



**ECB Money Market  
Contact Group**

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**Bank of  
Ireland**

# Outlook for Money Markets

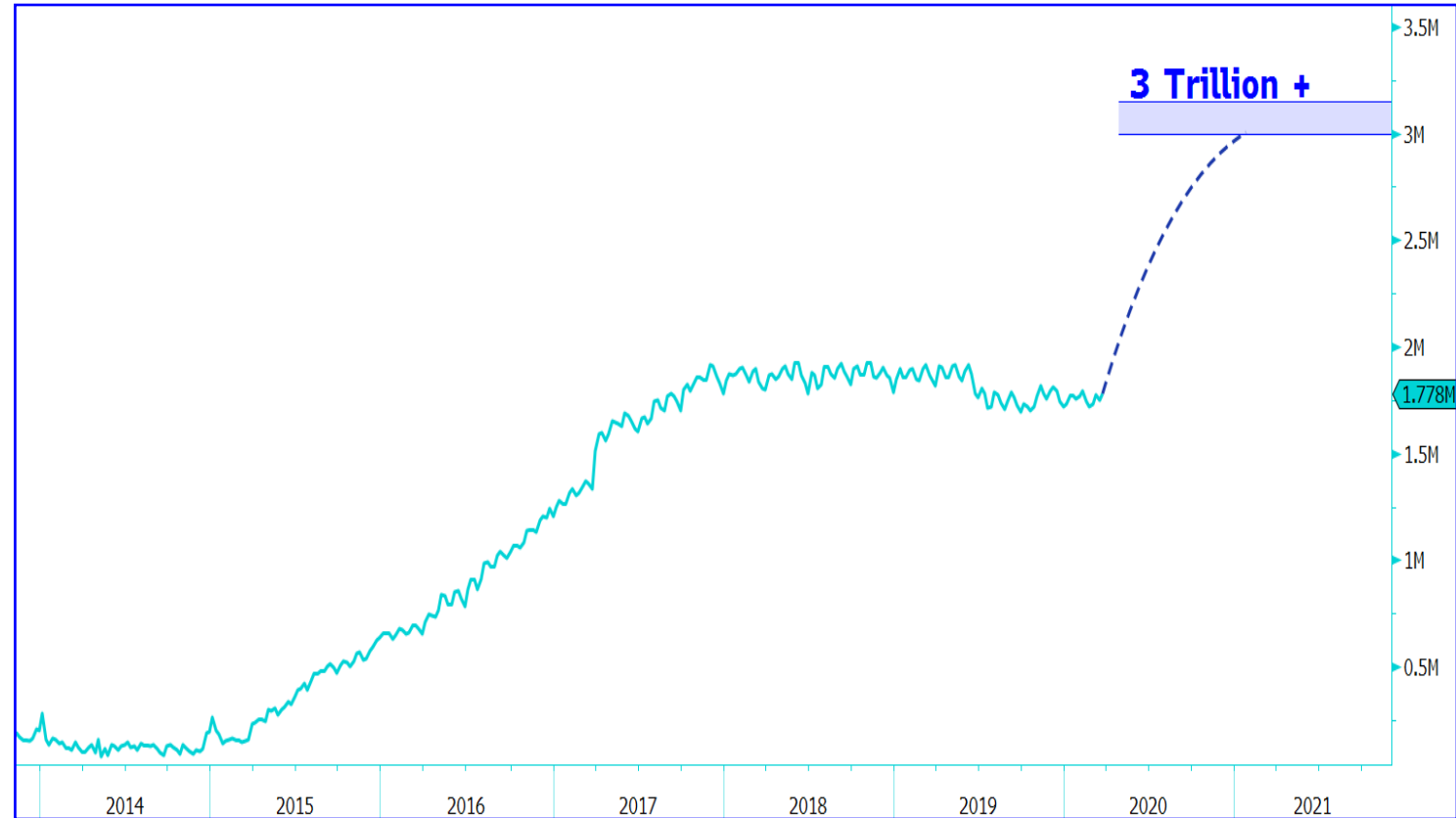
## Excess Liquidity

Current	1,780bn
APP	180bn
Envelope	120bn
PEPP	750bn
LTRO/TLTRO	c. 250bn

End 2020 Projection 3,080bn

⇒ Increase Tiering Multiplier

⇒ Scope for Further Rate Cuts



Source: Bloomberg

# Outlook for Money Markets

## Market Pricing

- 1y1y Eonia -0.502%
- Funding stresses putting short-term upward pressure on fixings
- Neutral Eonia c. -0.455%
- Increased Excess Liquidity allows for Tiering Multiplier increase
- Room for further rate cuts in H2?



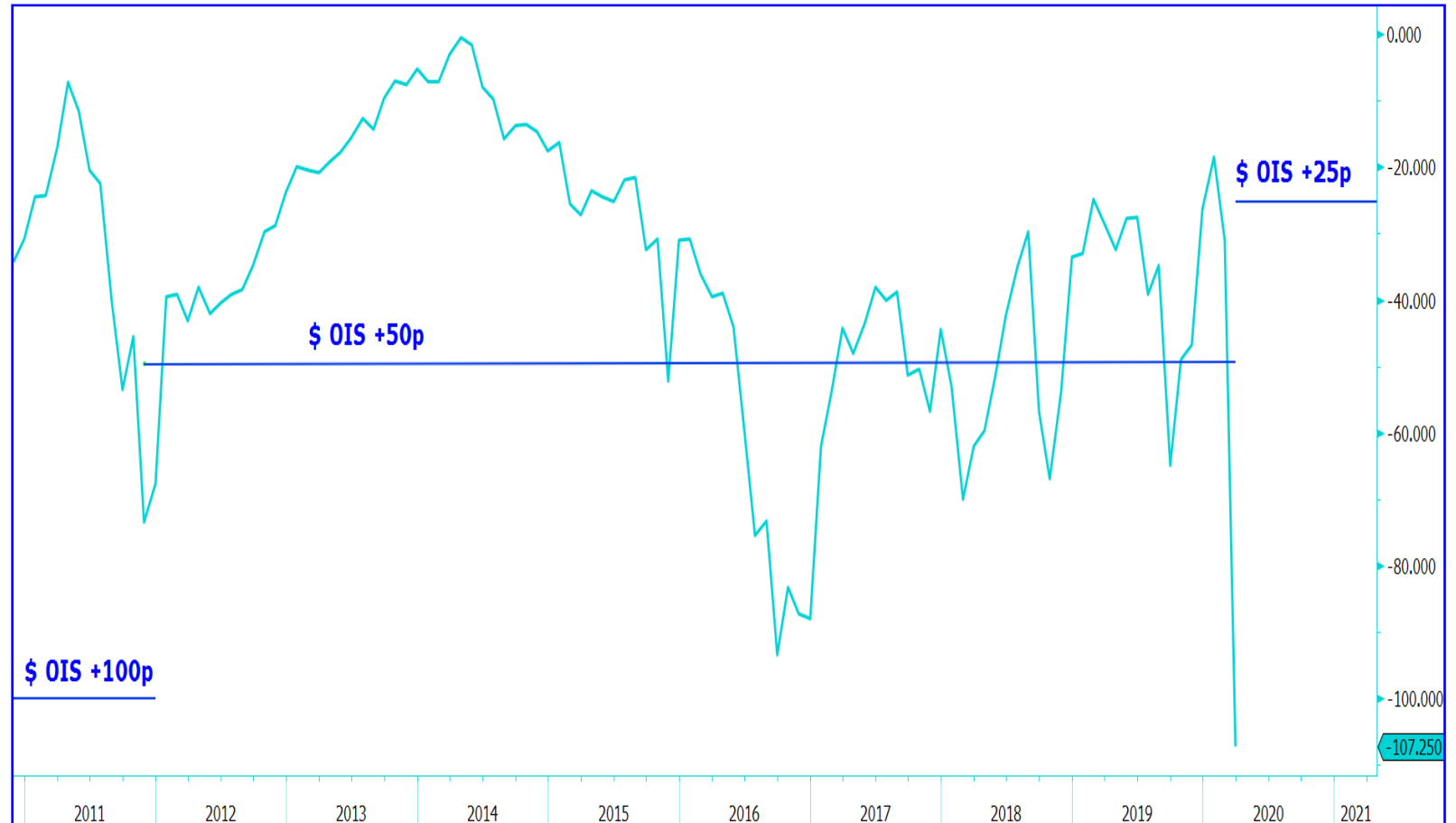
Source: Bloomberg

# Outlook for Money Markets

## EUR/USD OIS X-CCY

### Future Options:-

- **More frequent 3mth auctions and/or tenors increased**
- **Collateral broadened to include more encumbered assets**



Source: Bloomberg

# Outlook for Money Markets

## Fed Toolkit

### Future Options:-

- Yield Curve Control
- TAF
- Corporate Bond Purchases
- Funding For Lending Scheme
- Revise Dodd Frank or Basel III – Balance Sheet Support



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