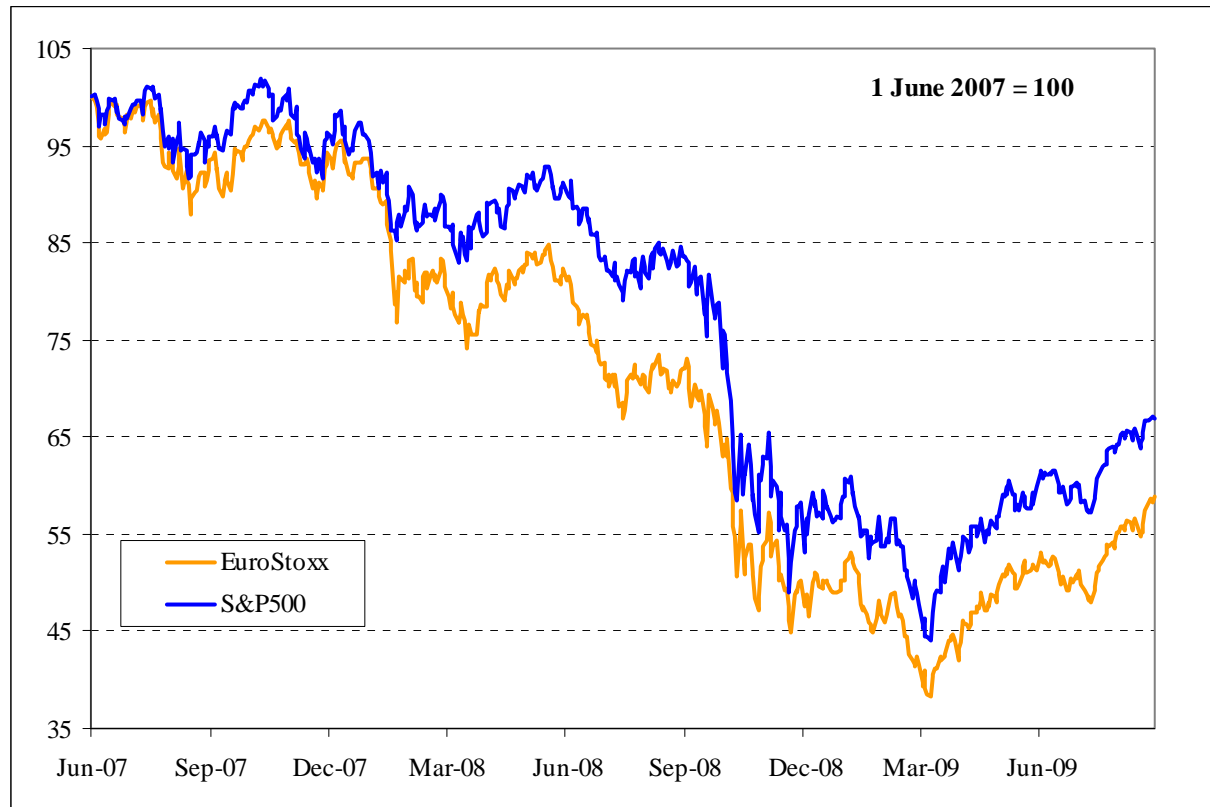


# Recent developments in the euro money market

**Money Market Contact Group**  
**Frankfurt, 1 September 2009**

# Overall financial market background

## I) Stock market development



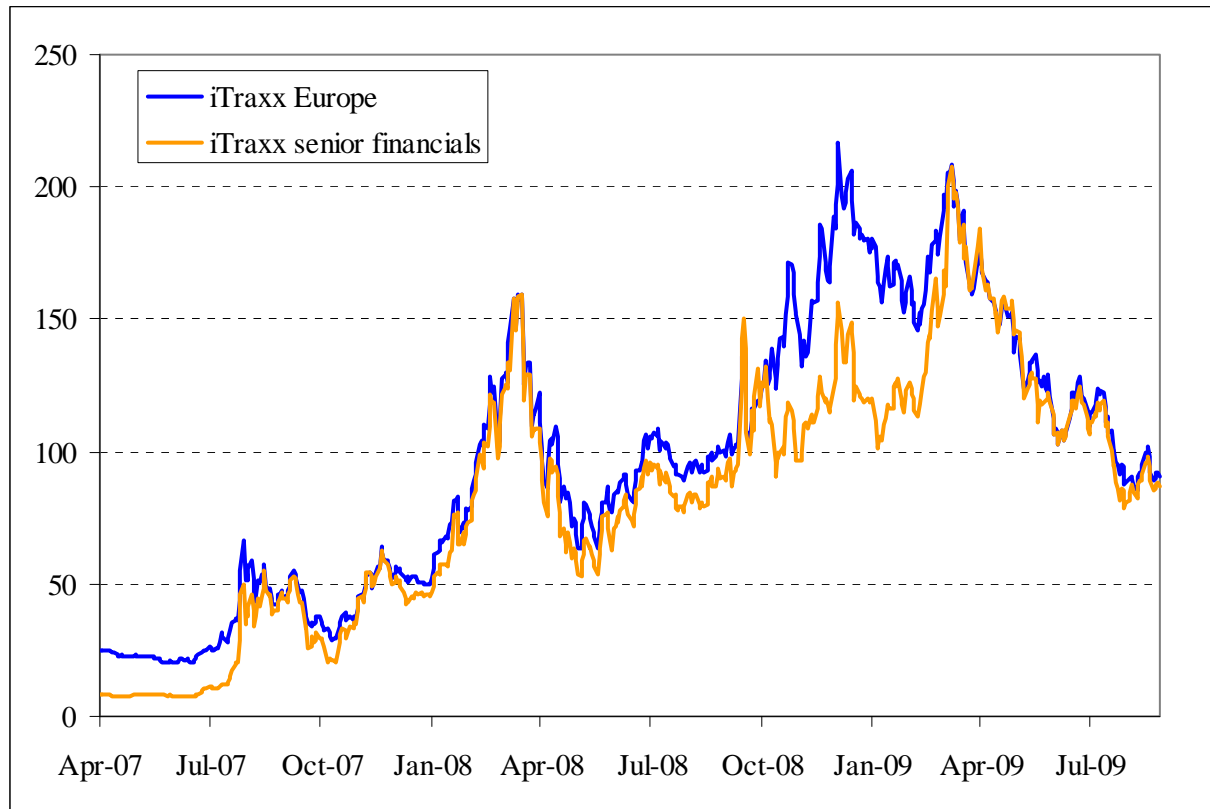
# Overall financial market background

## II) Development of implied stock market volatility

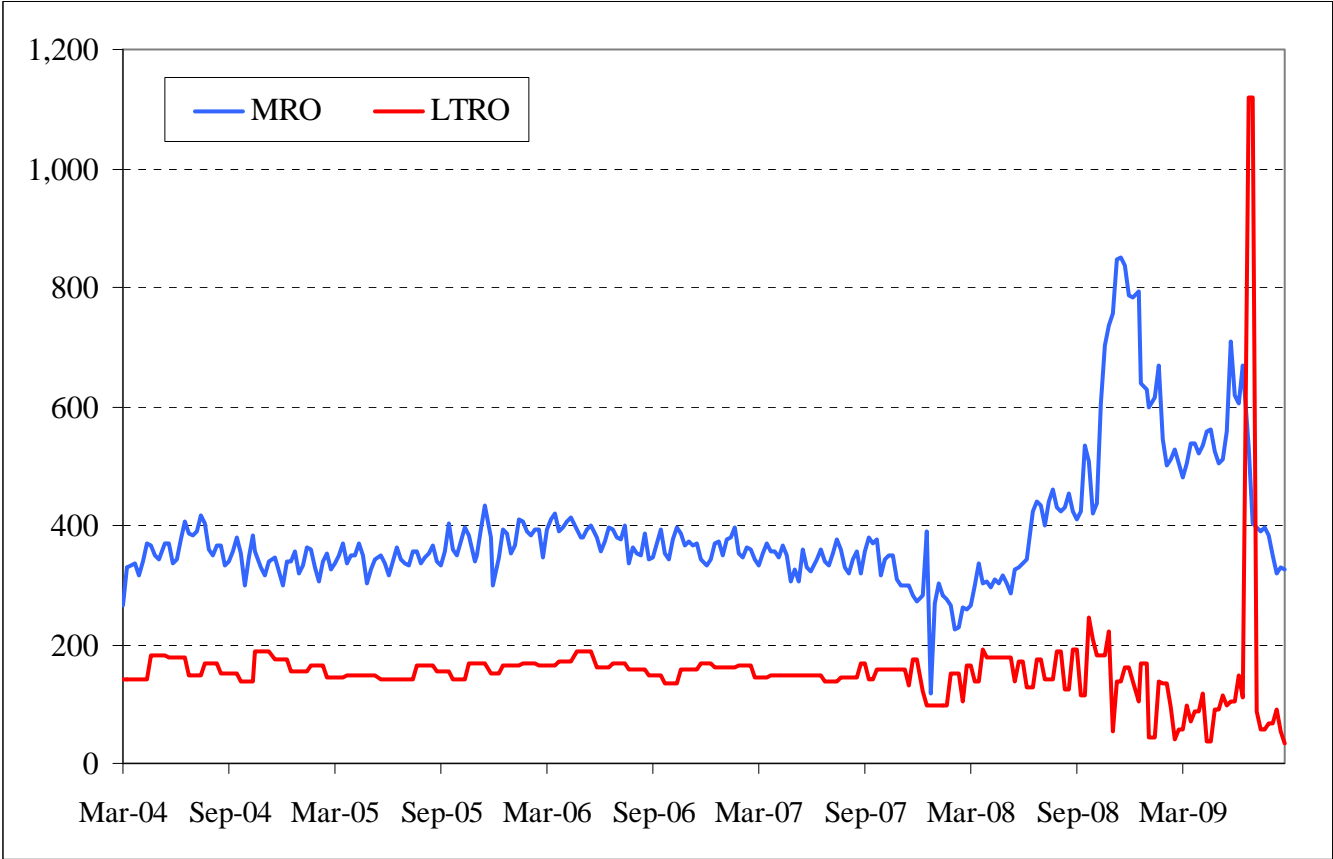


# Overall financial market background

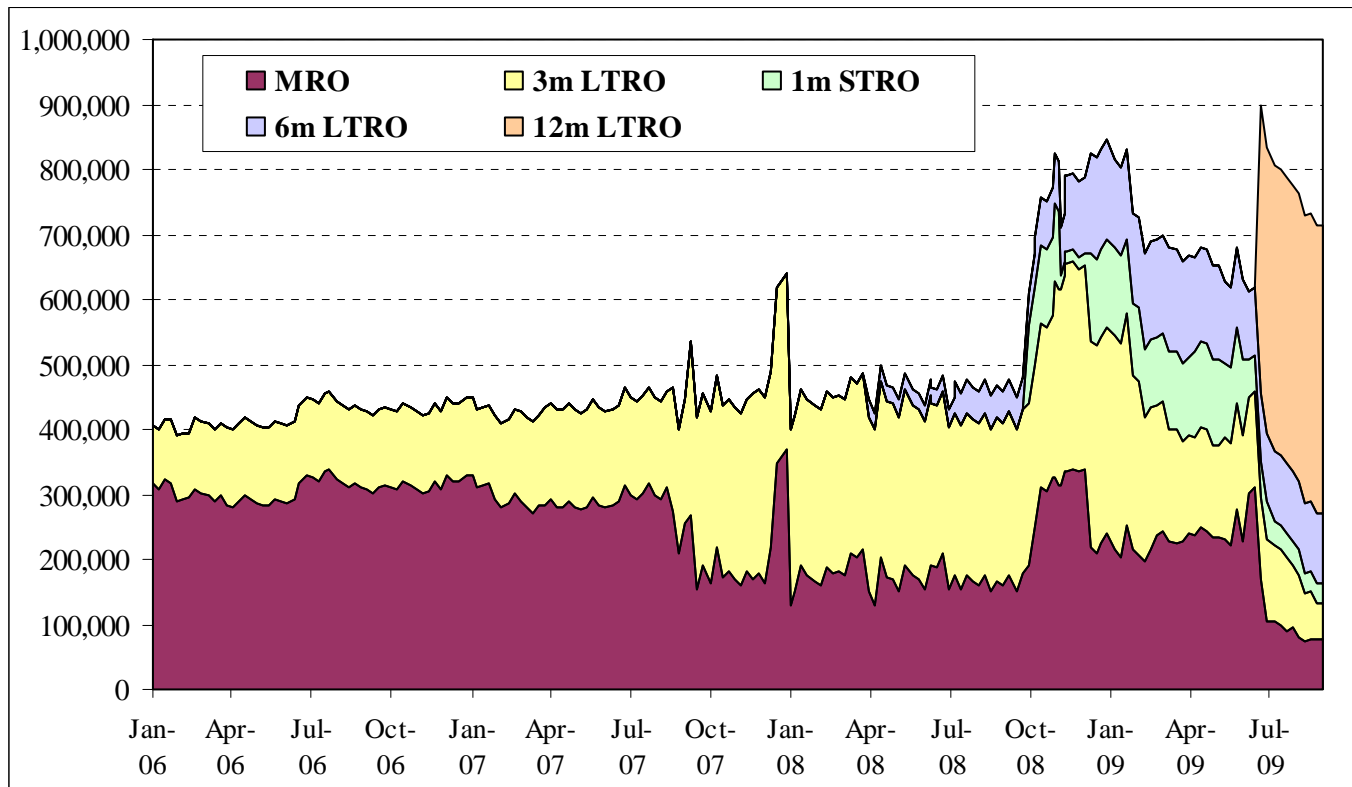
## III) Credit market development



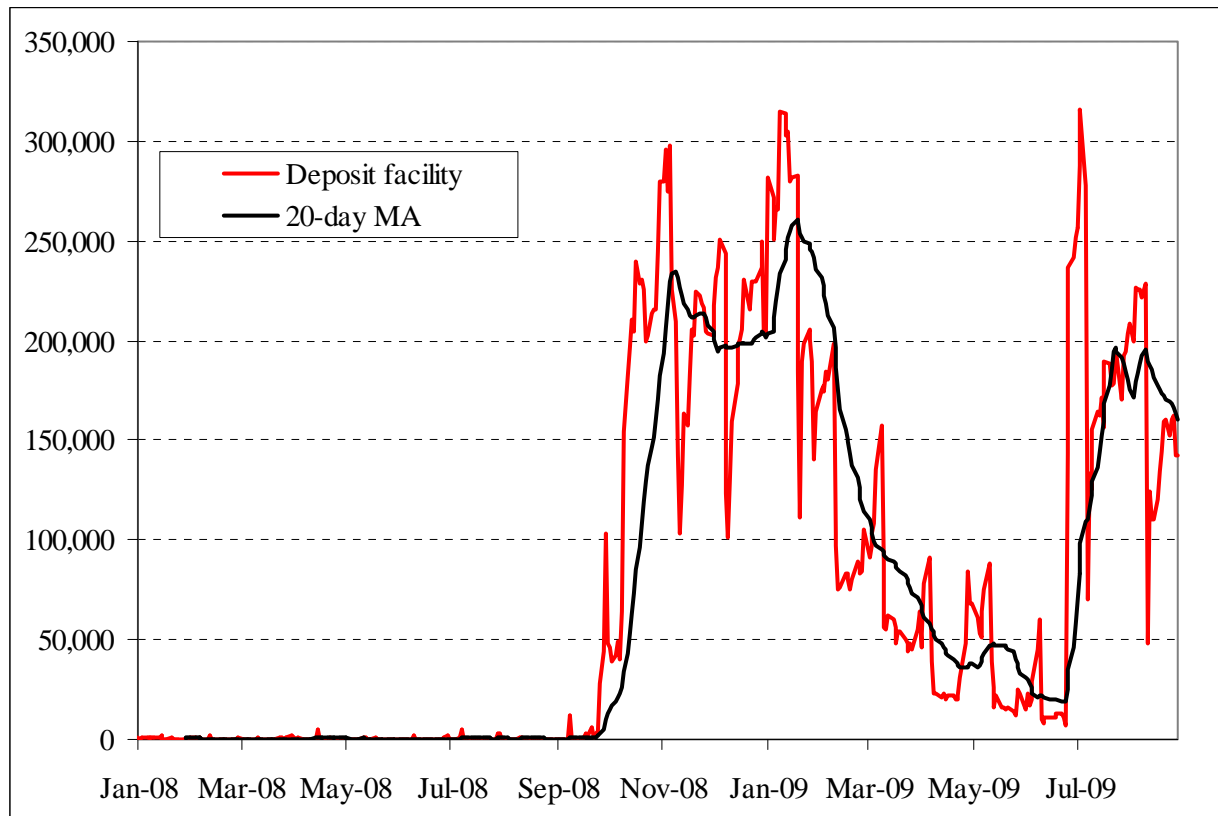
# Number of participating banks in MROs and LTROs



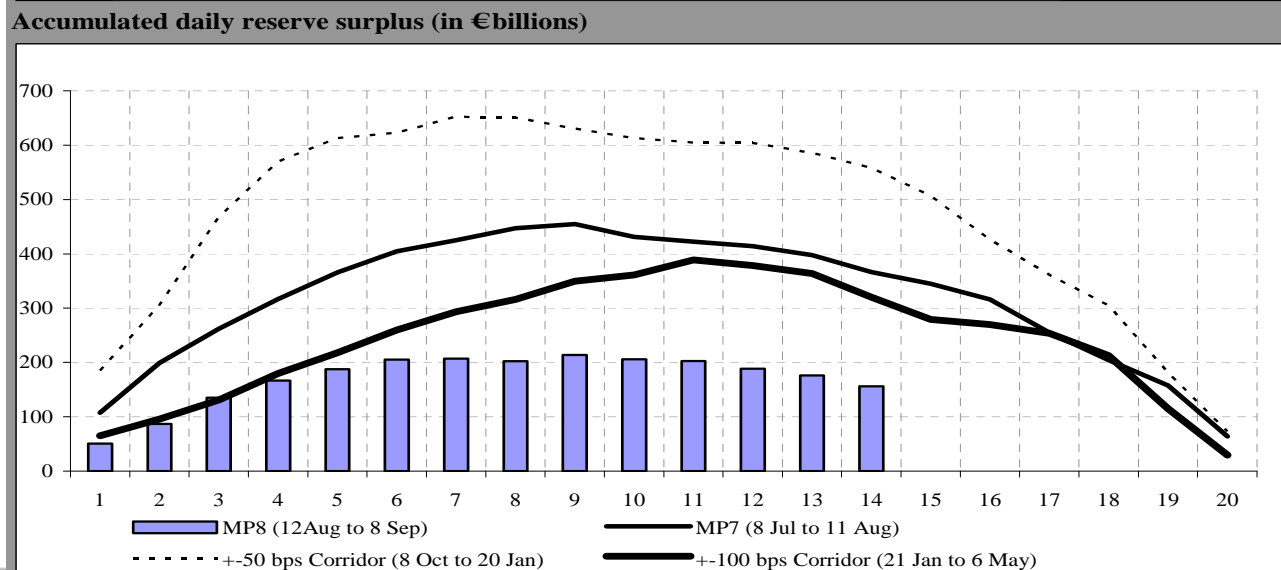
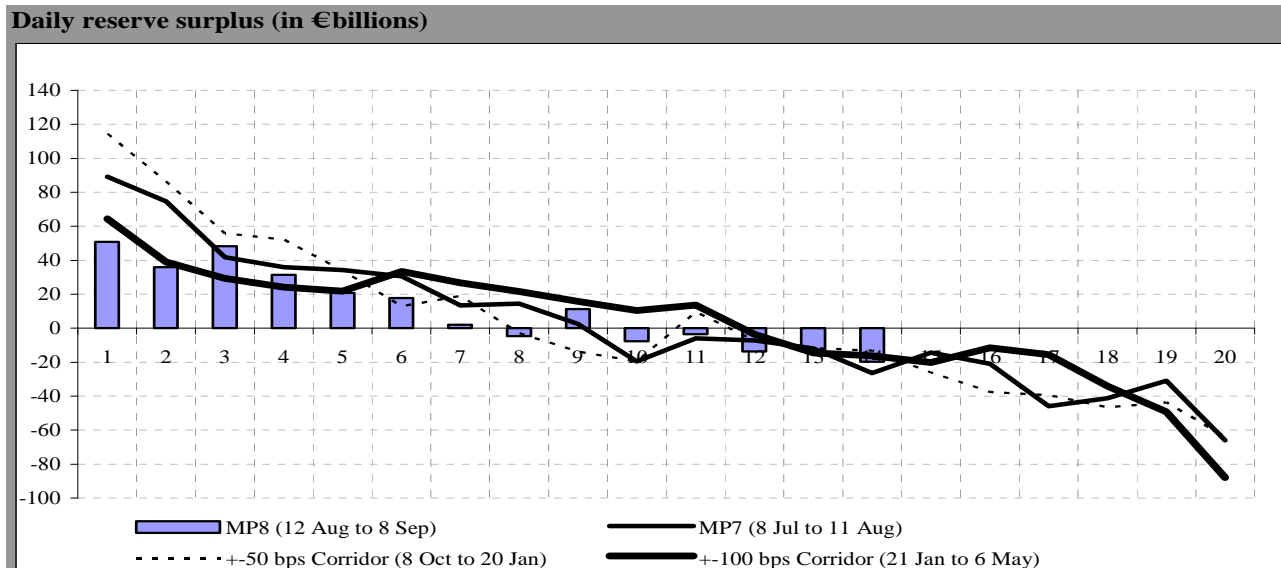
# Maturity breakdown of the ECB's liquidity providing operations



# Use of the ECB's deposit facility



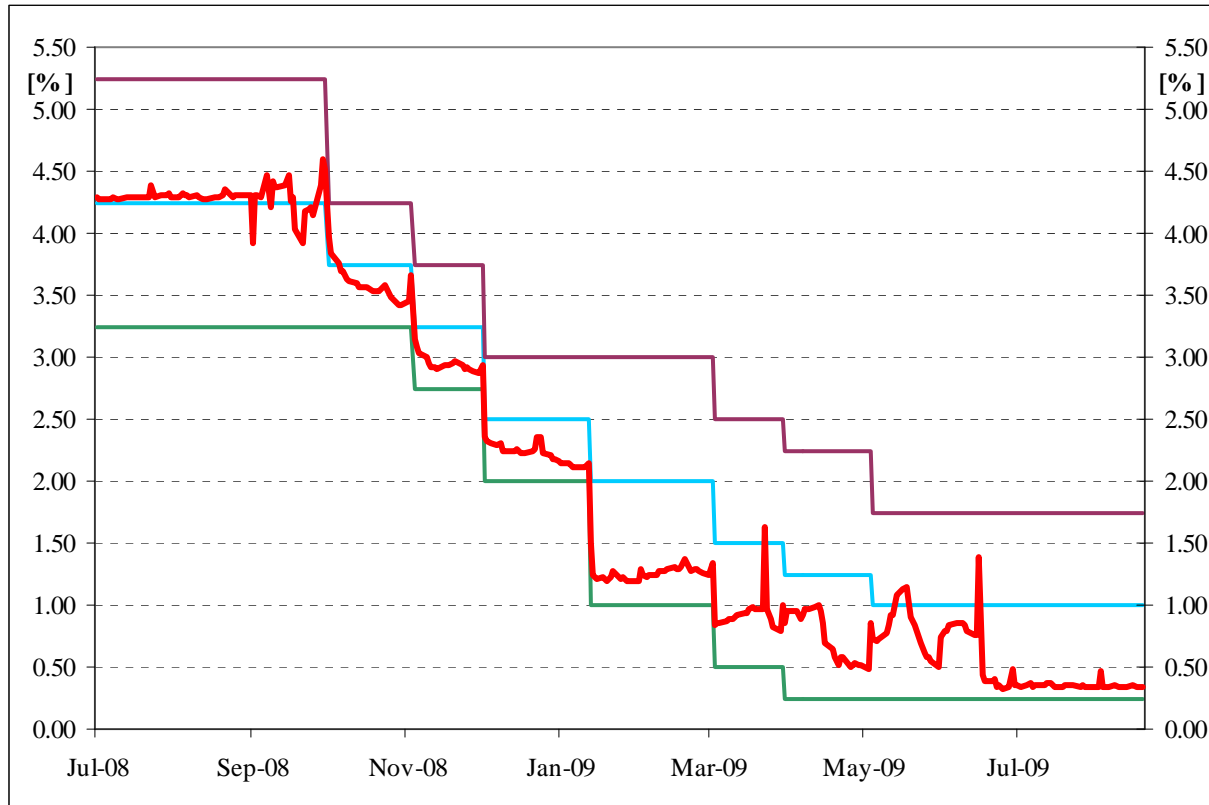
# Banks' current account holdings with the ECB



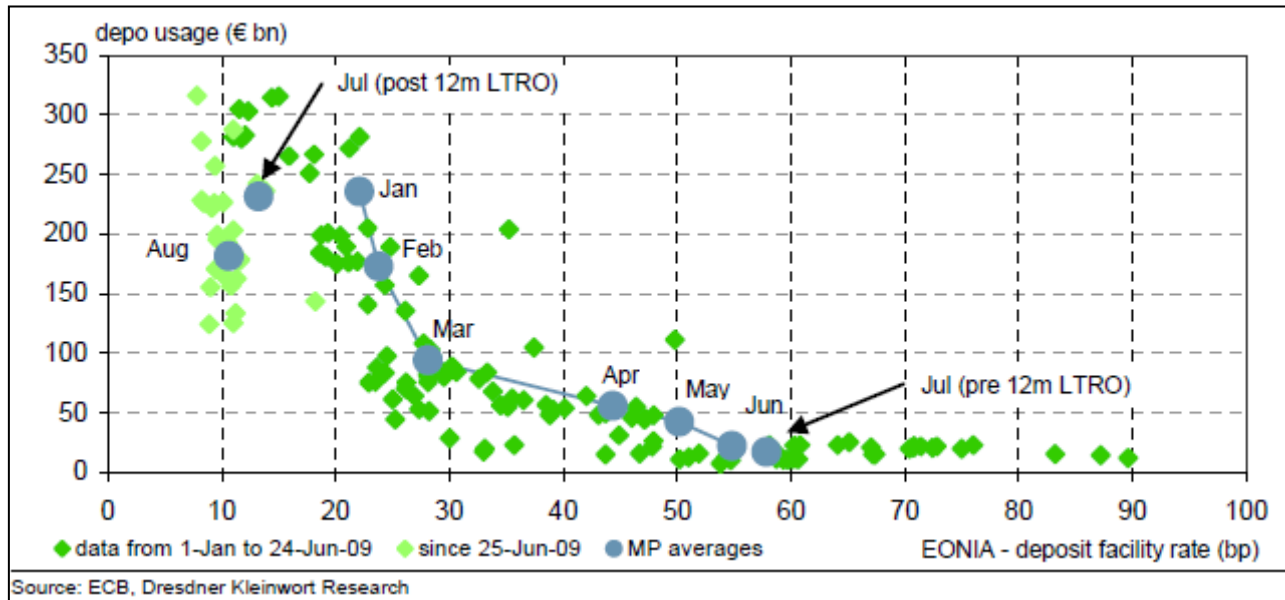
Note: Length of MP normalised to 20 days.



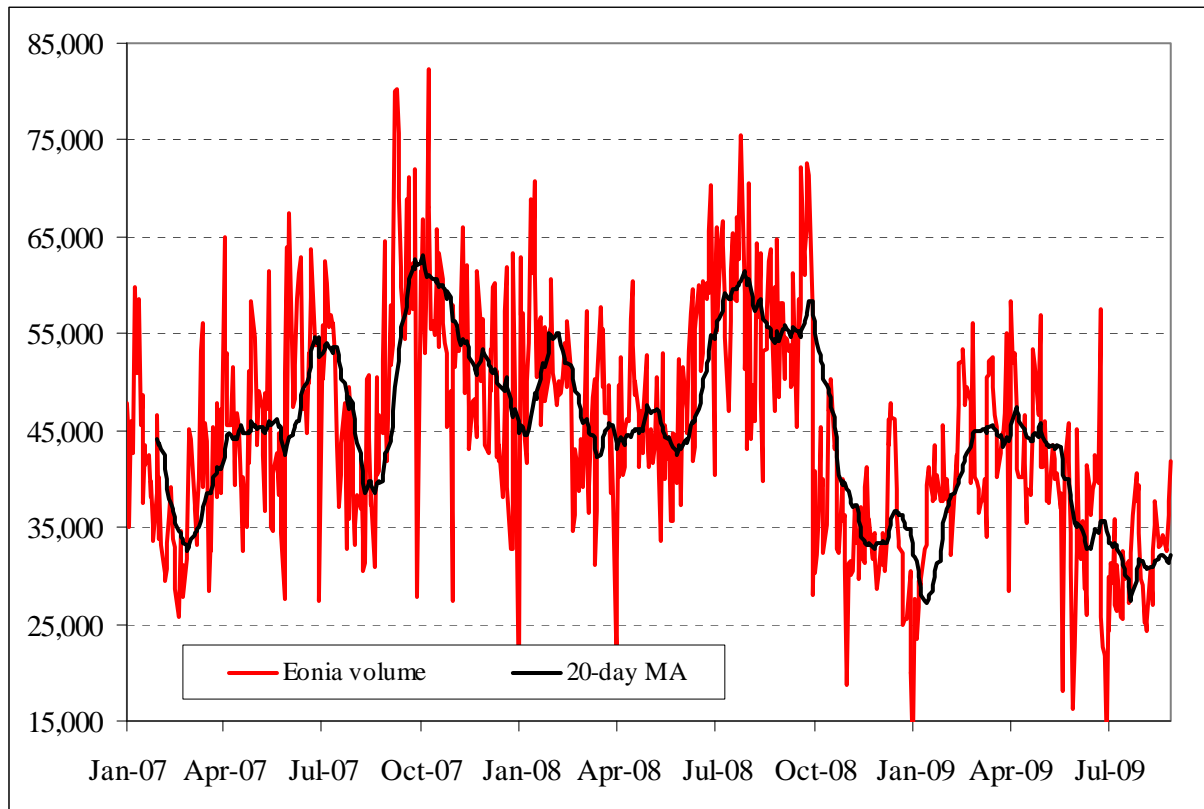
# ECB rates and Eonia developments



# Relationship between EONIA and use of the deposit facility

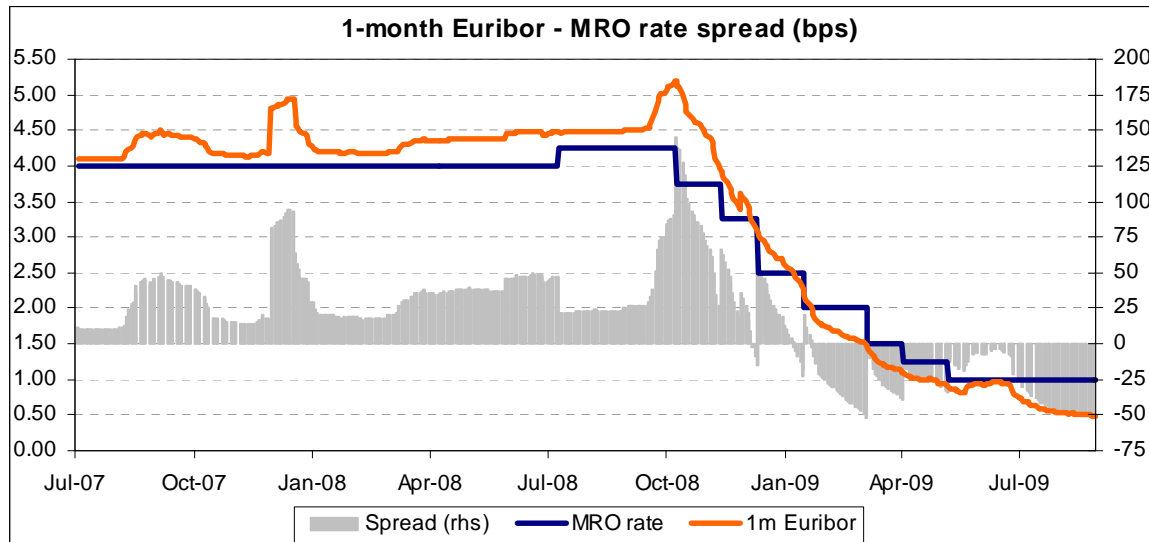


# Eonia volumes [since Jan 2007]

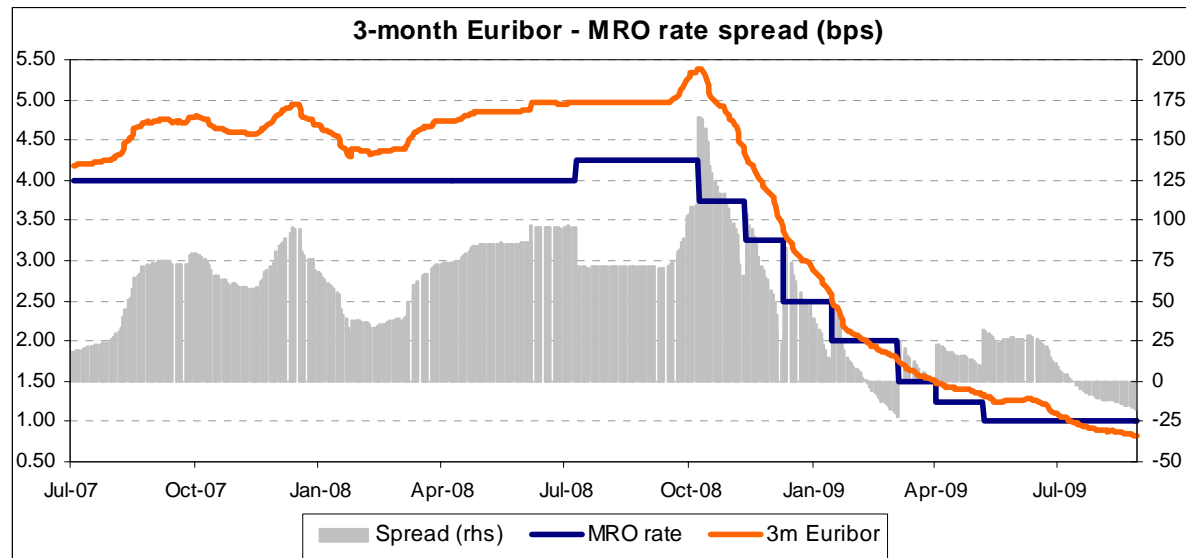


# Euribor fixings vs MRO rate

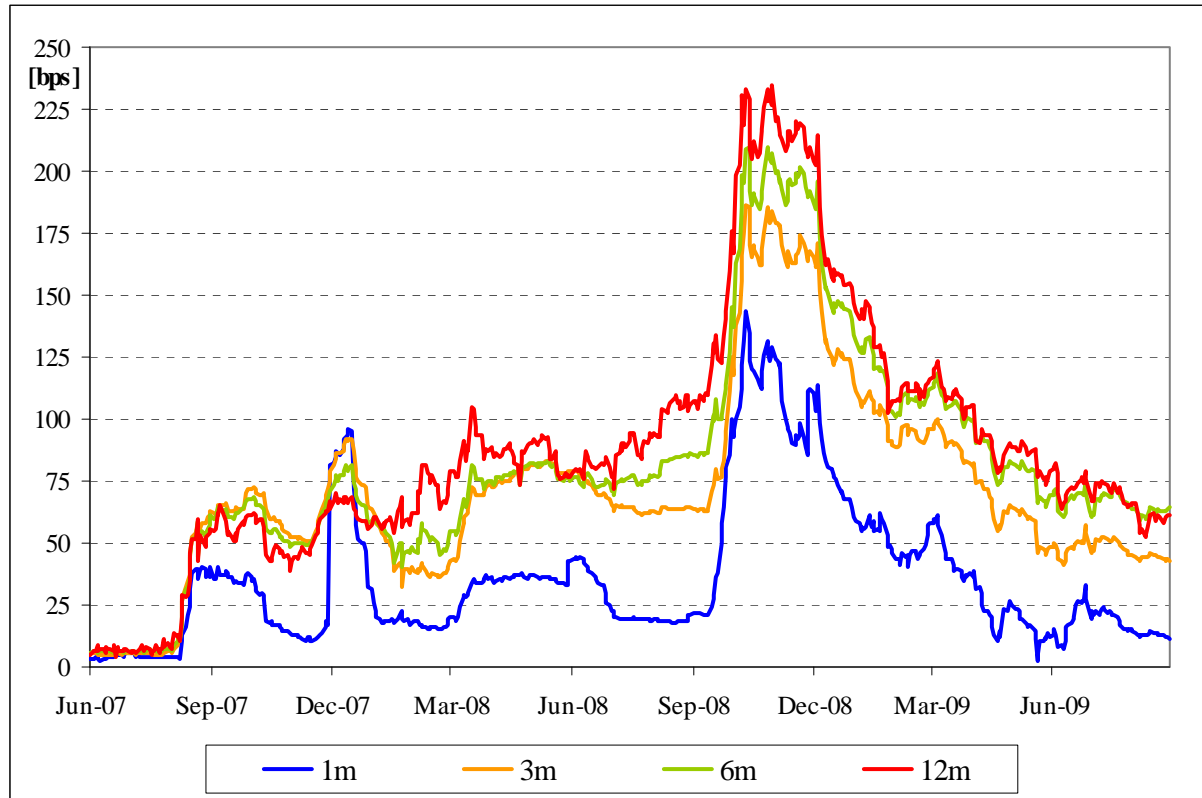
1-month Euribor - MRO rate spread (bps)



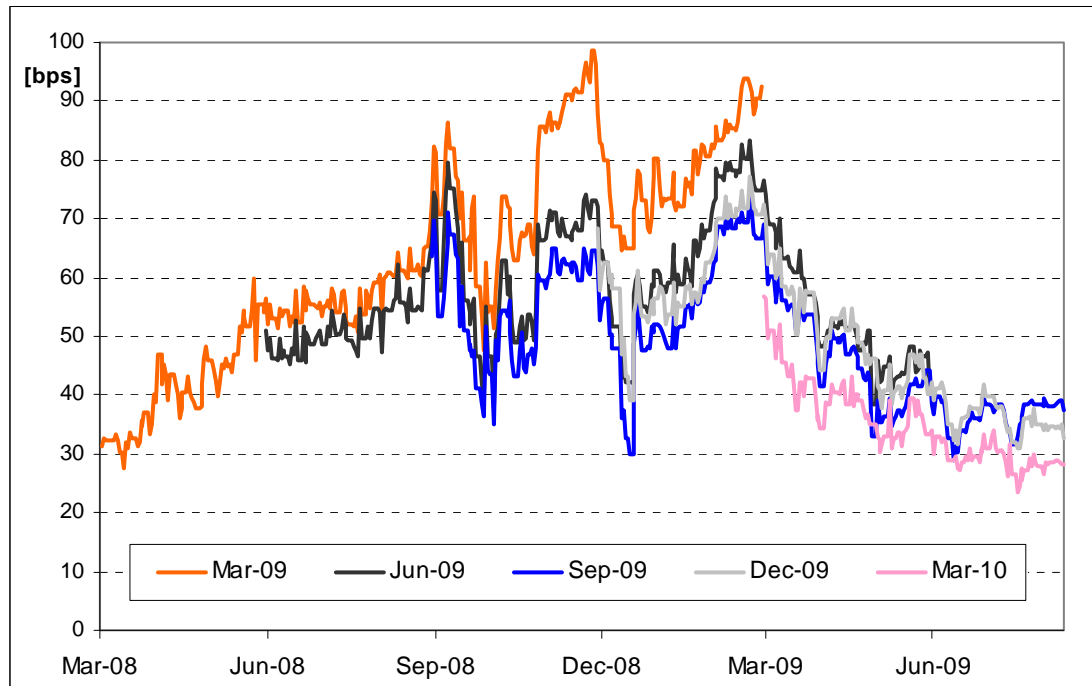
3-month Euribor - MRO rate spread (bps)



# EURIBOR - OIS spreads for different maturities



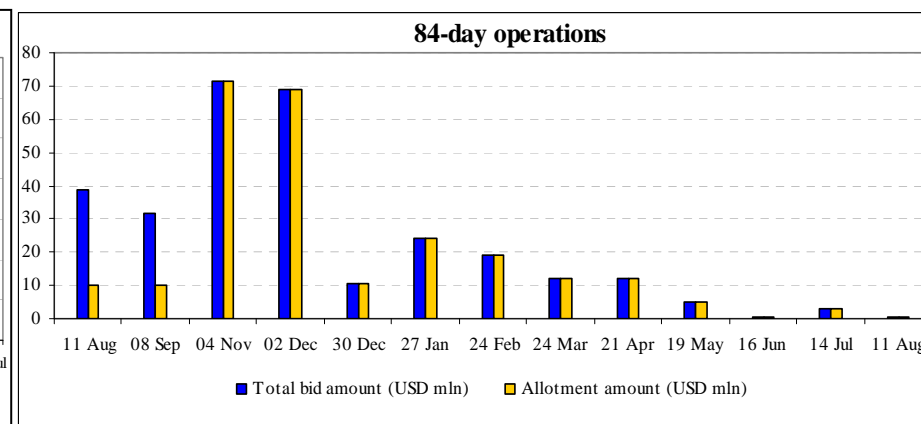
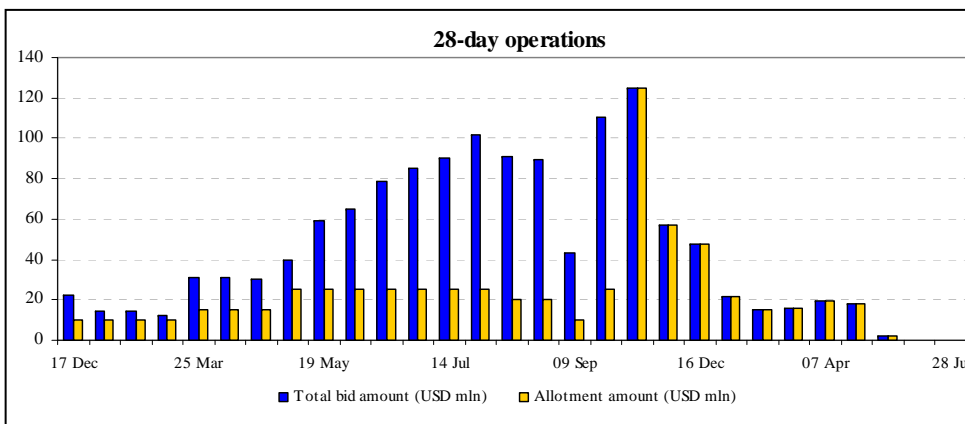
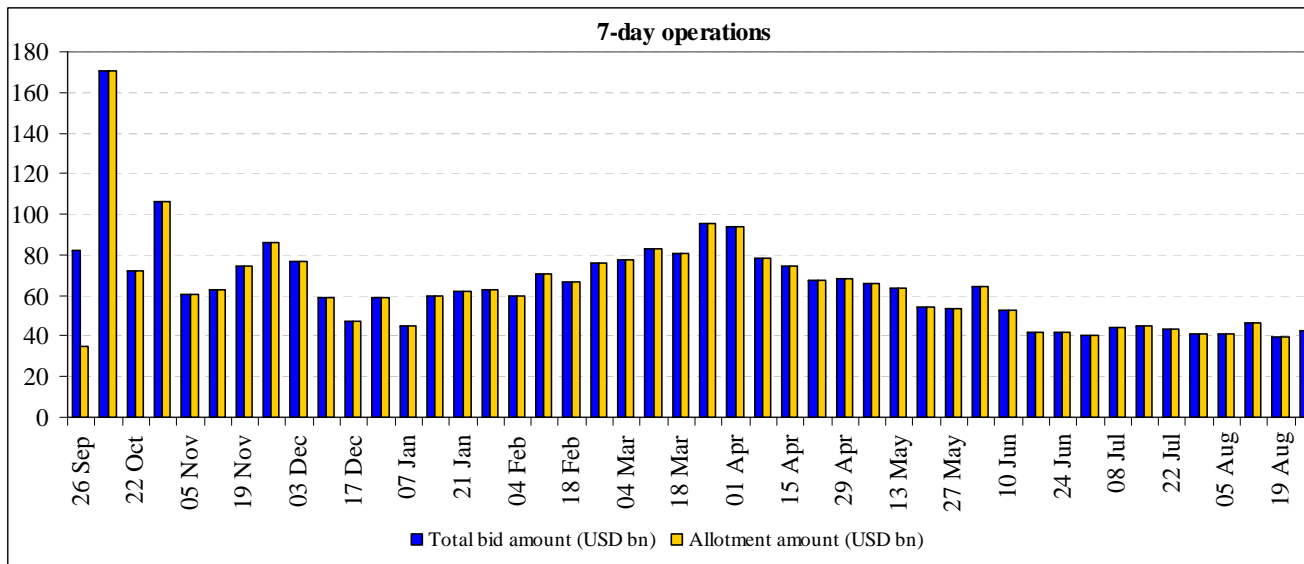
# Forward 3-month EURIBOR - OIS spreads



# ECB announcements of 25 June 2009

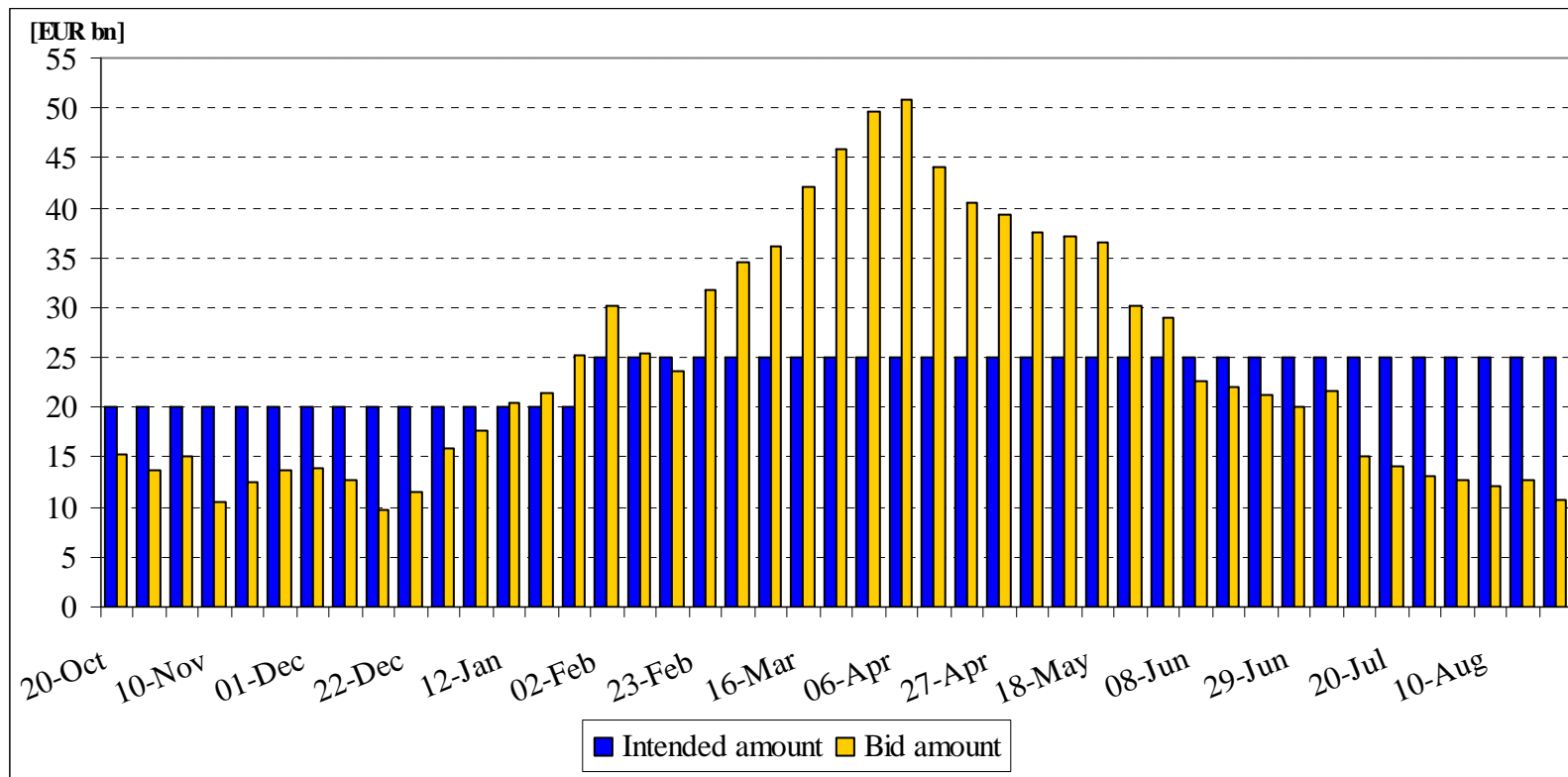
- Continuation of USD liquidity providing operations with 7-day and 84-day maturities until 30 September / discontinuation of 28-day operations
- Continuation of 1-week CHF liquidity providing operations at least until the end of October

# Results of the Eurosystem's USD providing operations





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



## Potential issues for discussion

- *How do members assess the overall functioning of the EUR money market after the large allotment in the first 1-year LTRO?*
- *What are the expectations for the next 1-year LTRO?*
- *How do members assess the discontinuation of the 28-day USD operations? Do they see scope for a further reduction of the liquidity provision in foreign currencies?*