



EUROPEAN CENTRAL BANK

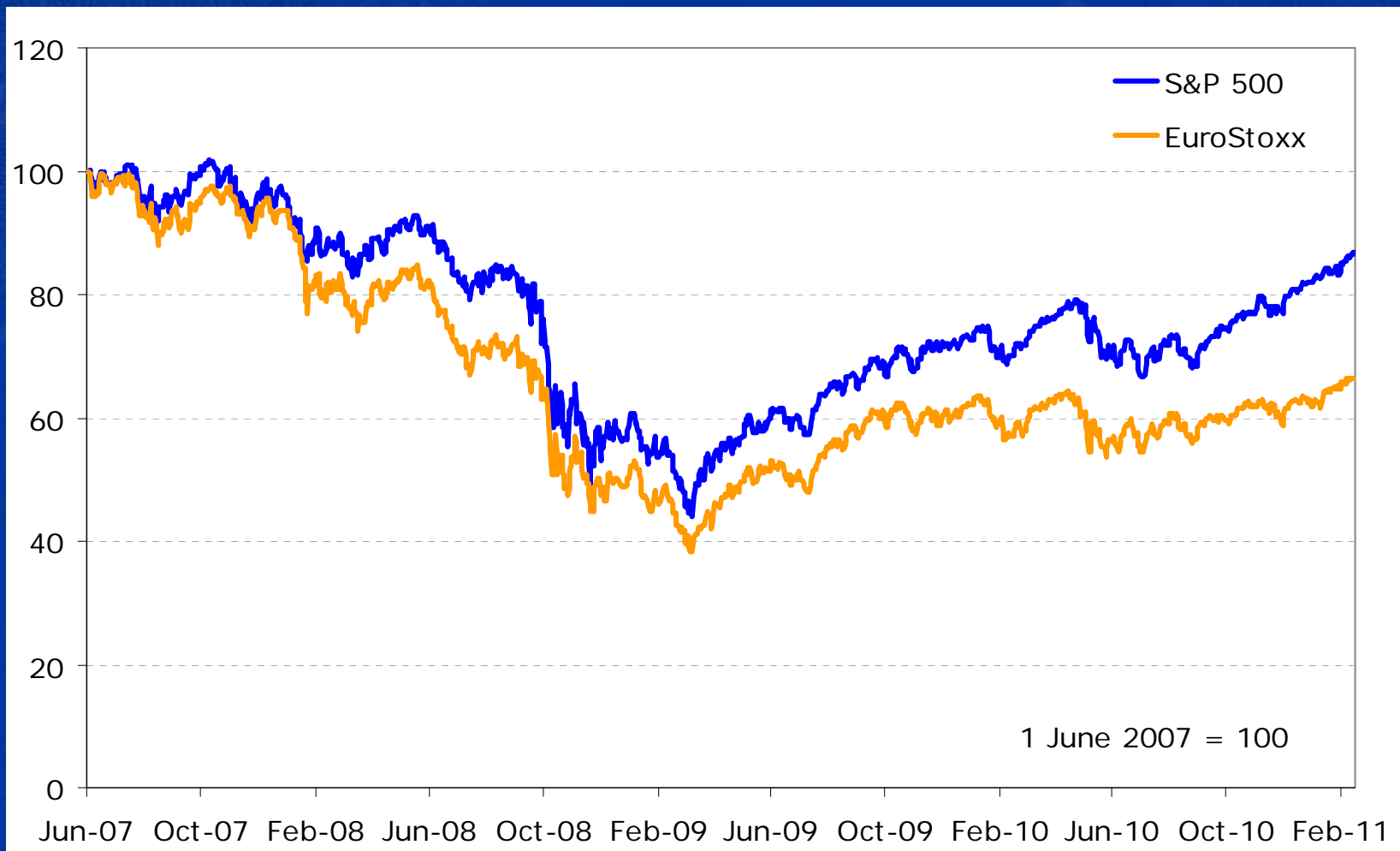
EUROSYSTEM

Recent Key Financial Market Developments

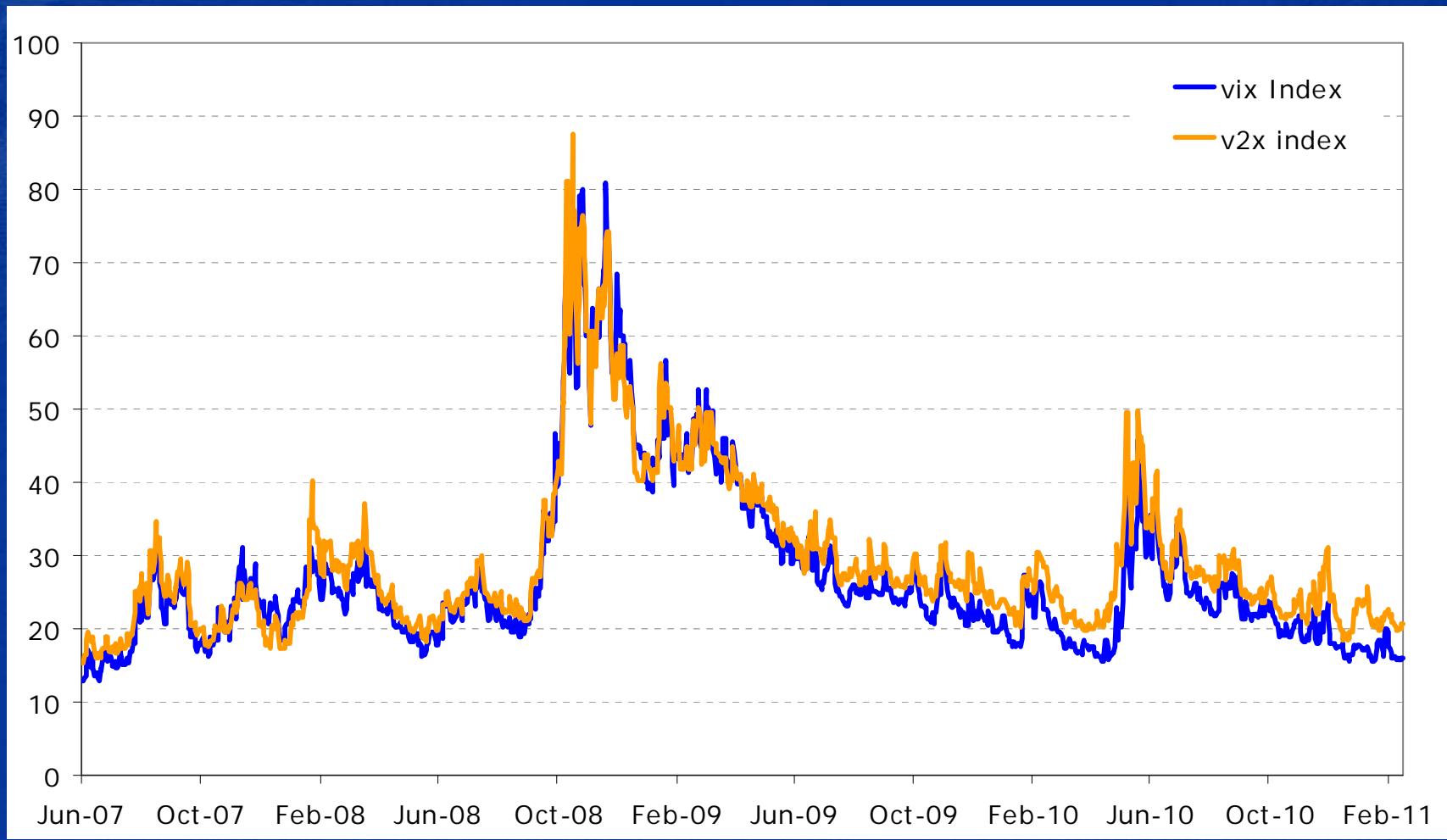
Ivan Fréchar d (FXCG secretary)

Frankfurt, 15 February 2011

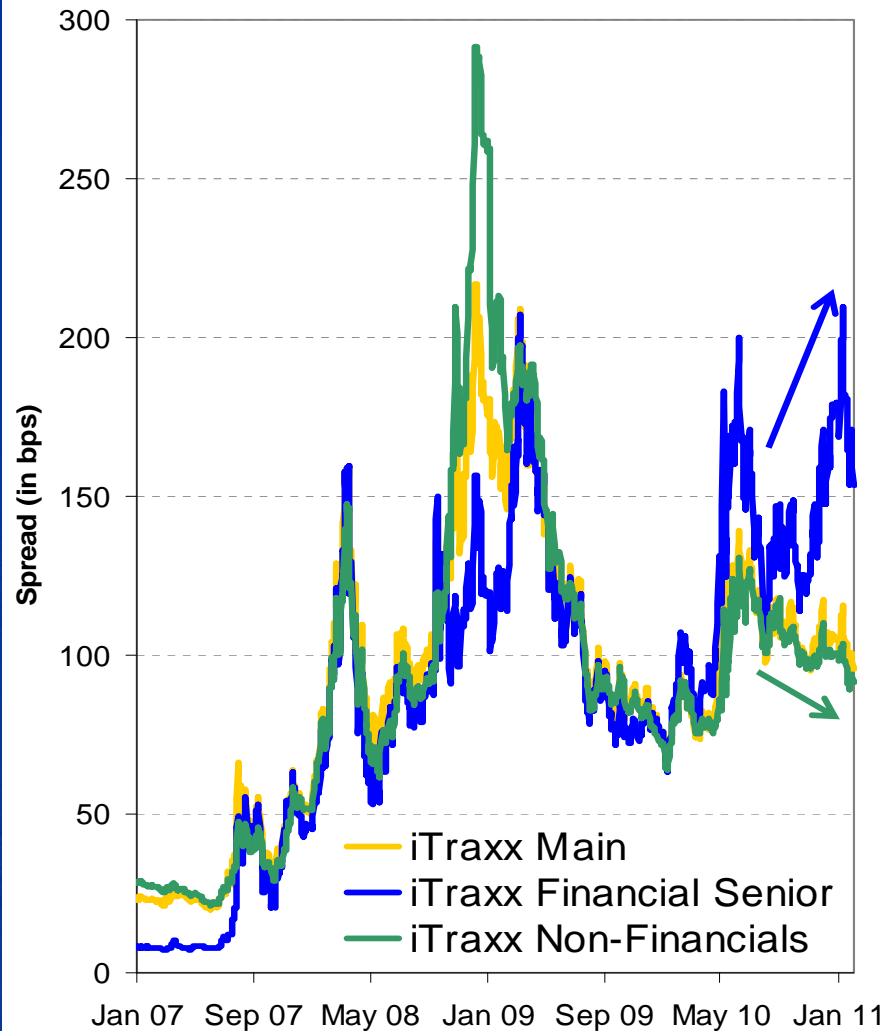
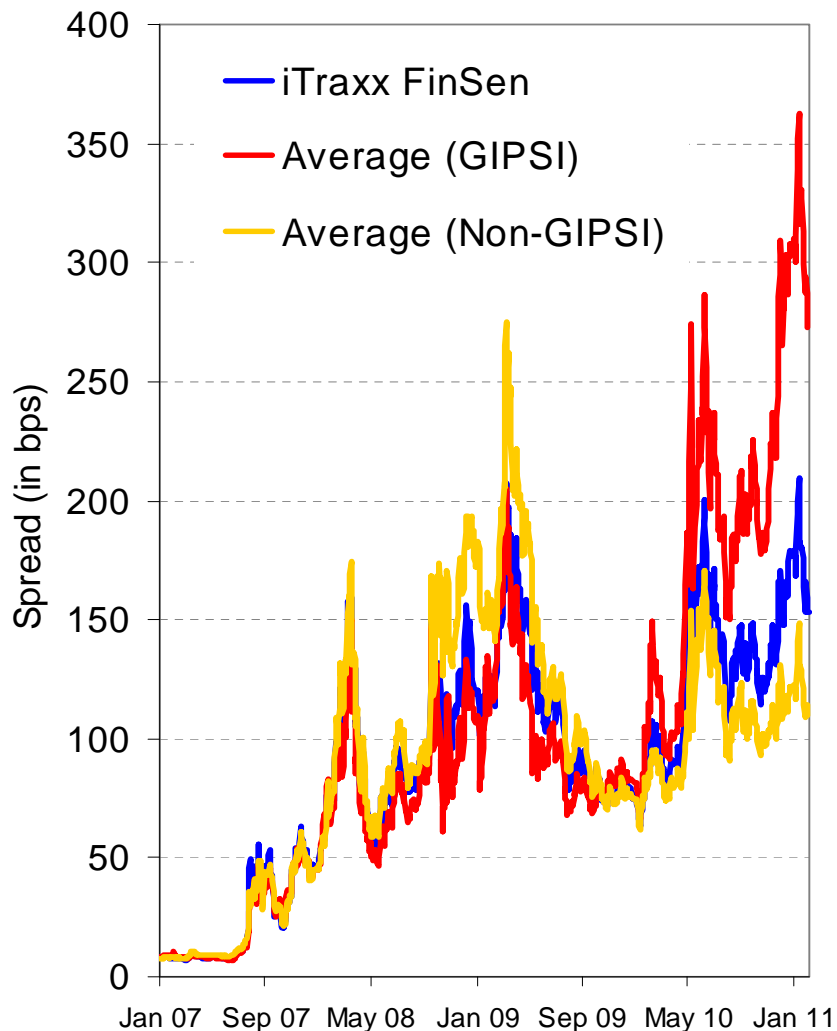
Stock markets have been trading upwards since October



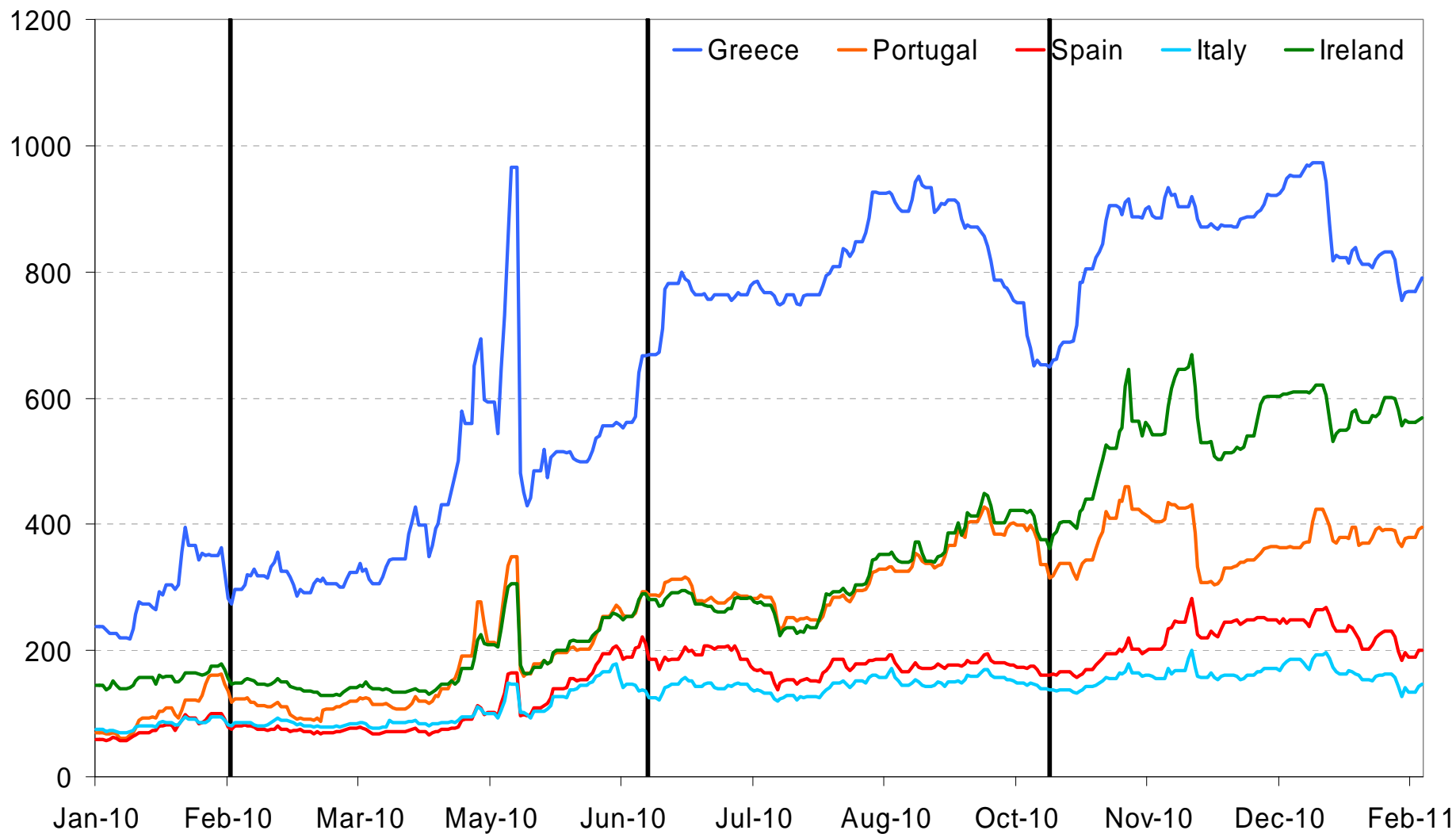
Perceived uncertainty remained at moderate levels recently



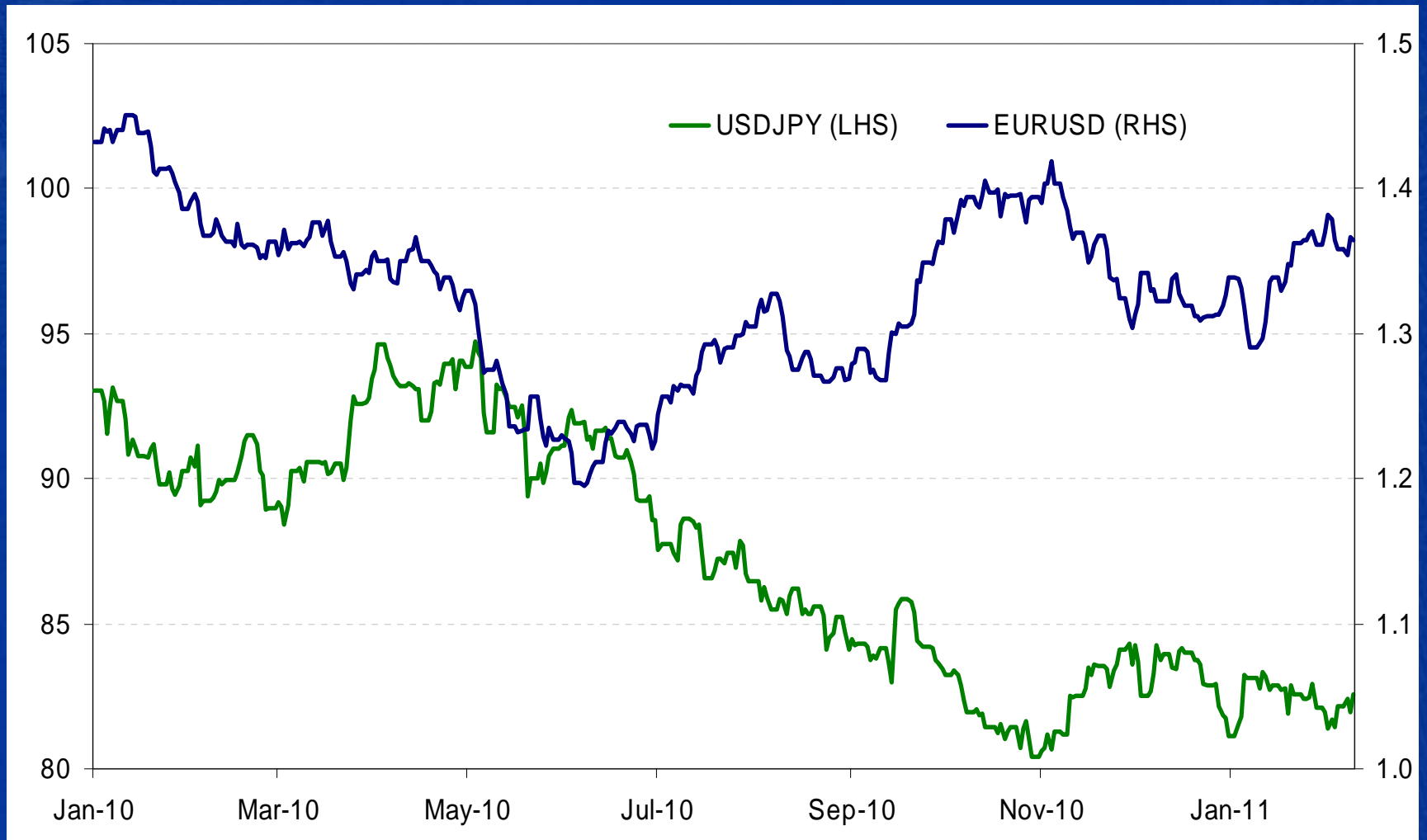
Credit concerns concentrated on financials, lead by peripheral sovereign spreads...



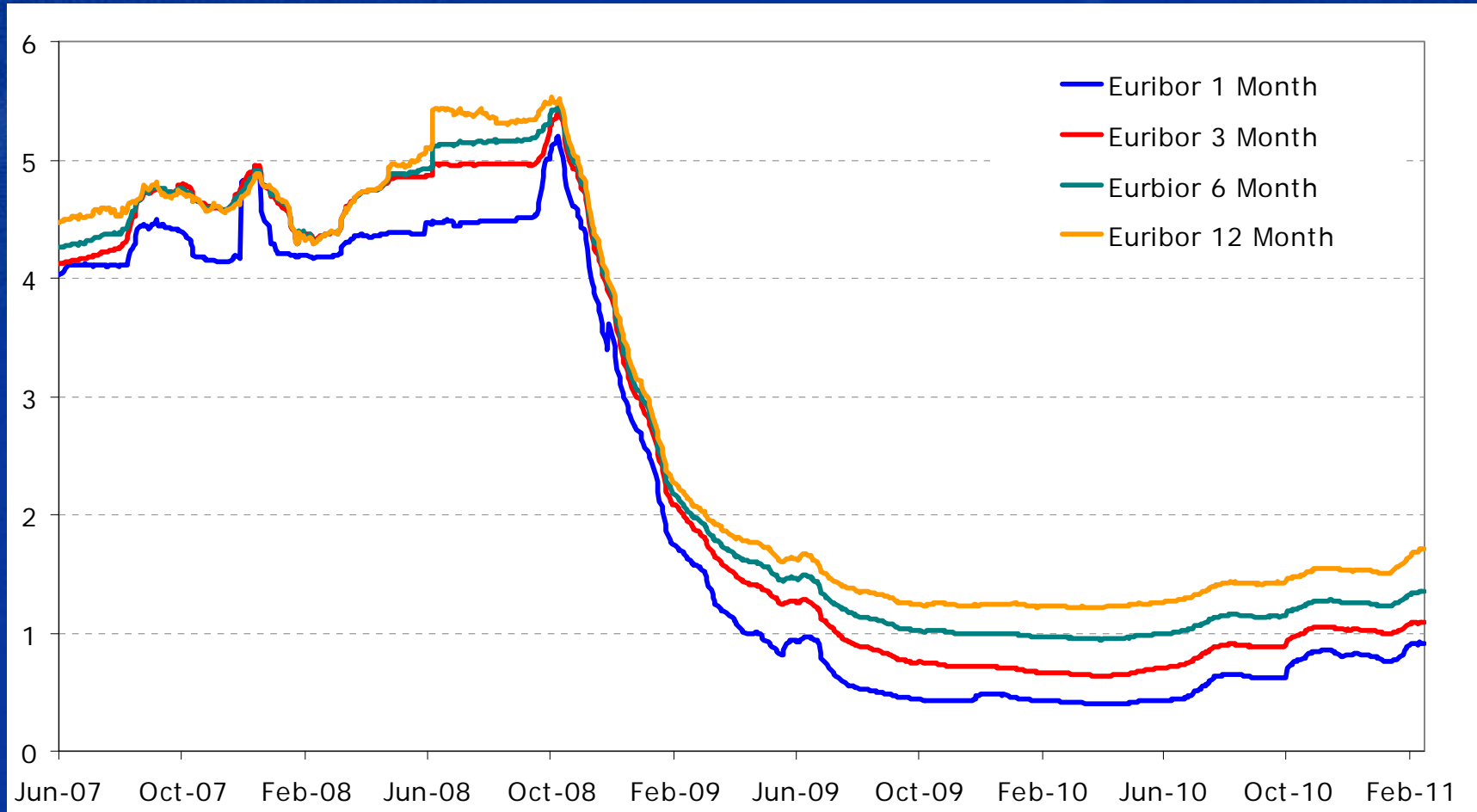
euro area sovereign spreads (over Germany, 10 yr)



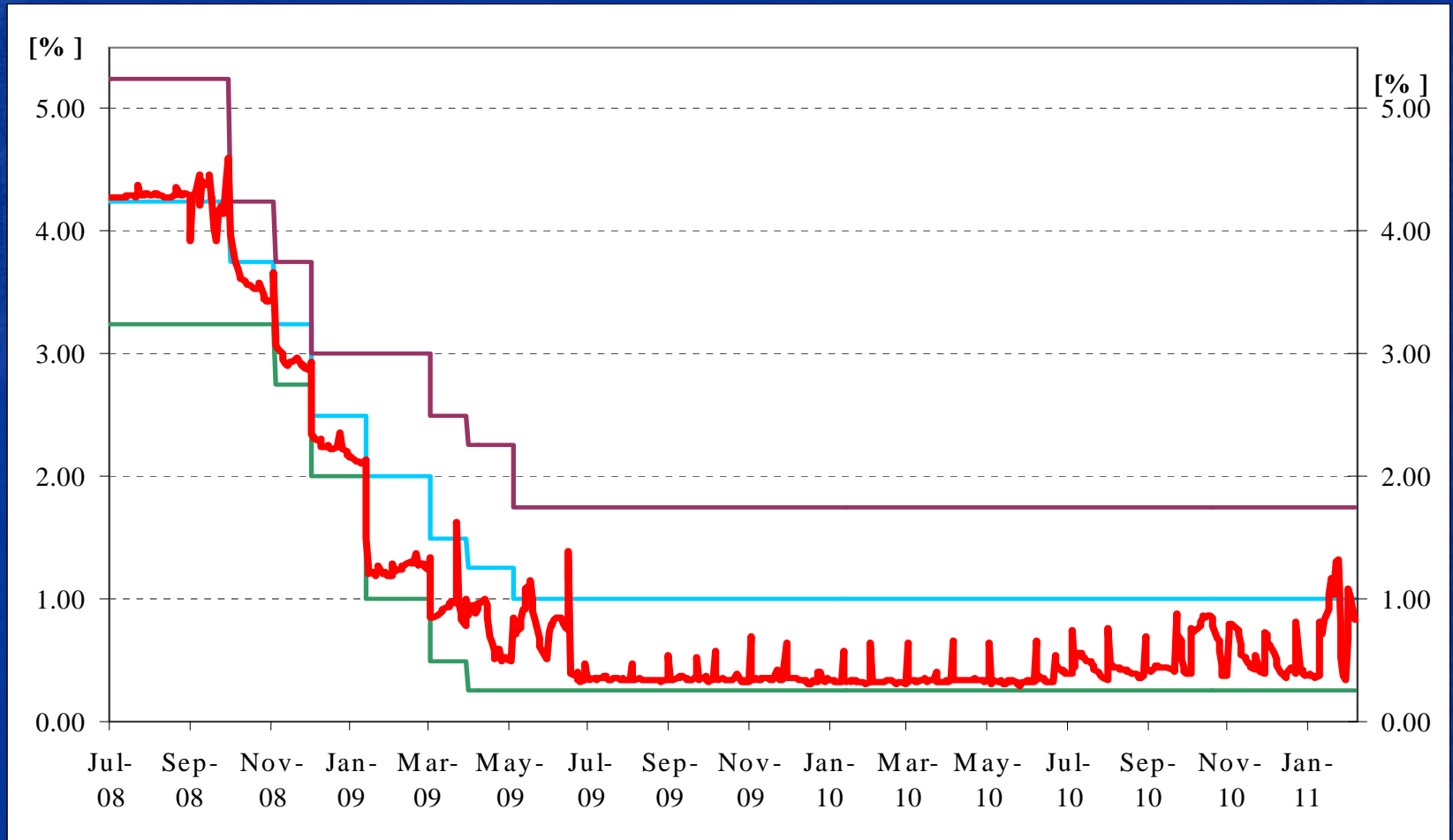
FX markets



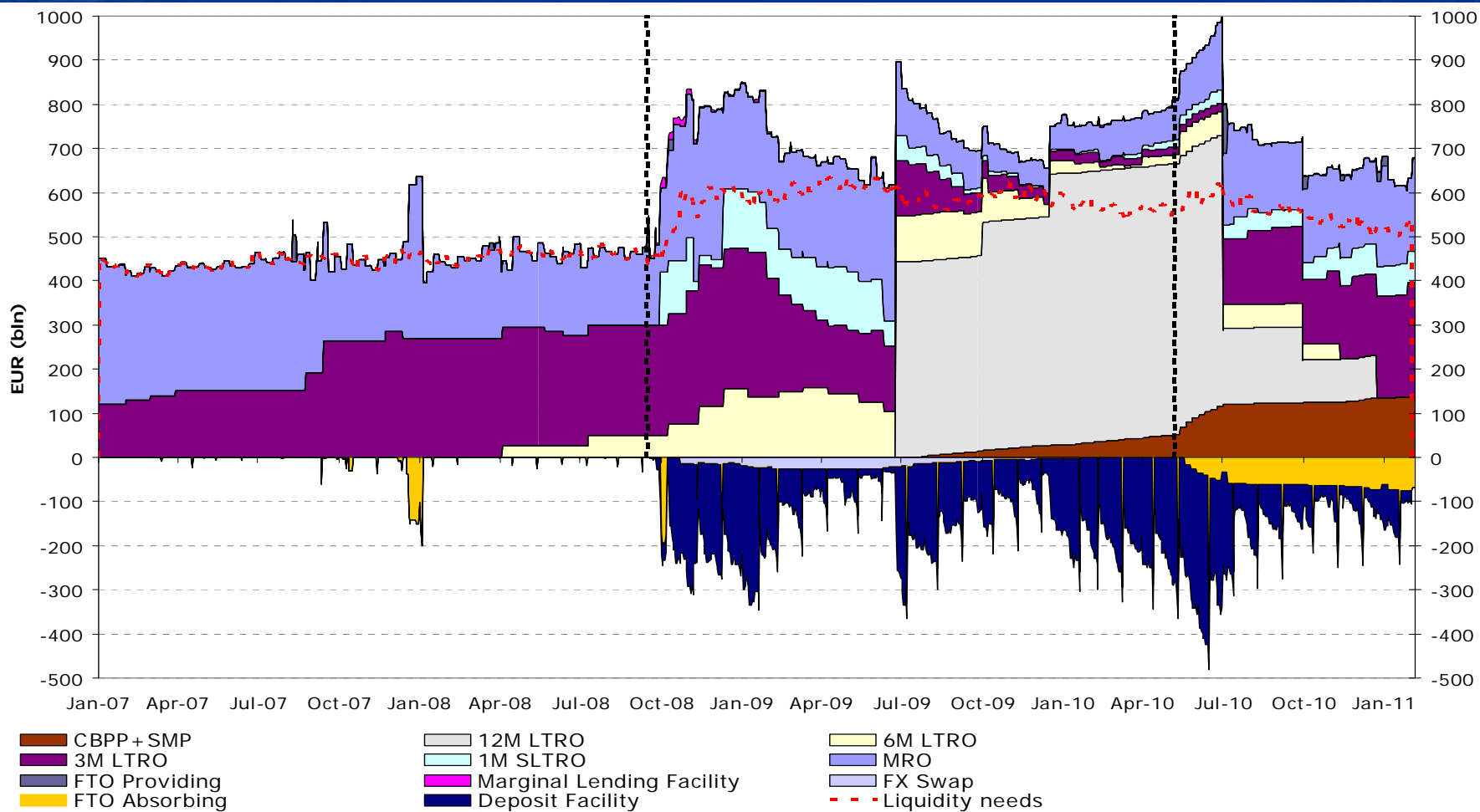
The downward trend in EURIBOR halted and reversed



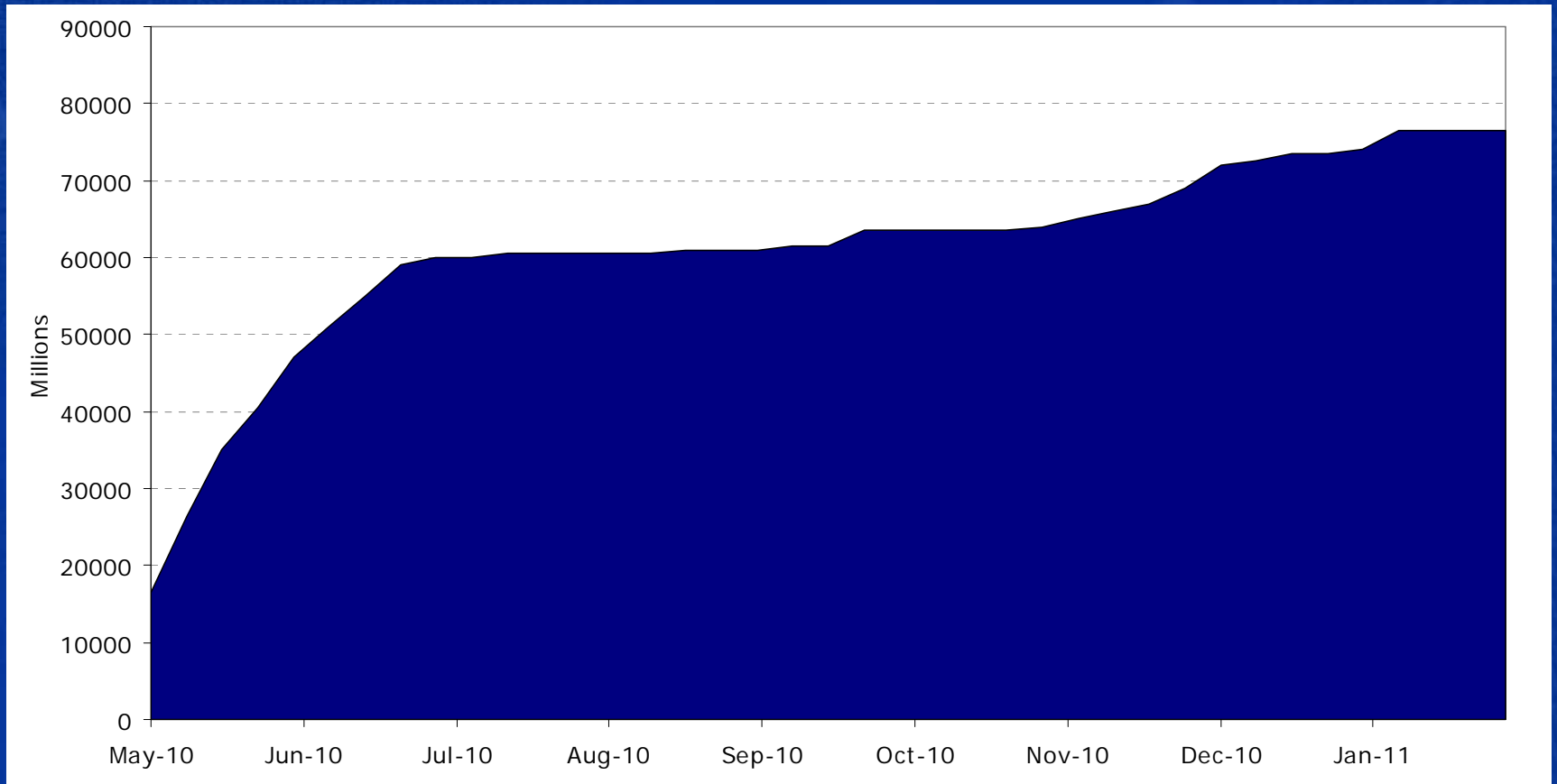
ECB rates and EONIA developments



Maturity breakdown of the ECB's liquidity providing operations



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 April 2011*.
- Some refinements to the framework for the implementation of monetary policy (e.g. collateral)**.
- Estonia joined the euro area***

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

(**) see <http://www.ecb.europa.eu/paym/coll/html/index.en.html>, in particular the 16 December press releases

(***) see 1 January 2011 press release

Summary

- Tensions persisted in relation to sovereign debt since the last OMG meeting in October 2010, with some stabilisation in January
- Areas of focus/concern: government debt, central banks' exit strategies, international cooperation and regulation



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Key Financial Market Developments

Thank you for your
attention