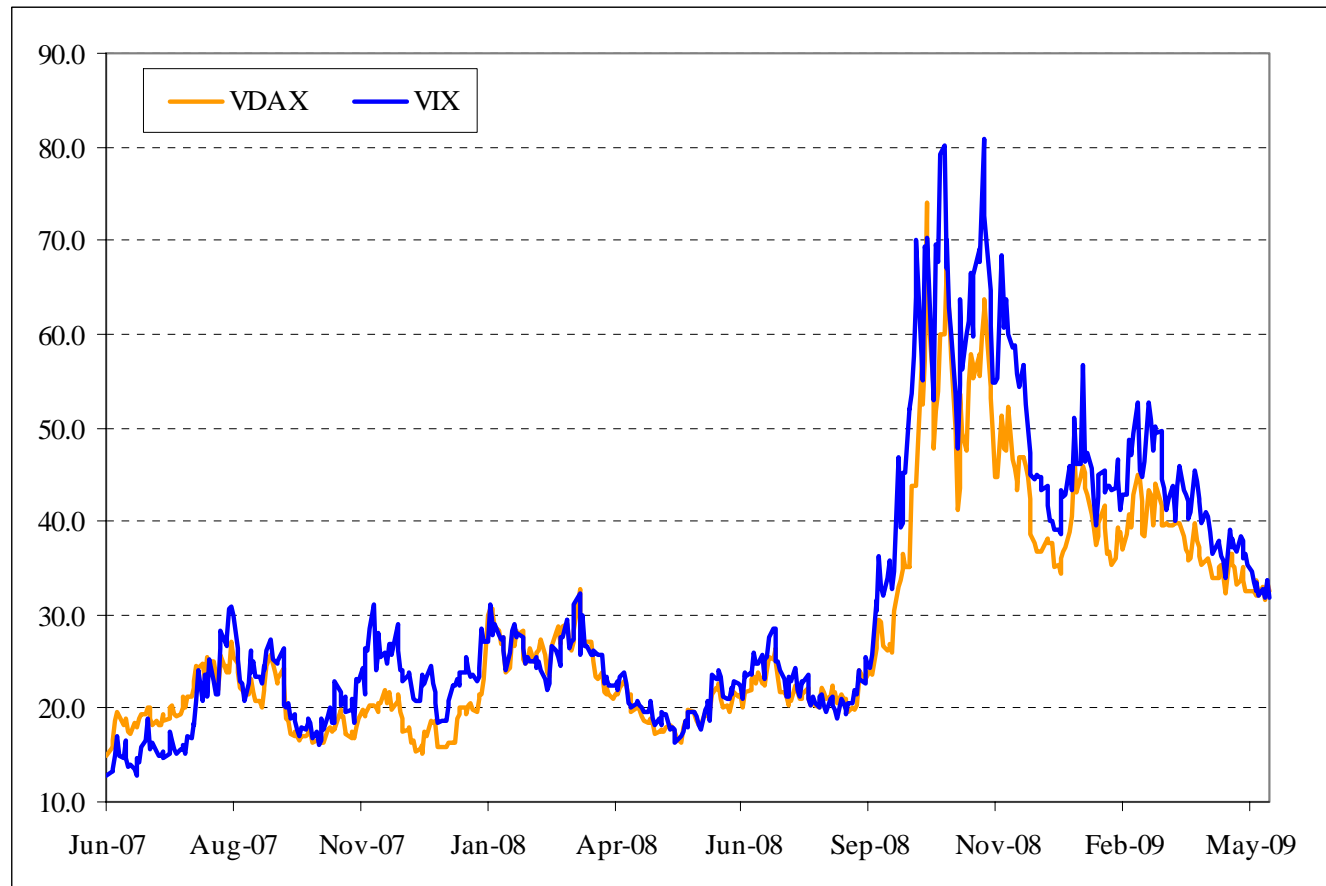
Recent developments in the euro money market

Money Market Contact Group
Frankfurt, 19 May 2009

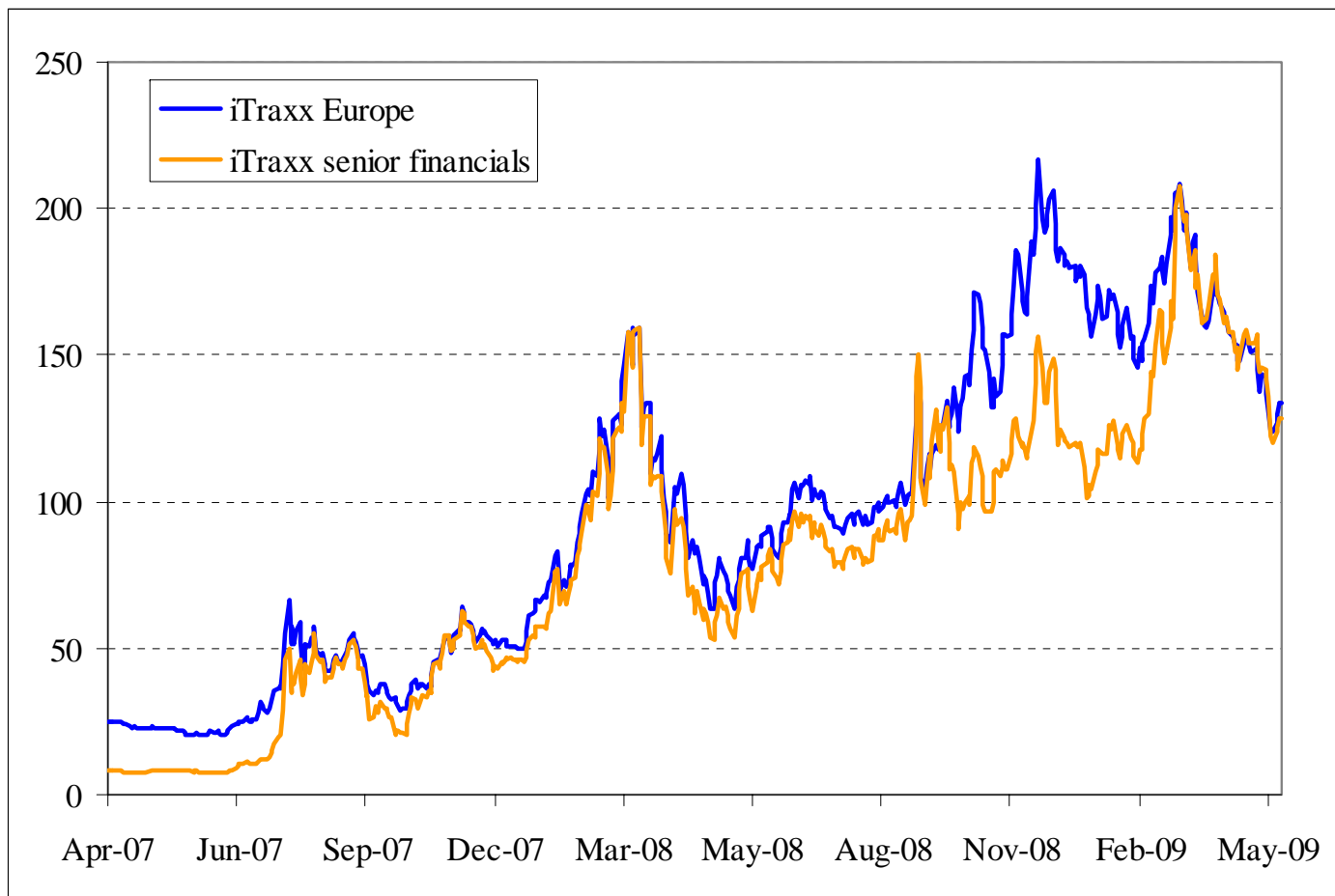
Overall financial market background



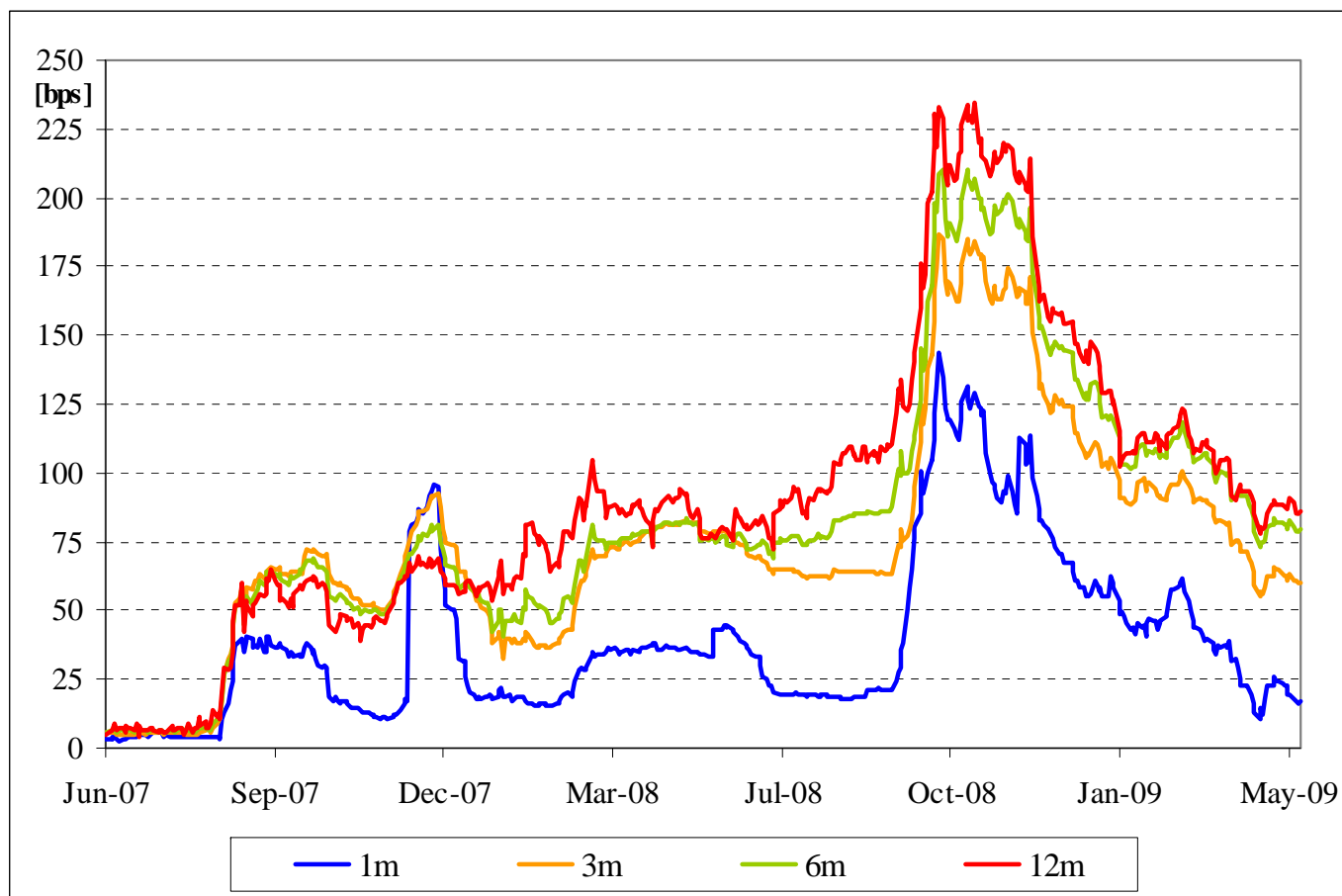
Overall financial market background



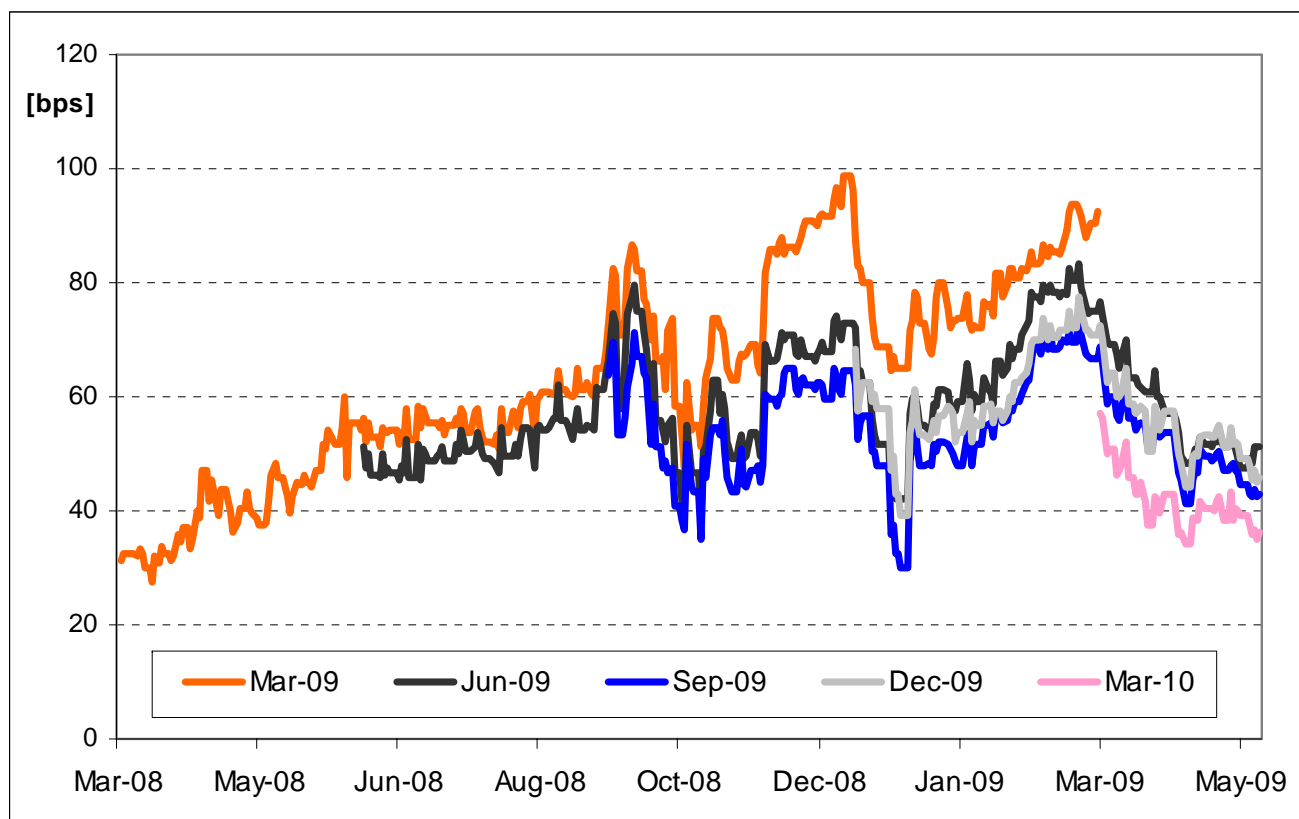
Overall financial market background



EURIBOR - OIS spreads for different maturities



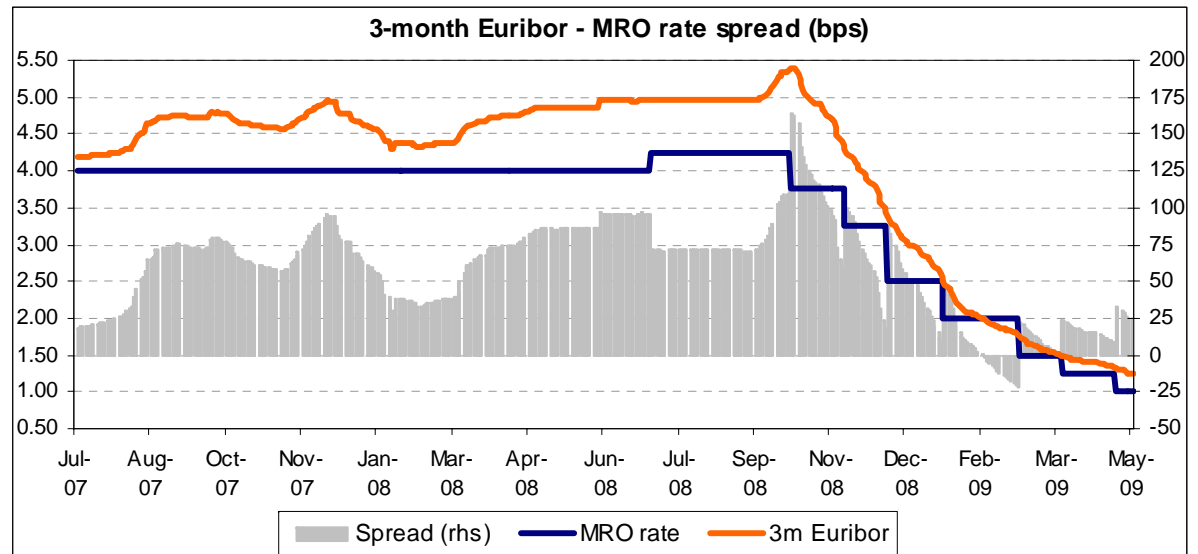
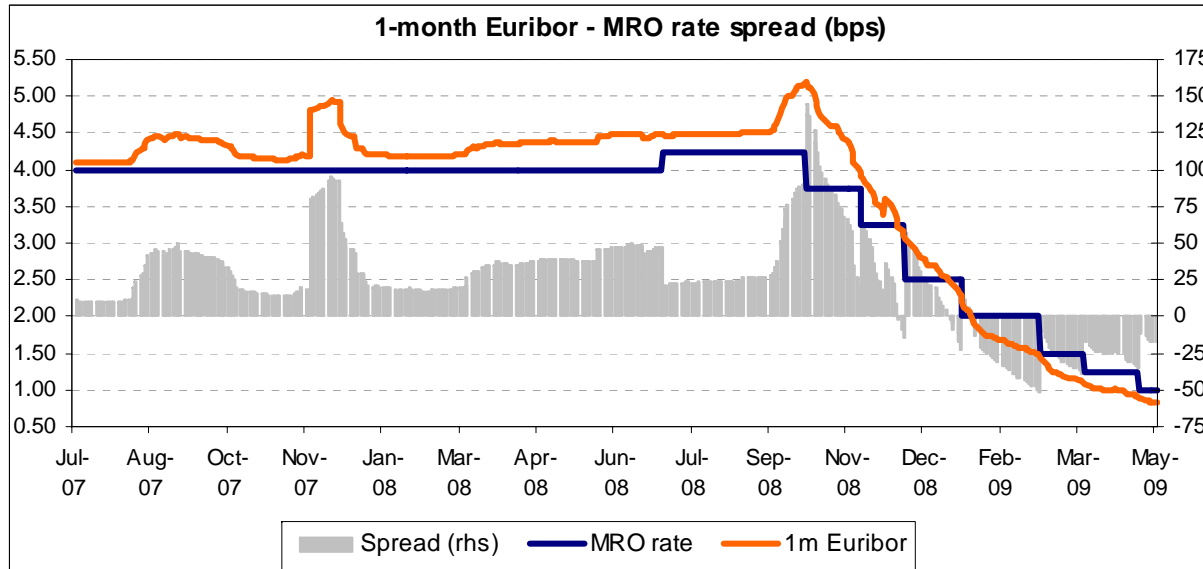
Forward 3-month EURIBOR - OIS spreads



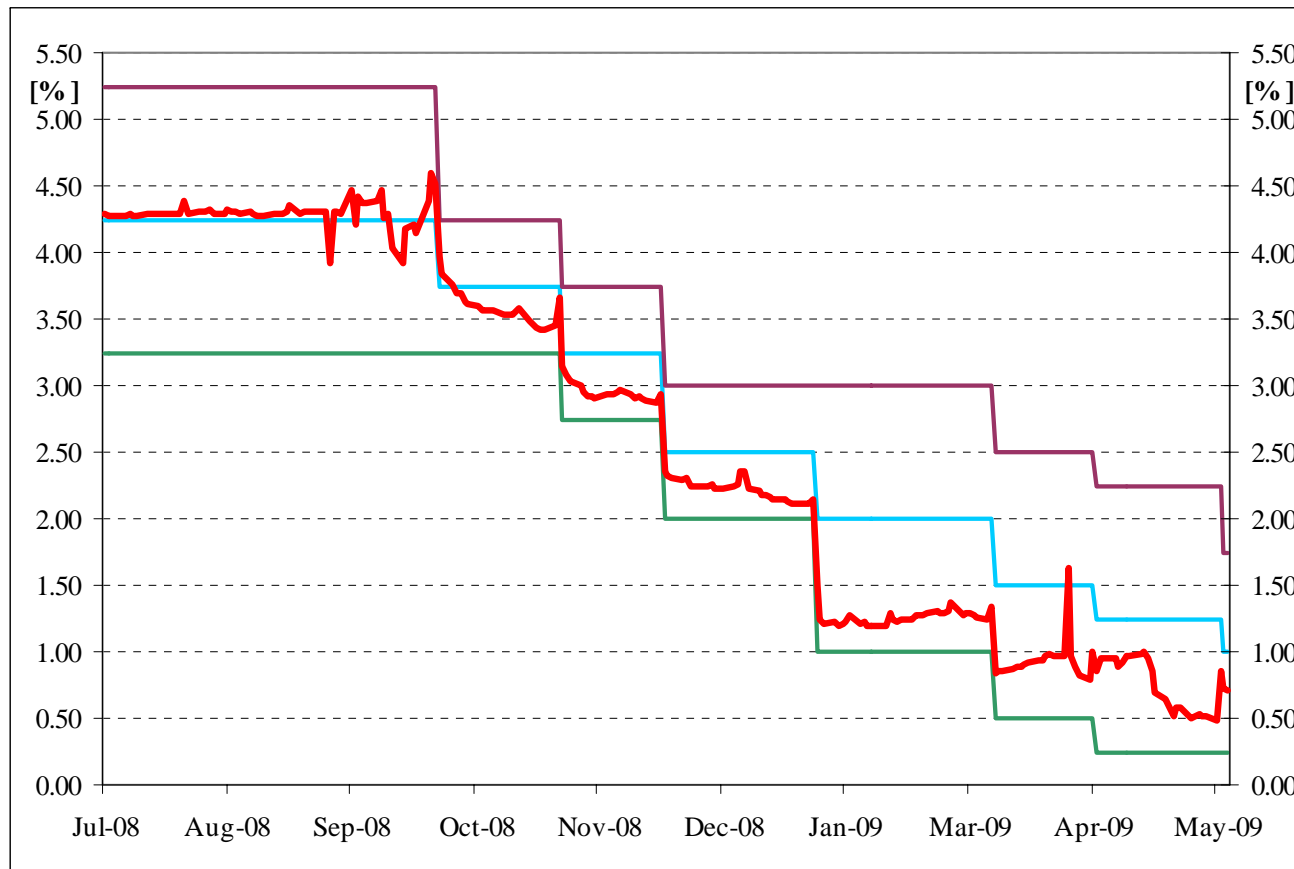
ECB announcements

- **5 Mar:** Fixed rate/full allotment tender procedure “beyond the end of 2009”
- **7 May:**
 - Re-narrowing of the corridor to +/-75 bps
 - 1-year LTROs announced
 - prolongation of the temporary expansion of collateral
 - EIB becomes counterparty
 - covered bond purchase program pre-announced

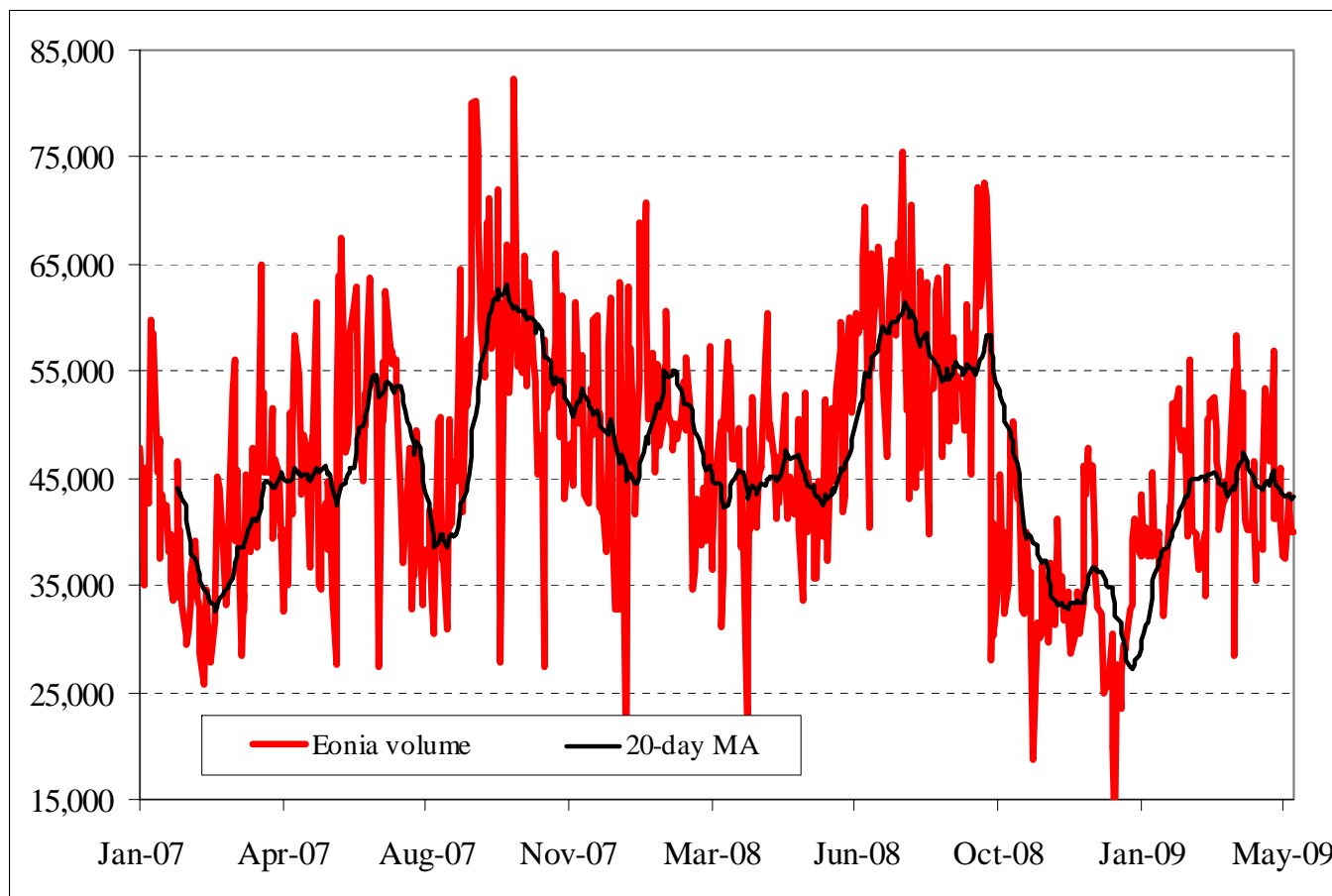
Euribor fixings vs MRO rate



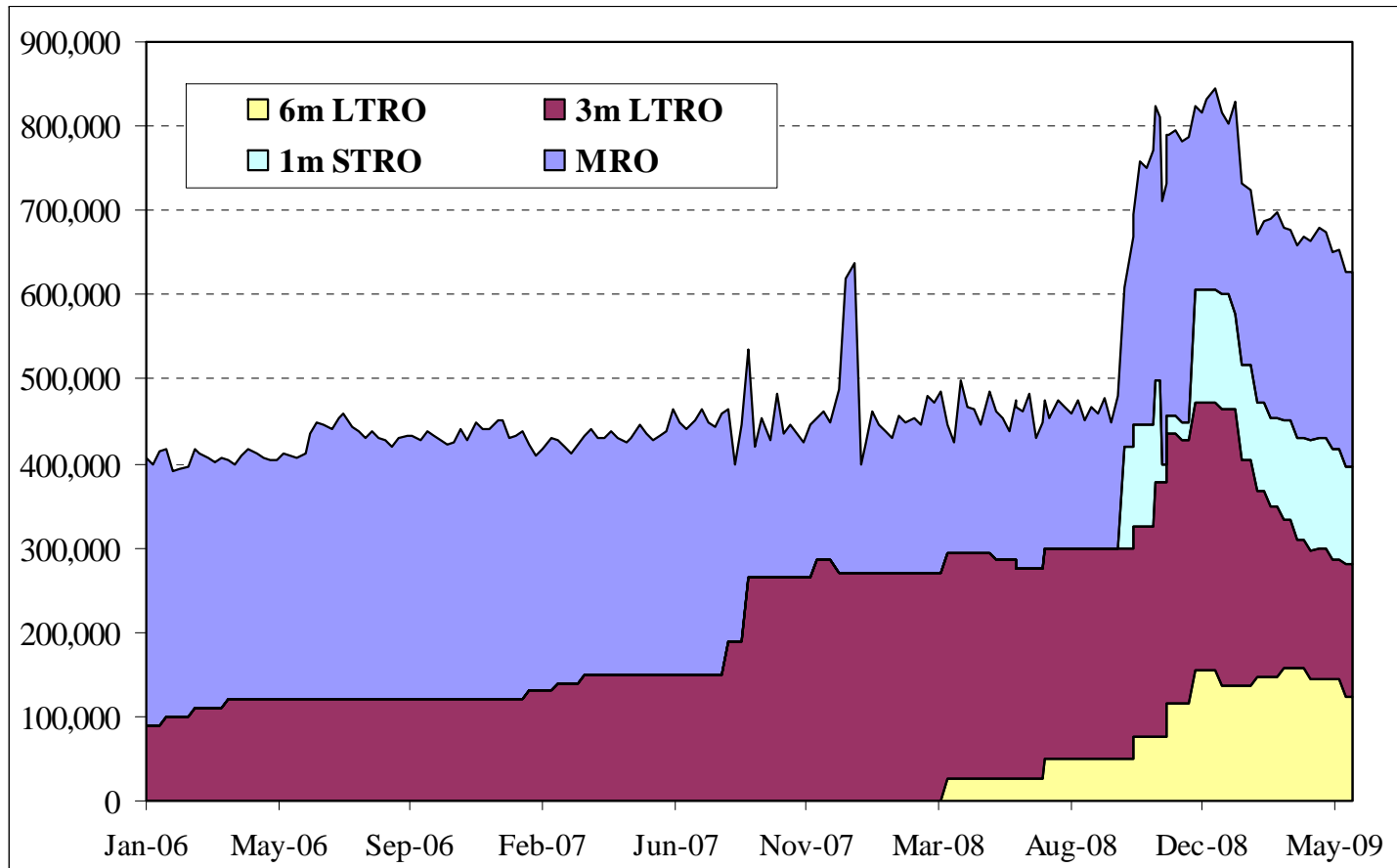
ECB rates and Eonia developments



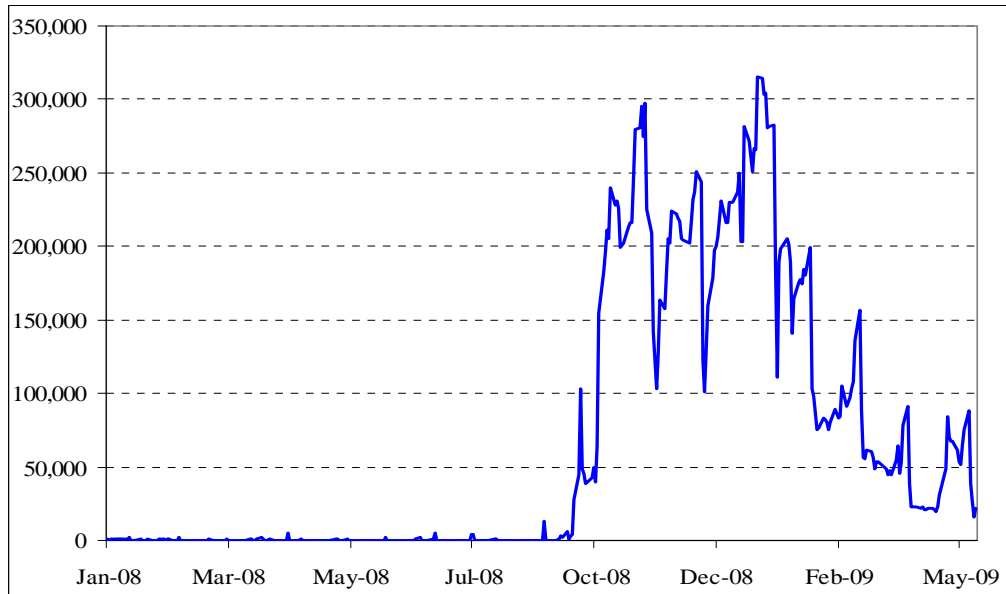
Eonia volumes [since Jan 2007]



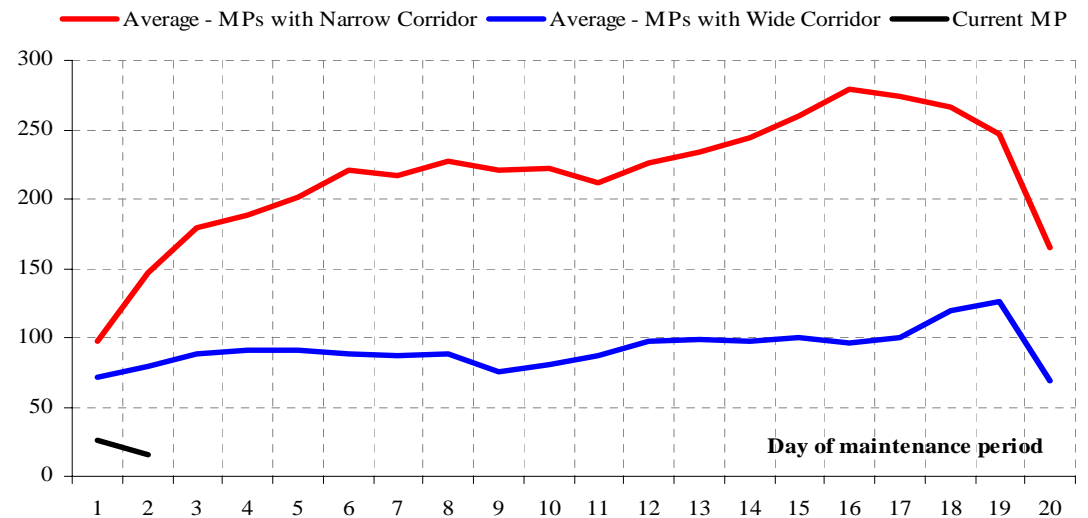
Maturity breakdown of the ECB's liquidity providing operations



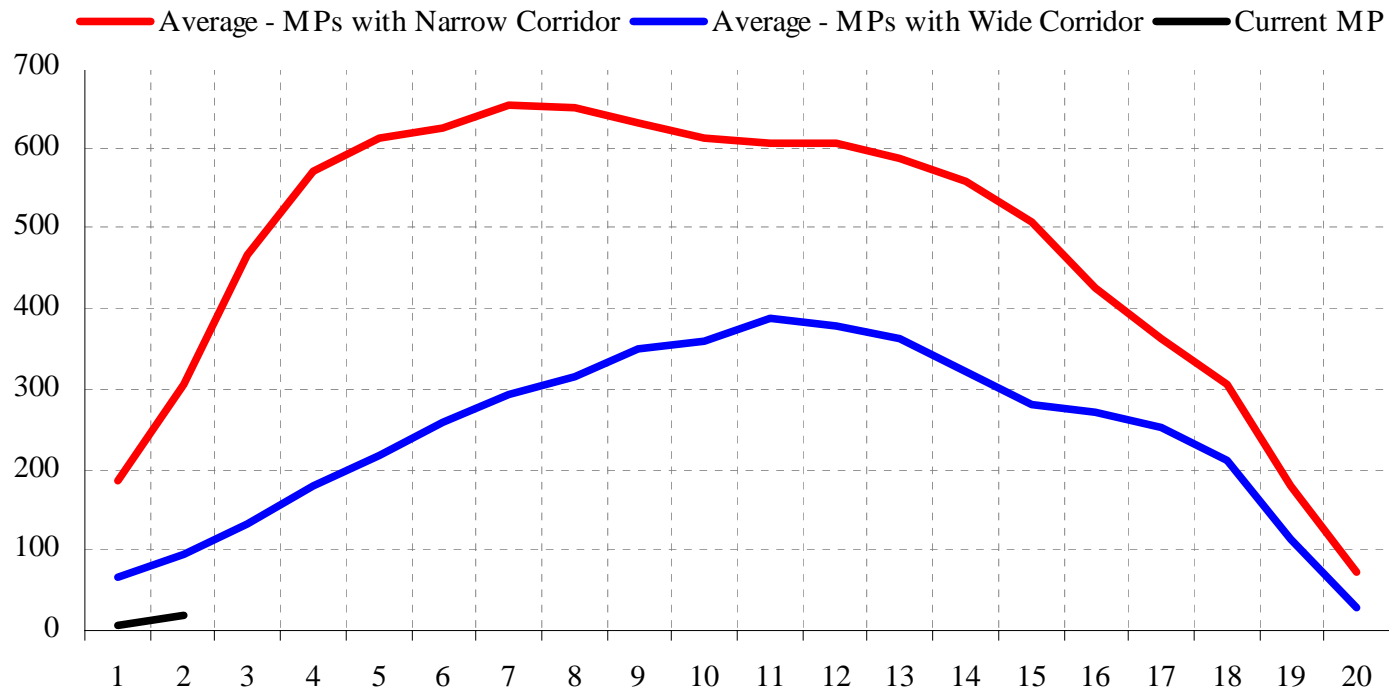
Use of the ECB's deposit facility



Note: Length of MP normalised to 20 days.

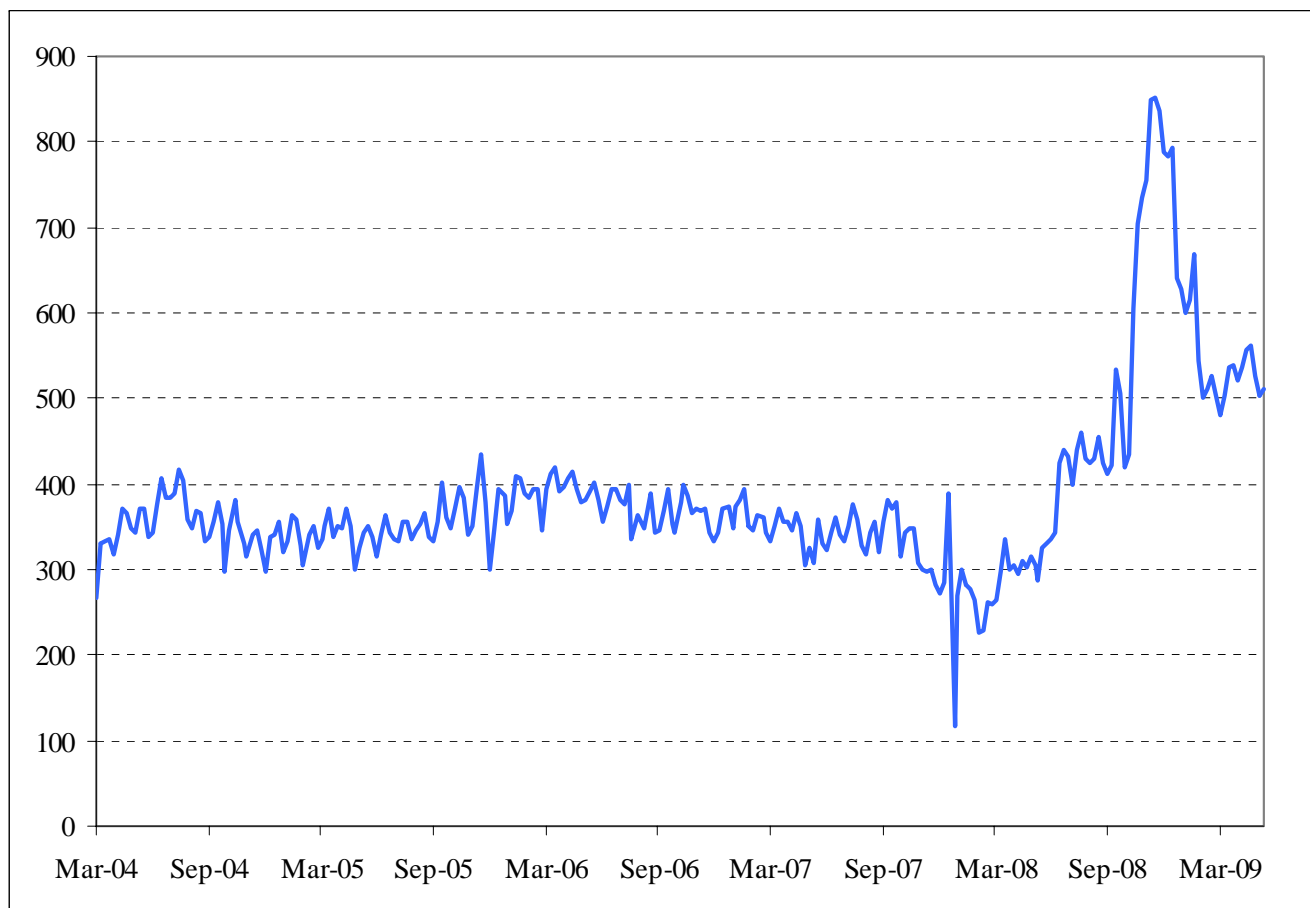


Accumulated daily reserve surplus [EUR bn]

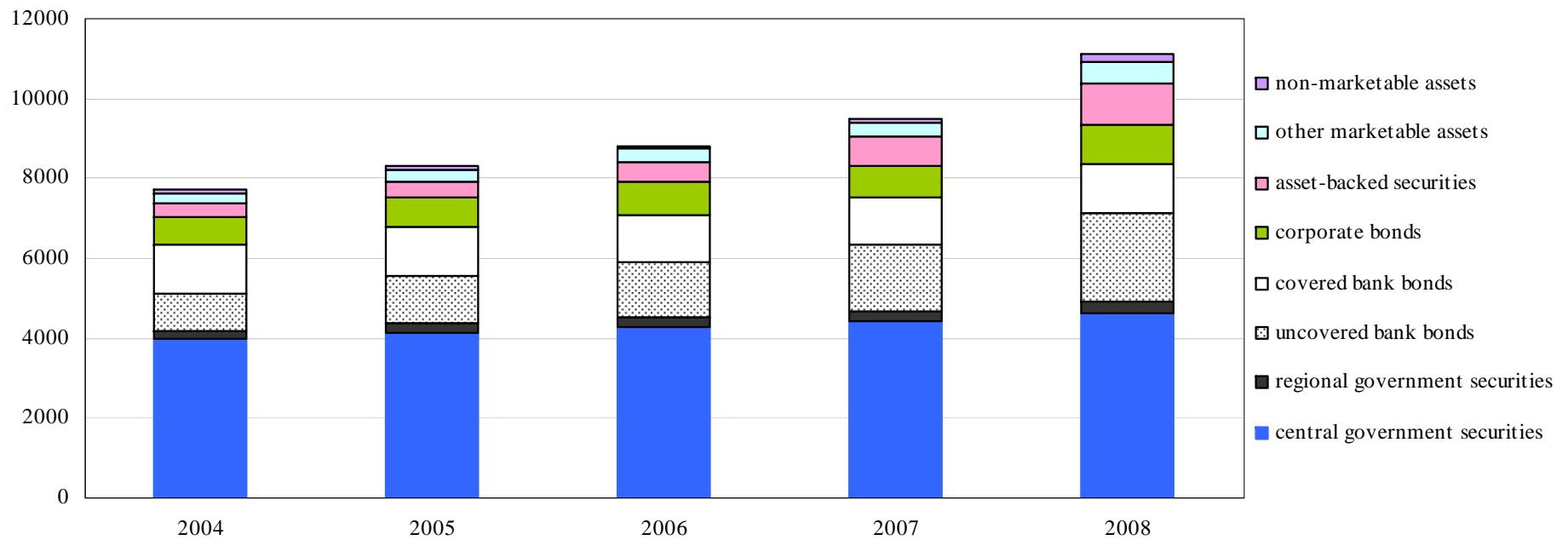


Note: Length of MP normalised to 20 days.

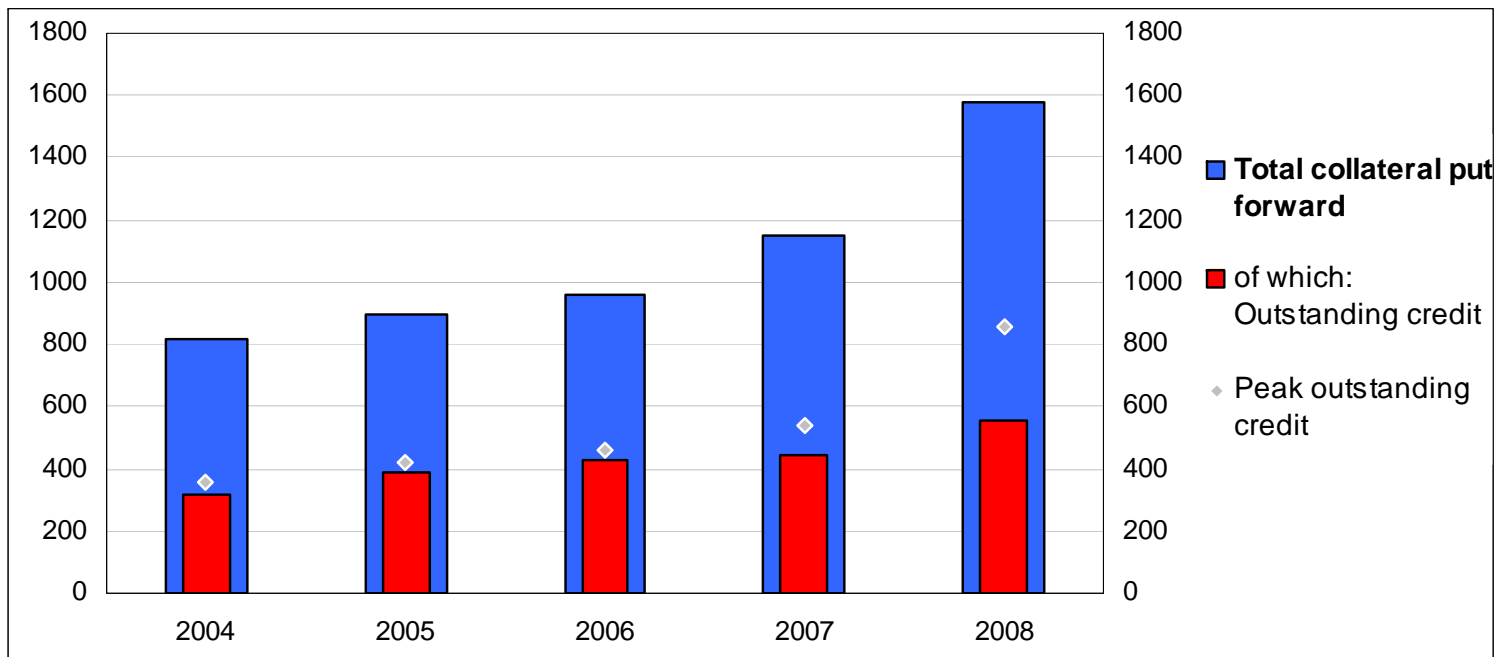
Number of participating banks in MROs



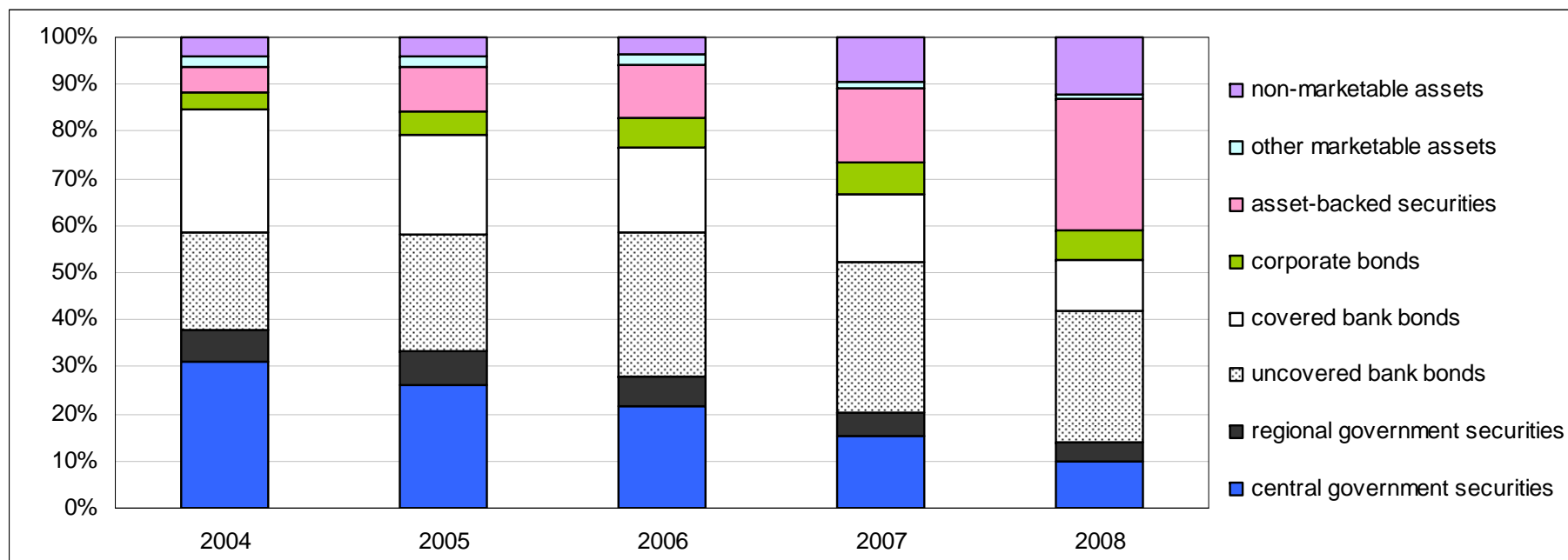
Eligible collateral by asset type



Collateral put forward in Eurosystem credit operations versus outstanding credit



Breakdown of assets put forward as collateral by asset type

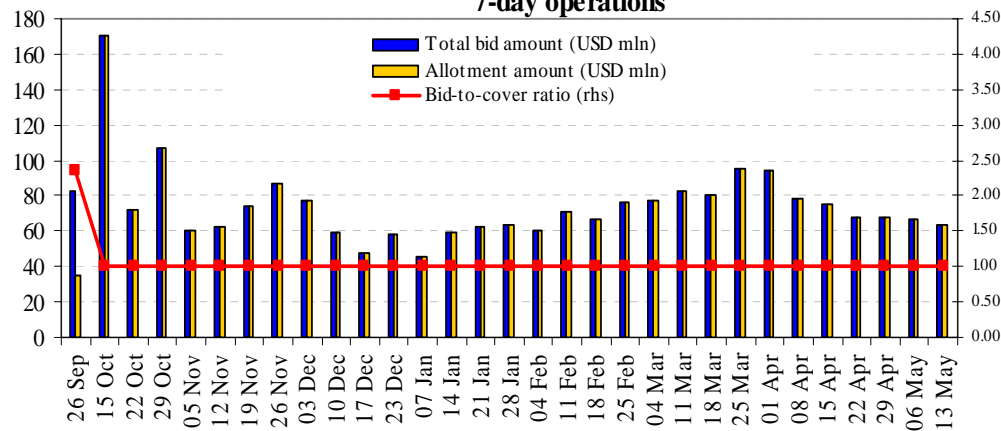


ECB announcements

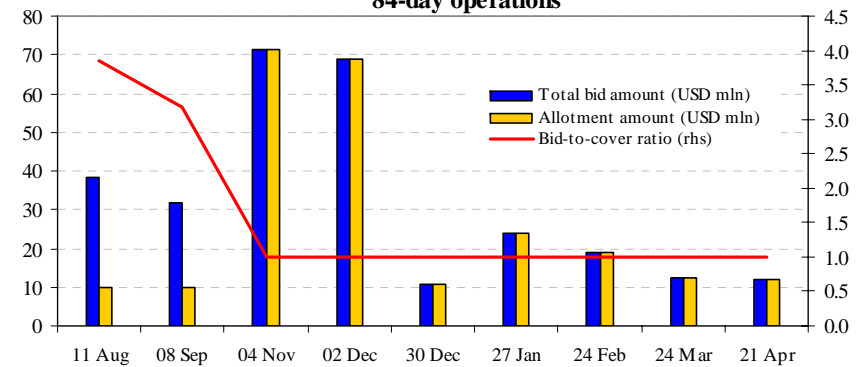
- **19 Mar:** Continuation of USD liquidity providing operations
Calendar published until the end of June
- **6 Apr:** Reverse swap line with the Fed – up to EUR 80 bn
until 30 October
- **27 Apr:** Continuation of 1w CHF liquidity providing operations
at least until the end of July

Results of the Eurosystem's USD providing operations

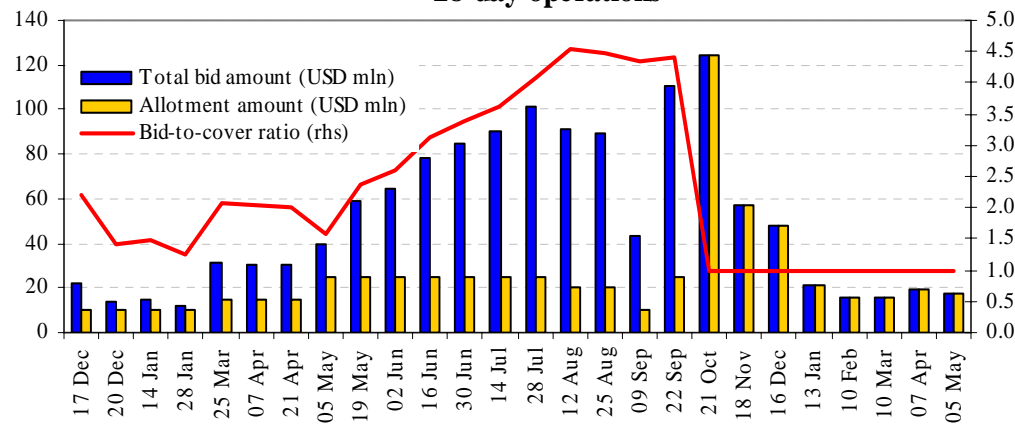
7-day operations



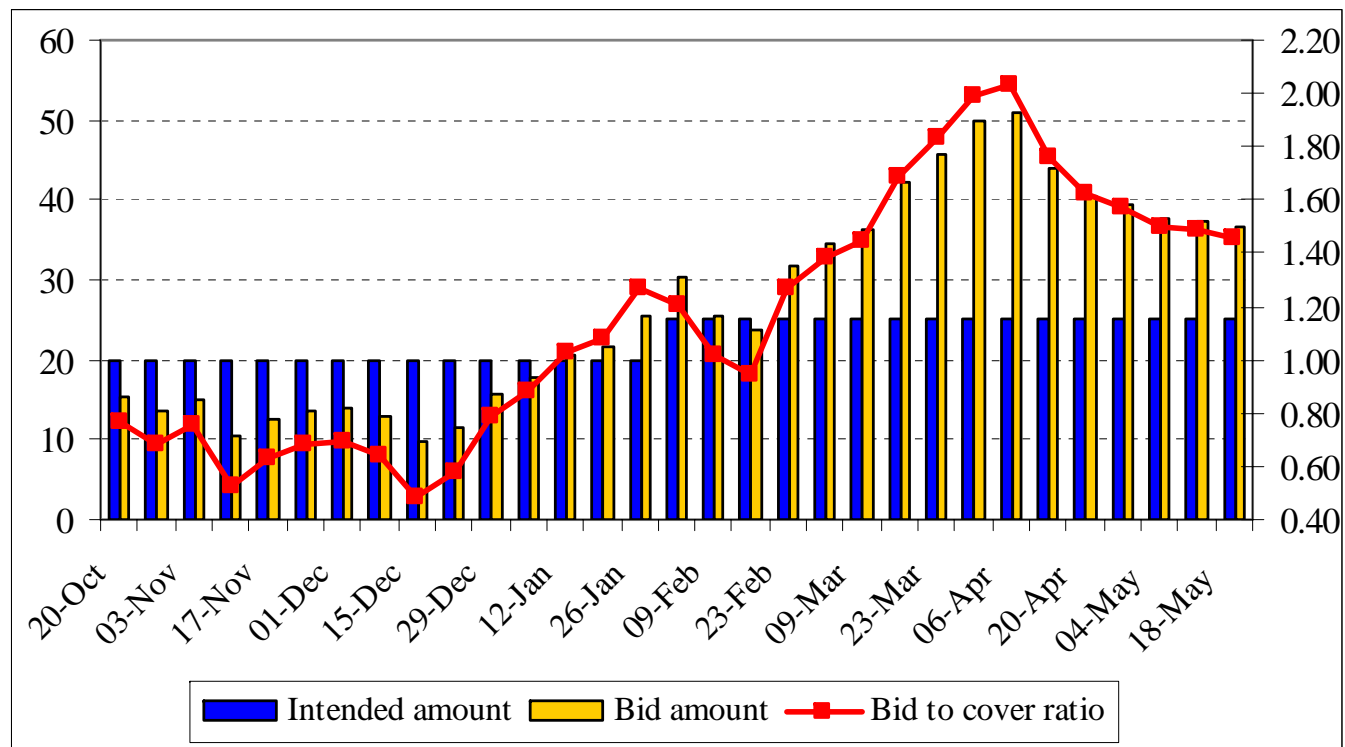
84-day operations



28-day operations



Results of the Eurosystem's 1-week CHF providing operations



Potential issues for discussion

- *Are money market conditions expected to improve further – in particular are deposit-OIS spreads expected to continue to narrow?*
- *What is the expected impact of the narrower corridor on the money market activity?*
- *More generally, what is the impact of very low short-term rates on functioning and market structures?*