



EUROPEAN CENTRAL BANK

EUROSYSTEM

DG MARKET OPERATIONS

16 August 2022

ECB Money Market Contact Group

Wednesday, 14 September 2022, 13:00-17:00 CET

Hybrid meeting: in-person with the option of remote login

AGENDA

Item A:

Main developments in money markets since the previous meeting

René Brunner (Erste Bank) and Pierre Le Veziel (Crédit Agricole) will present the main developments in money markets since the last MMCG meeting on 15 June 2022. The group will then discuss how the markets have reacted to the Governing Council meetings of 21 July and 8 September and the money market landscape is shaping up in their wake.

Item B.1:

Expectations regarding the transmission of potential future ECB policy rate hikes to money markets in a positive interest rate environment

Ileana Pietraru (Société Générale) will open the discussion with a presentation on the pass-through of the policy rate change to money markets. The discussion will focus on (i) the effect of the transmission of the interest rate hike to money markets so far (backward-looking perspective), and (ii) whether changes to these patterns can be expected going forward as short-term money market rates enter positive territory.

Item B.2:

Impact of historically high levels of interest rate volatility on money markets

Harry-David Gauvin (HSBC) will open the discussion with a presentation focusing on (i) the underlying drivers of the record high levels of implied and realised interest rate volatility, (ii) market expectations for volatility in response to the change in the ECB's approach to forward guidance, (iii) practical implications of the environment of elevated volatility on asset/liability management (ALM) activities, and (iv) the international perspective on the interaction between record high volatility and money markets.