

February 2022

ECB QE Monitor

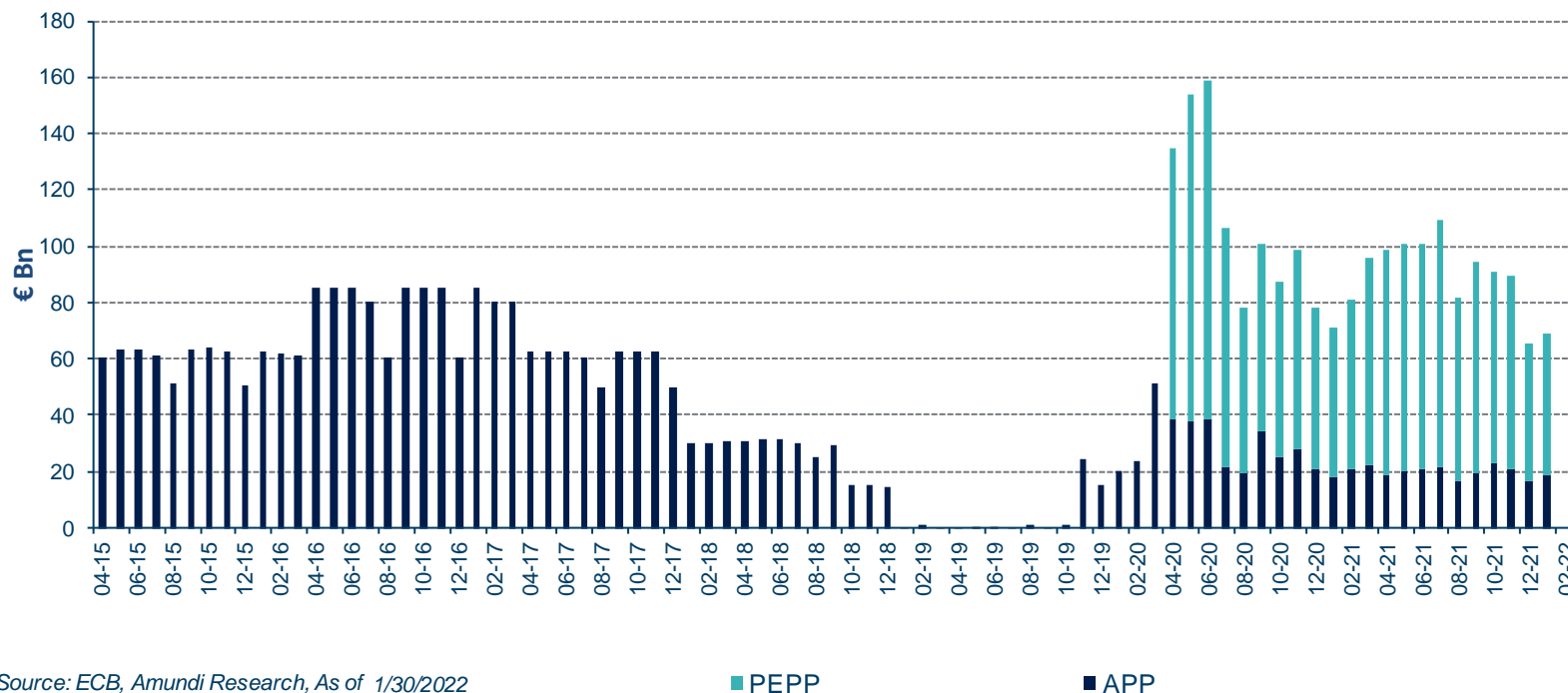
Mickael Bellaïche,
Fixed Income and Credit Research Strategist

Confidence
must be earned
Amundi
ASSET MANAGEMENT

APP and PEPP: breakdown by programme in € bn

- In January 2022, ECB net asset purchases reached €18.8bn under APP and €50bn under PEPP.
- In January APP by programme: PSPP (€17.3bn; 91.8% of total), CSPP (€7bn; 37%), CBPP3 (€-3.76bn; -19.96%) and ABSPP (€-1.7bn; -8.8%).

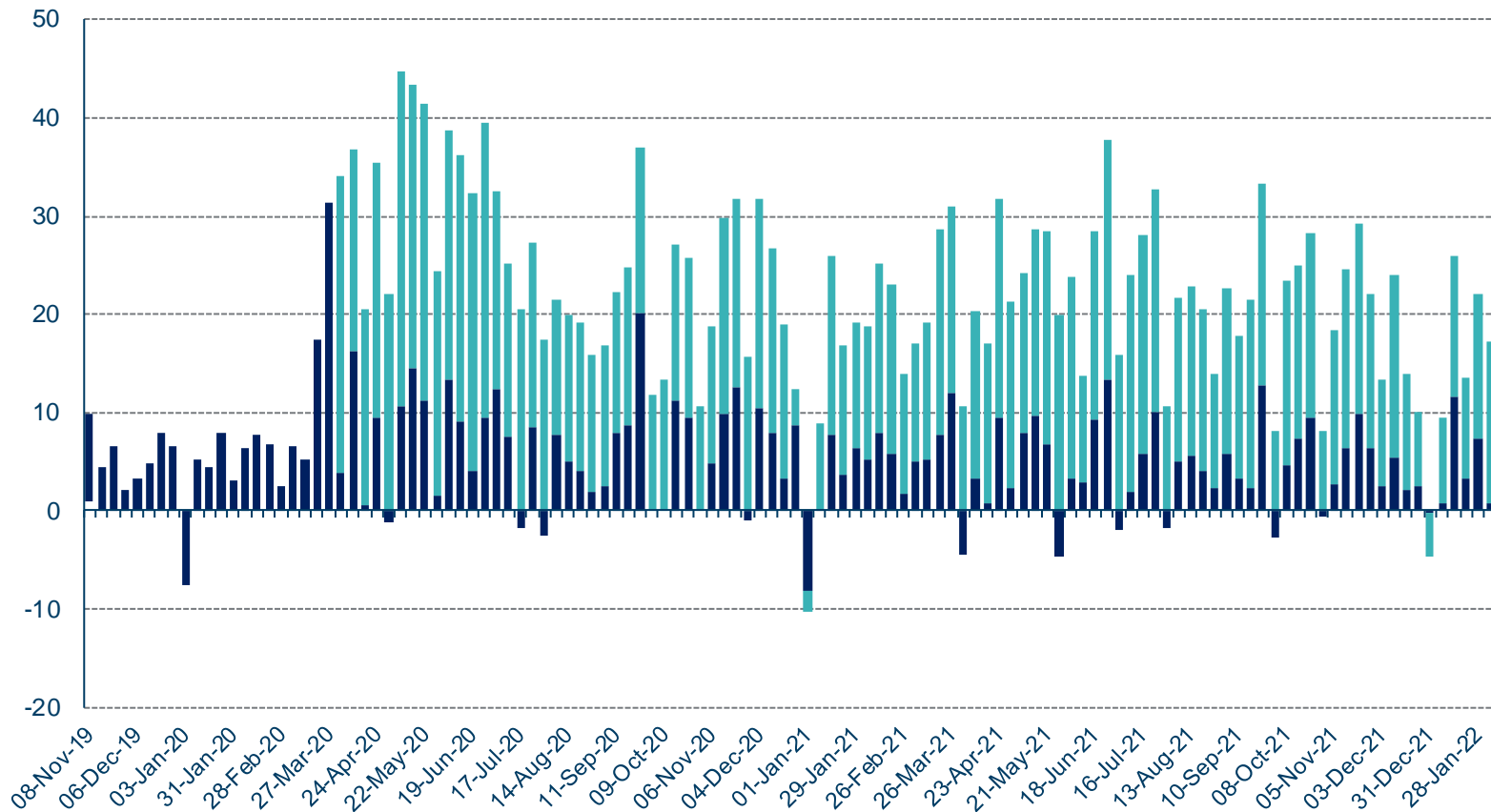
ECB monthly net asset purchases (in €bn)



Source: ECB, Amundi Research, As of 1/30/2022

ECB PEPP related purchases were equal to €50bn during January 2022 vs. €49bn in December 2021

ECB weekly net asset purchases (in €Bn)



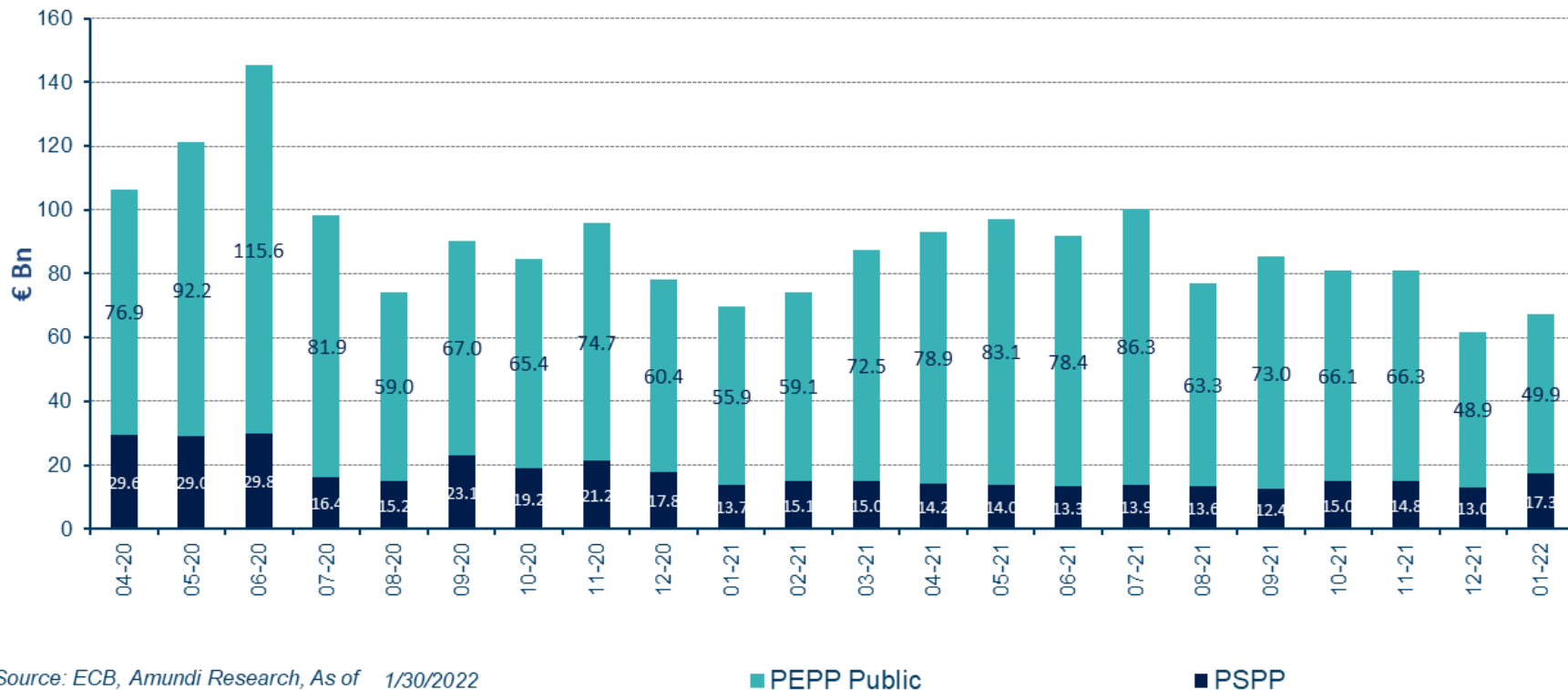
Source: Datastream, Amundi Research, as of 2/4/2022

■ APP

■ PEPP

APP and PEPP: Sovereign monthly net purchases

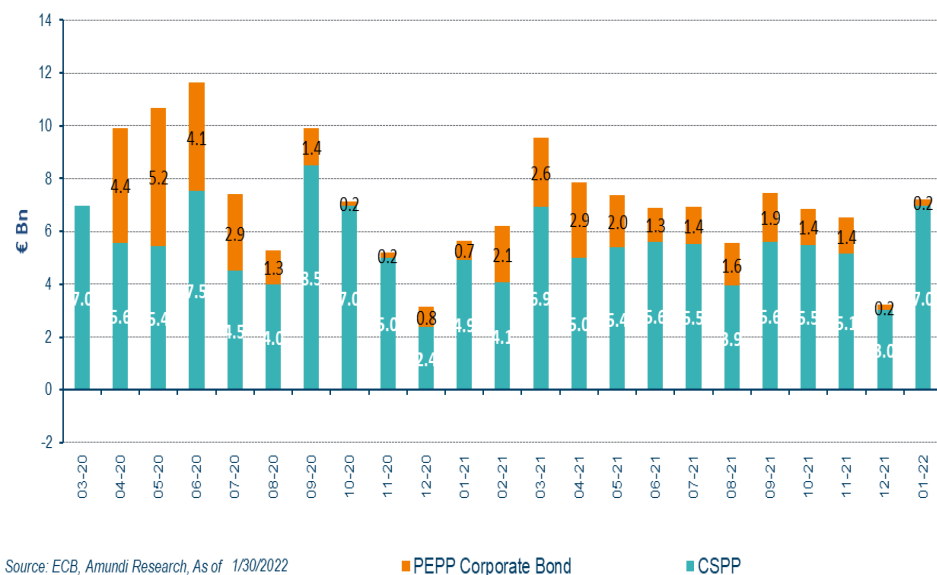
ECB monthly net asset purchases of public debt (in €bn)



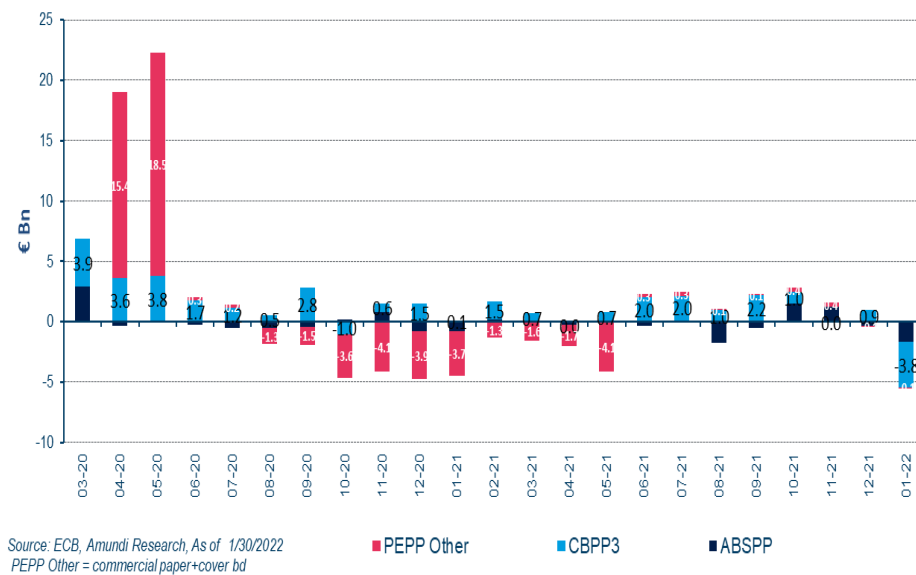
Source: ECB, Amundi Research, As of 1/30/2022

APP and PEPP: Private debt monthly net purchases

ECB monthly net asset purchases of corporate debt (in €bn)

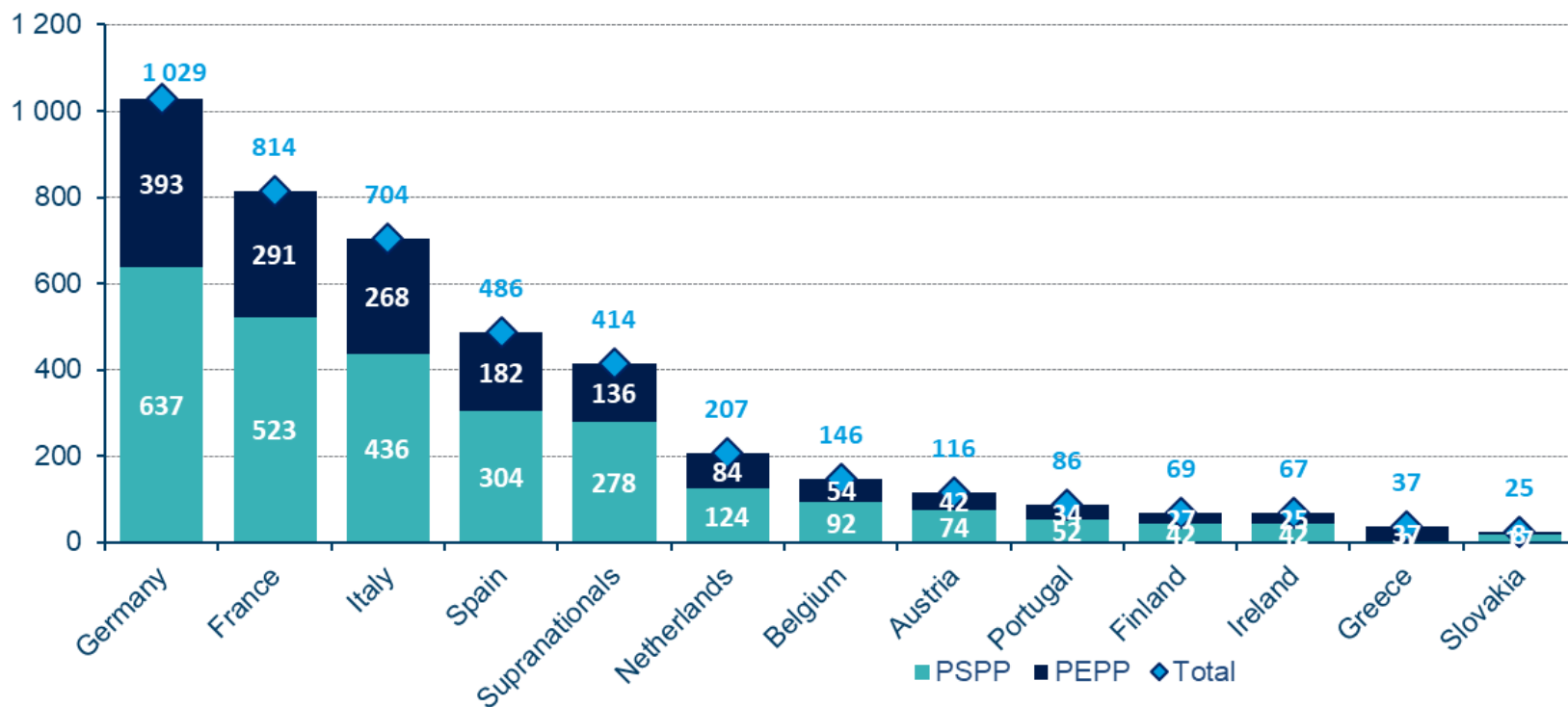


ECB monthly net asset purchases of other private debt (in €bn)



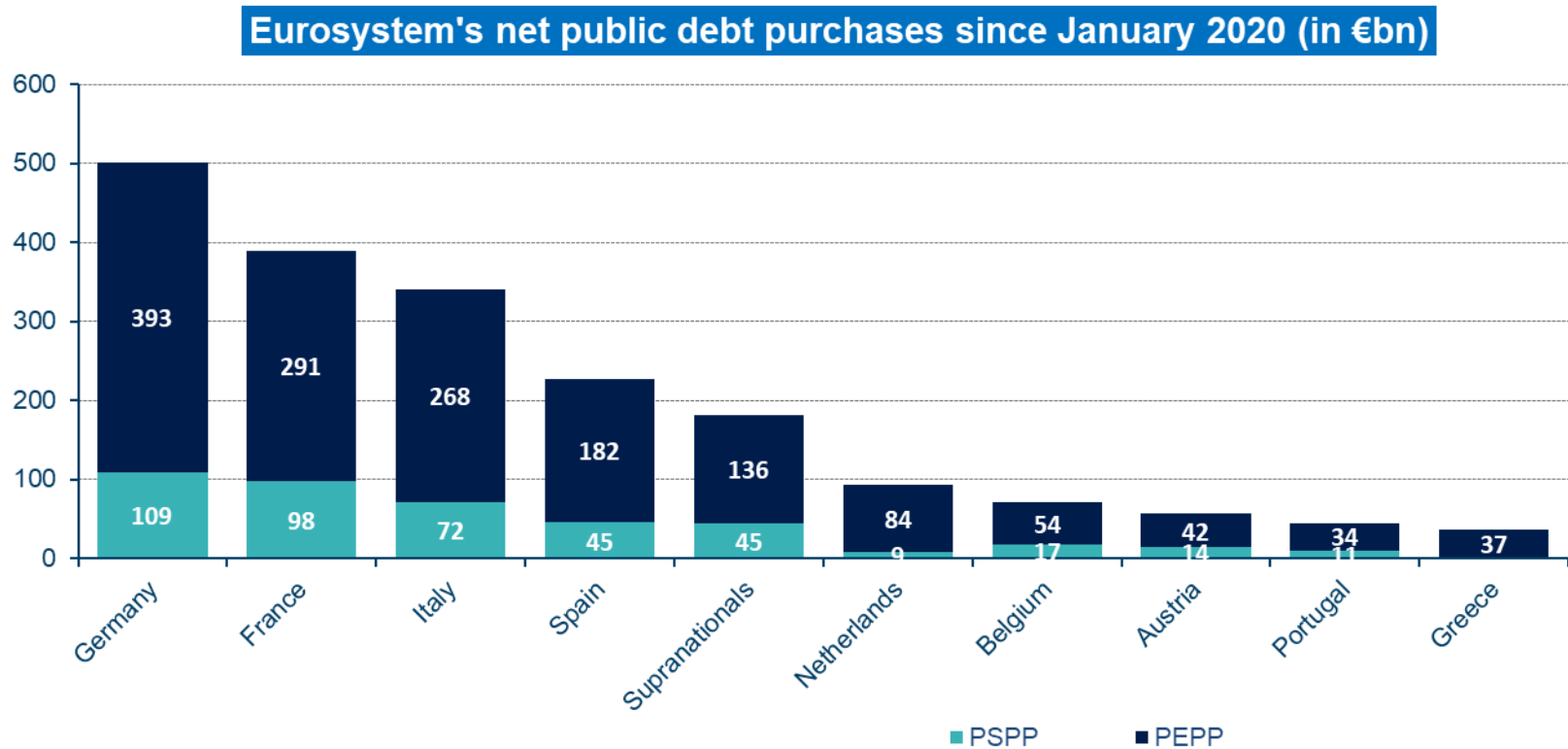
Eurosystem's holding: public debt

Eurosystem holding by jurisdiction (in €bn)



Source: Datastream, Amundi Research, Data as of 01/31/2022

Eurosystème's purchases since January 2020: public debt



Source: Datastream, Amundi Research, Data as of 01/31/2022

PSPP and PEPP holdings: Deviation from capital key proportions

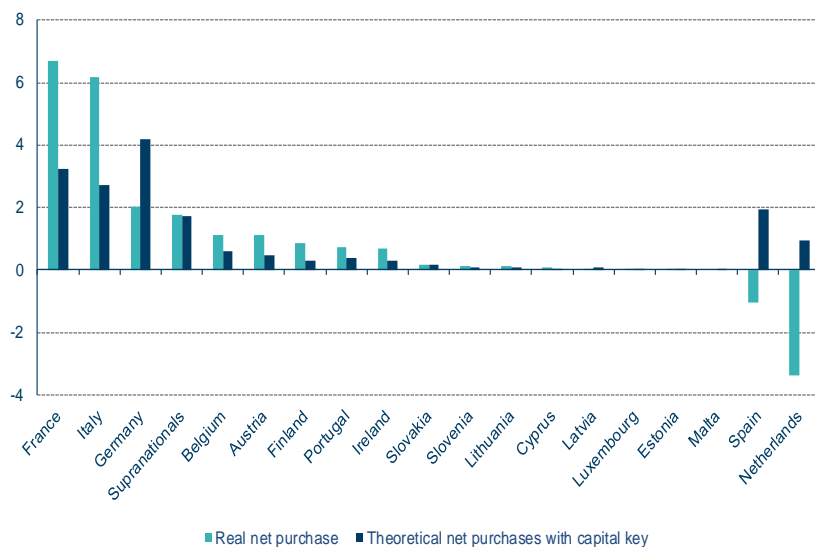
Deviation of PSPP and PEPP holdings from capital key proportions
(in €bn)



Source: Datastream, Amundi Research, Data as of 01/31/2022

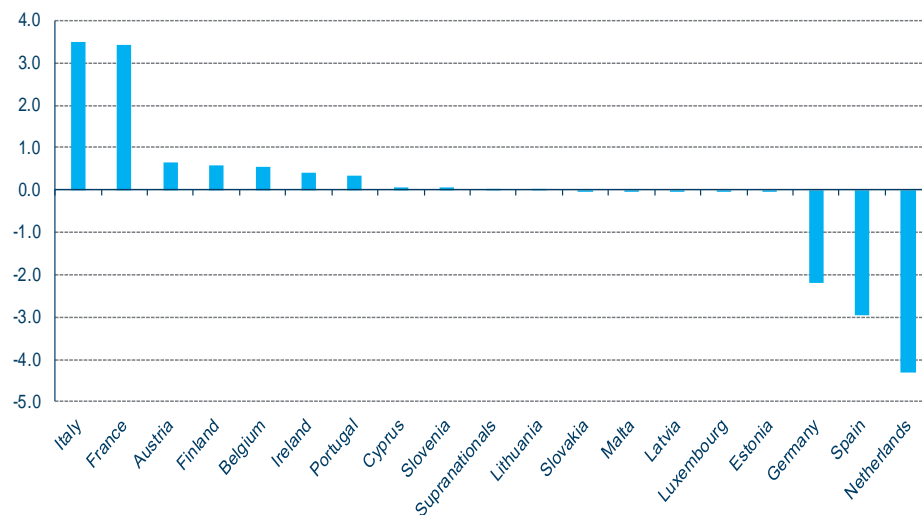
Deviation of monthly PSPP purchases from capital key proportions

PSPP: net purchases in January 2022 (in €bn)



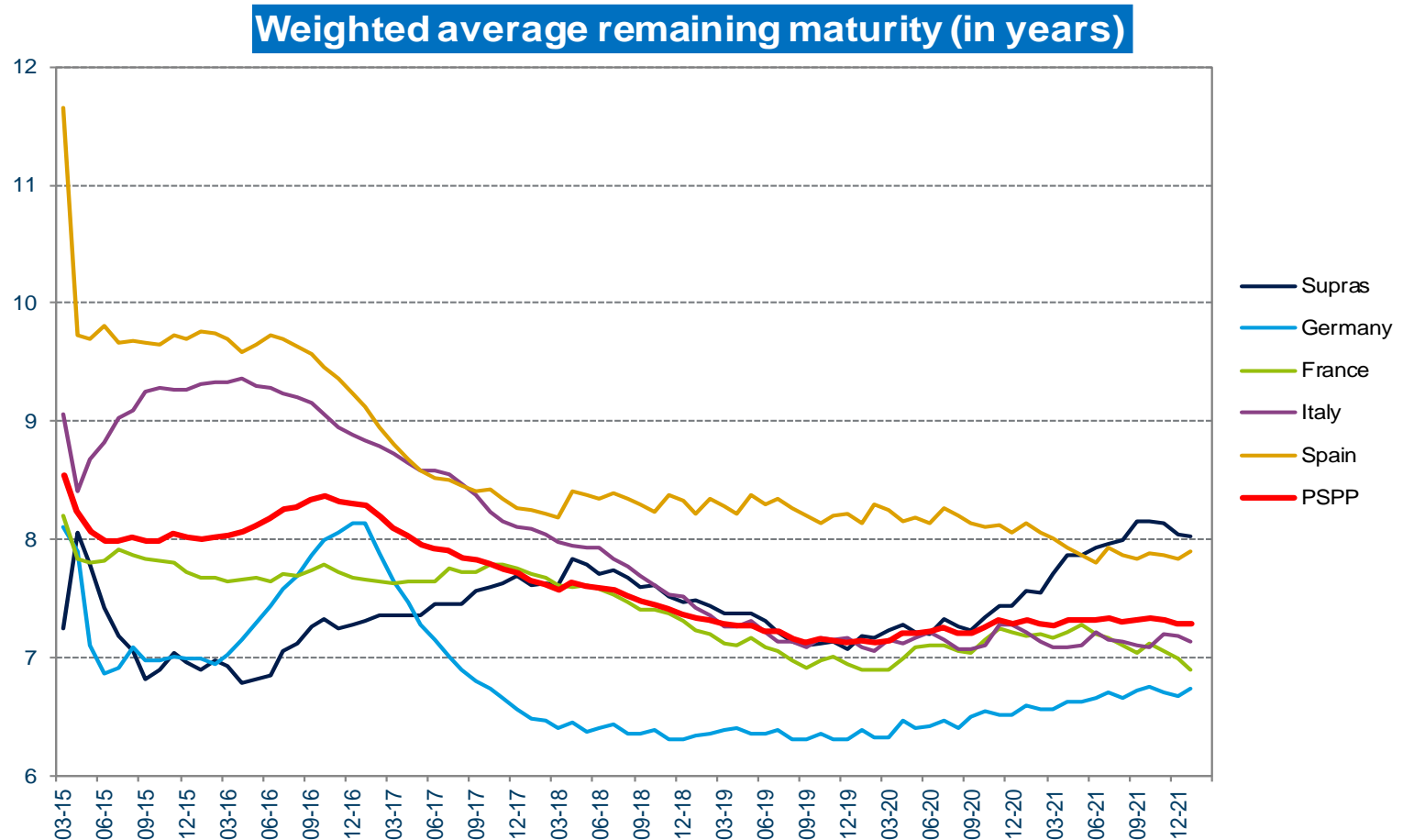
Source: Datastream, Amundi Research, Data as of 01/31/2022

PSPP: deviation from the capital key rule in January 2022 (in €bn)



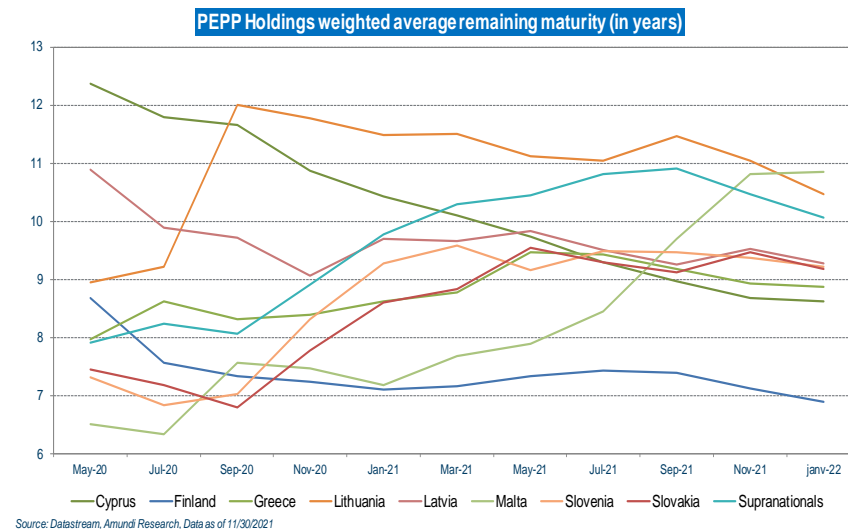
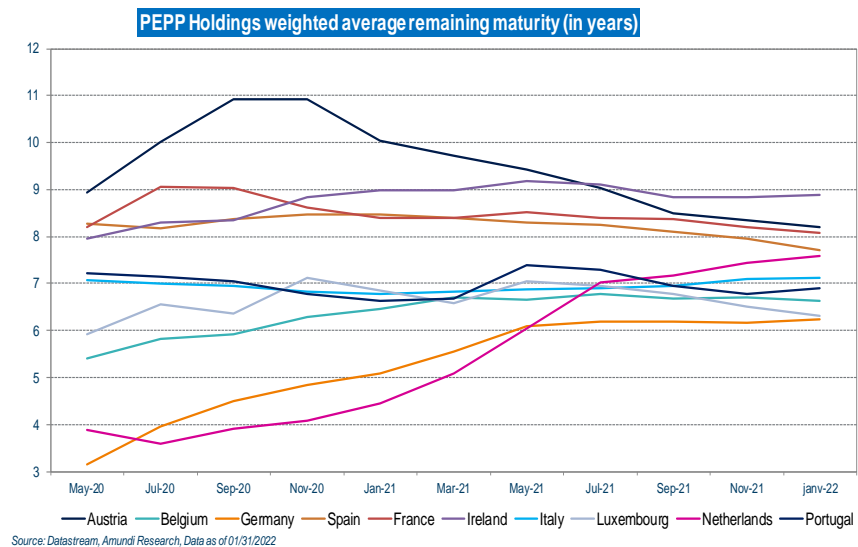
Source: Datastream, Amundi Research, Data as of 01/31/2022

Weighted average maturities by jurisdiction for the PSPP

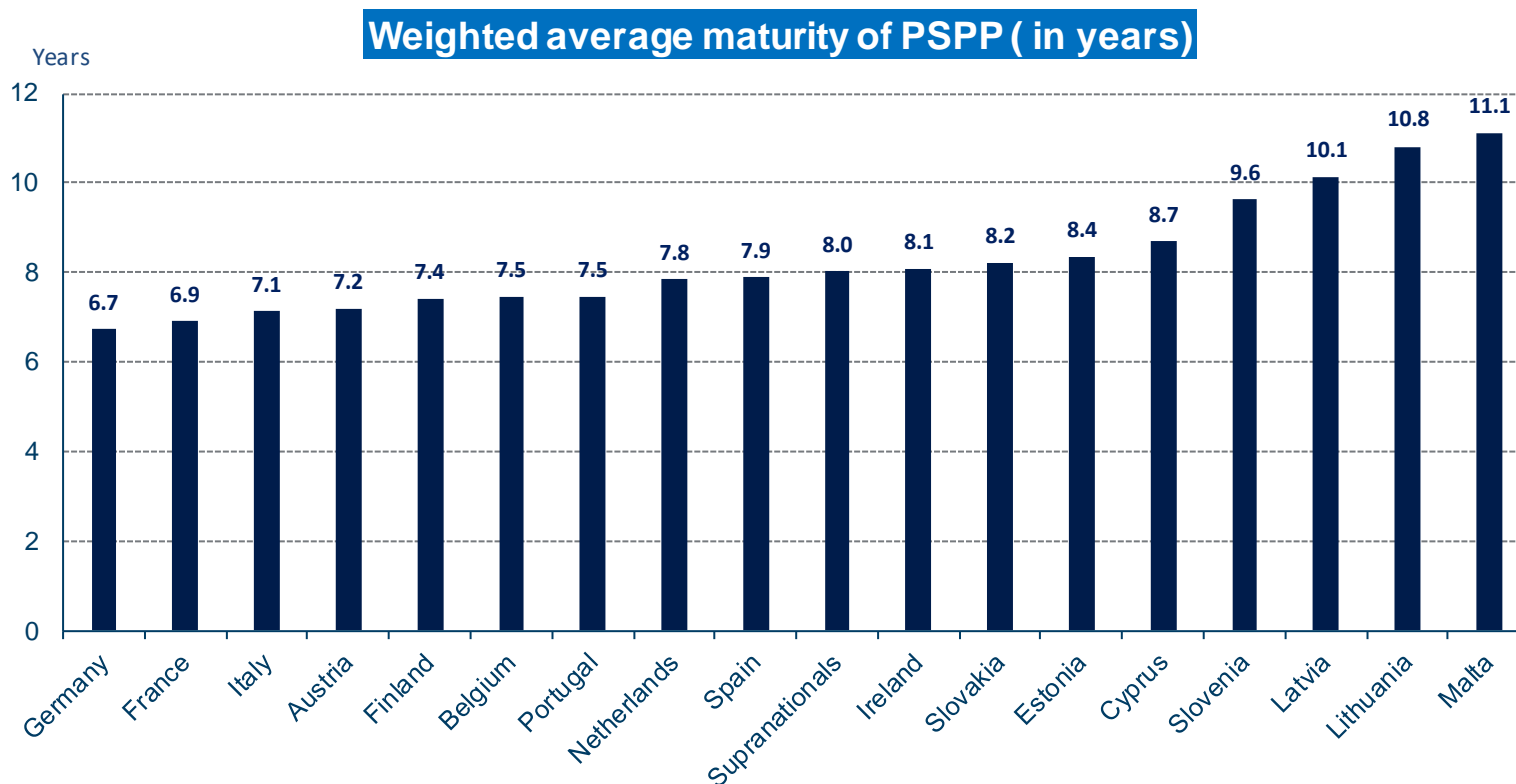


Source: Datastream, Amundi Research, Data as of 01/31/2022

PEPP Holdings weighted average remaining maturity



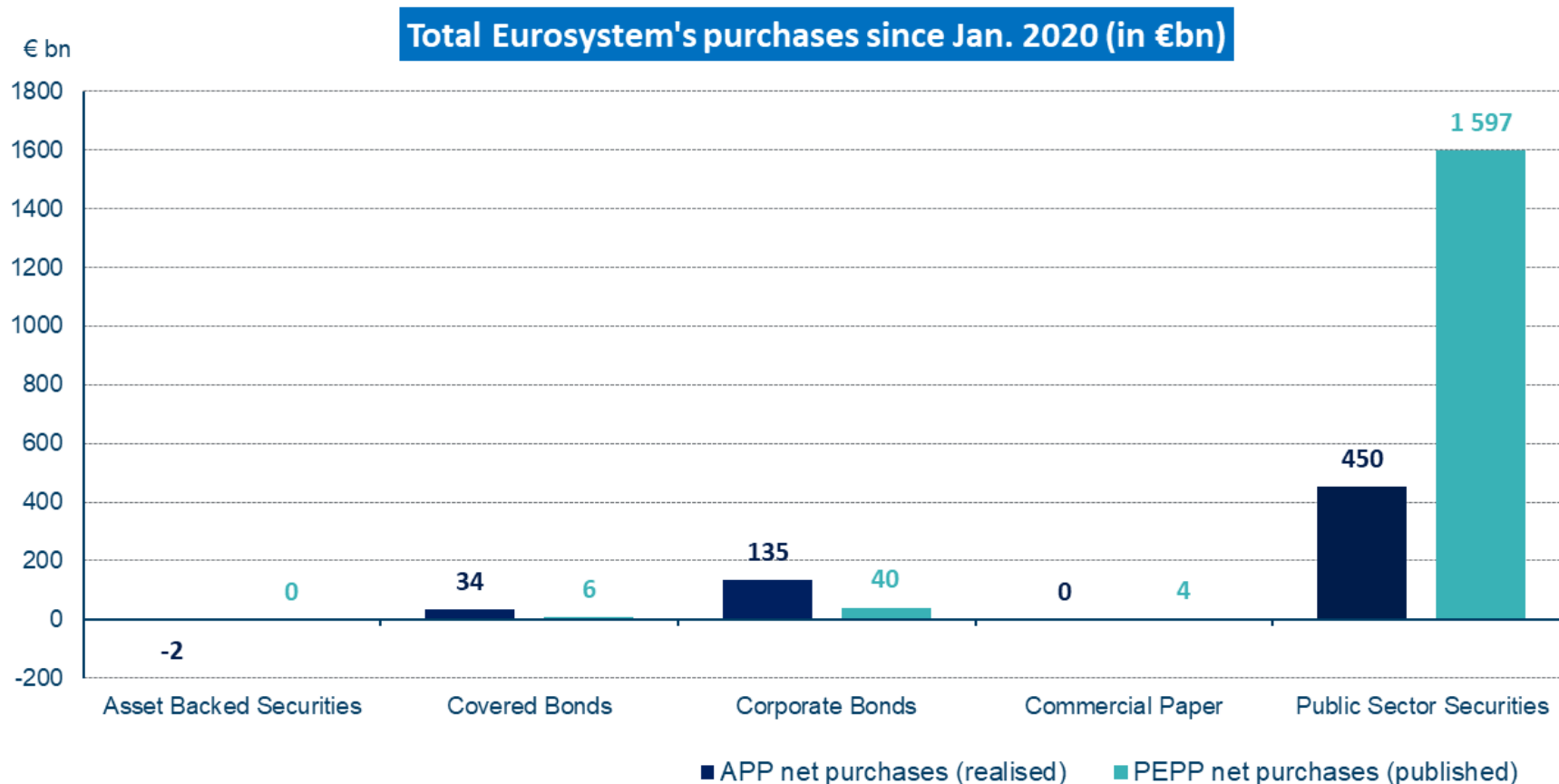
Weighted average maturity of PSPP bonds (as at January 2022)



Source: Datastream, Amundi Research, Data as of 01/31/2022

What's next for 2022?

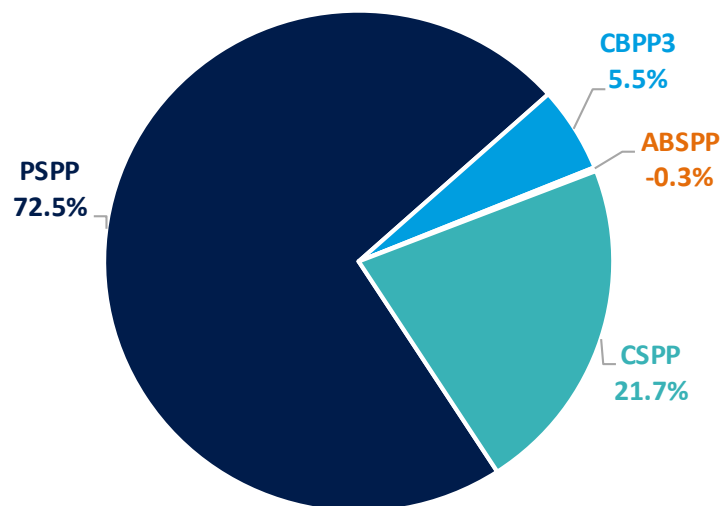
Of its PEPP envelope of €1 850bn, the ECB has spent €1 645bn.



Source: Datastream, Amundi Research, as of 01/31/2022

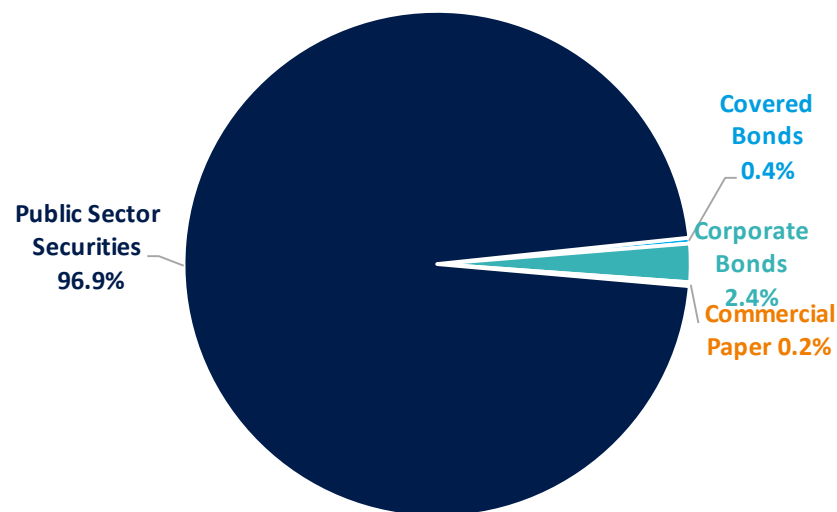
APP and PEPP: breakdown by program in %

APP by program



Source: ECB, Amundi Research, Date: 01/31/2022

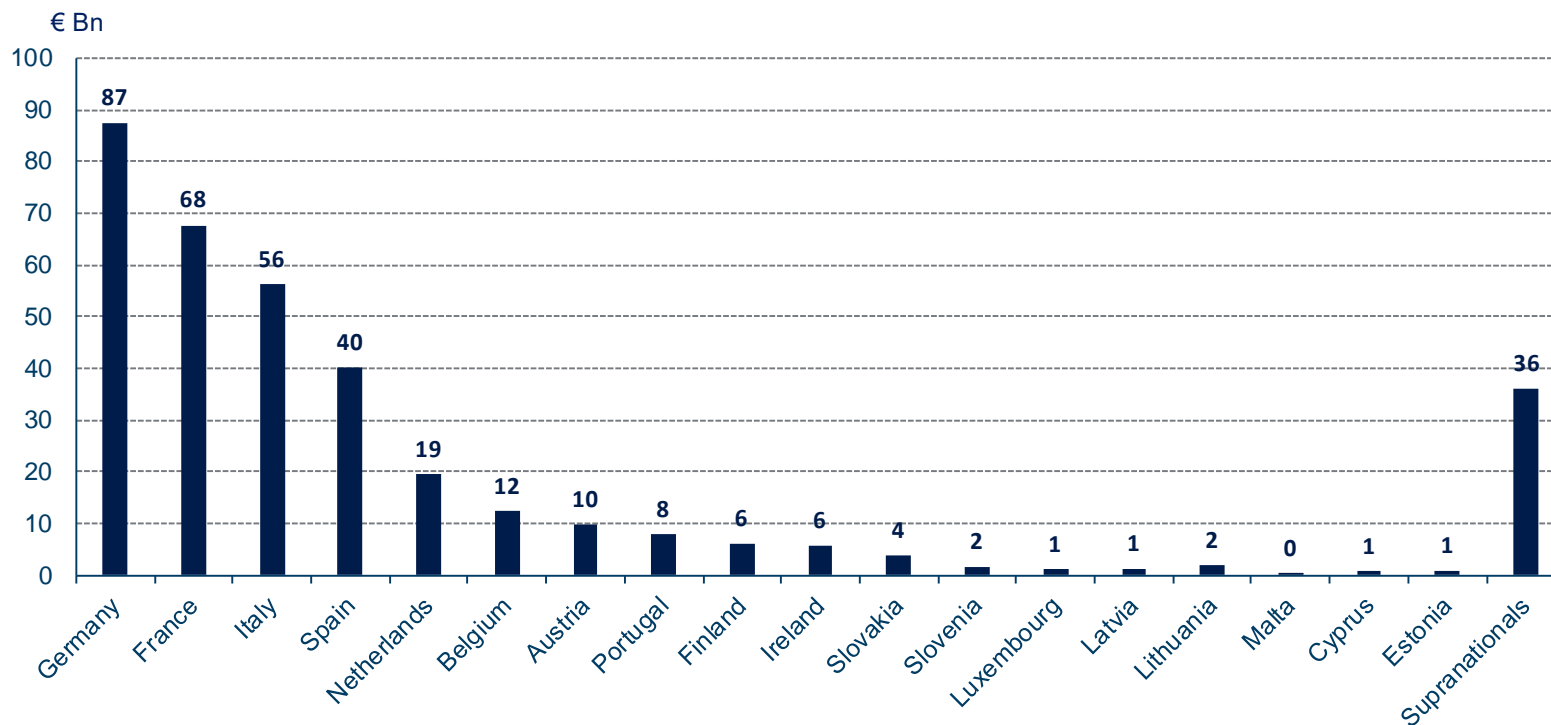
PEPP by program



Source: ECB, Amundi Research, Date: 01/31/2022

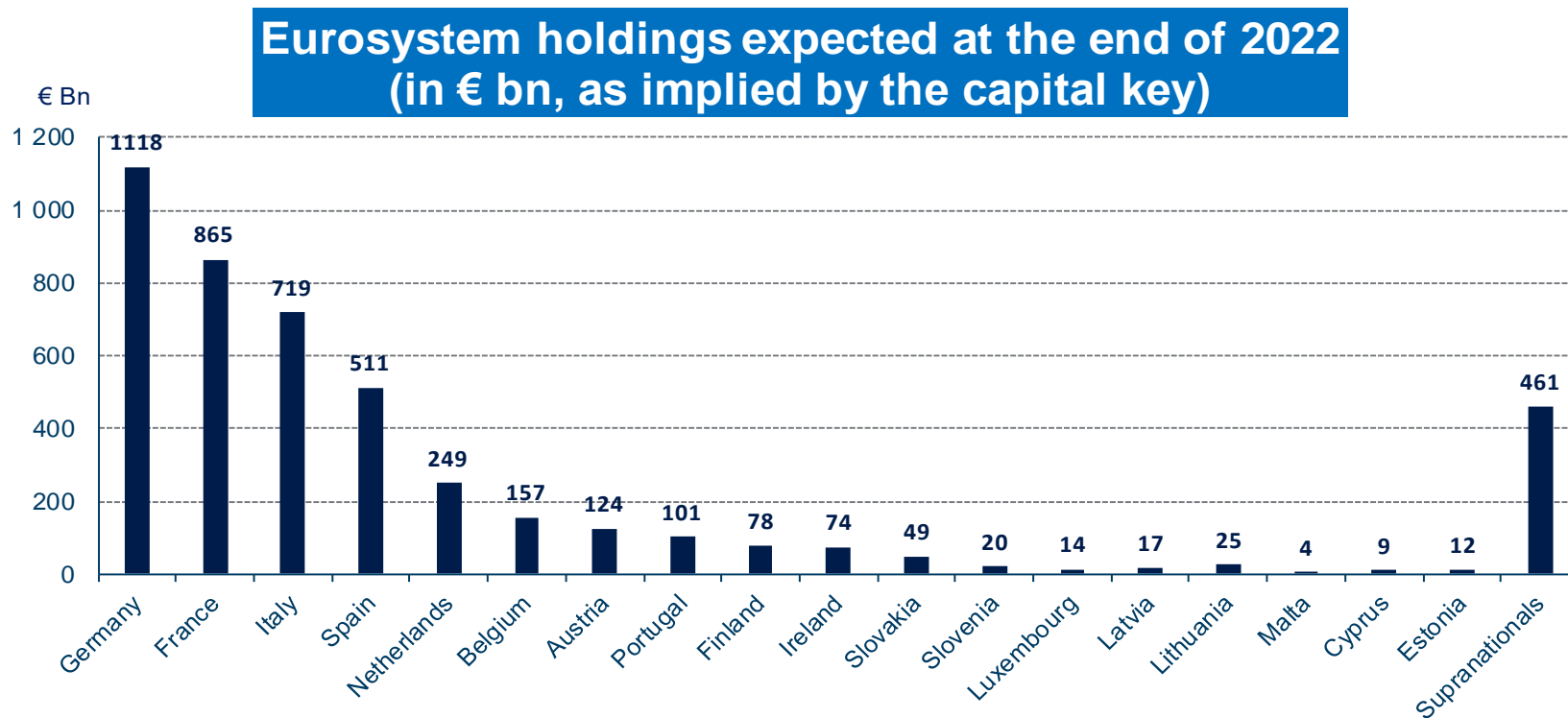
ECB Firepower by jurisdiction for 2022

**Net purchases of public debt expected until end of 2022
(in € bn, as implied by the capital key)**



Source: Datastream, Amundi Research, Data as of 01/31/2022

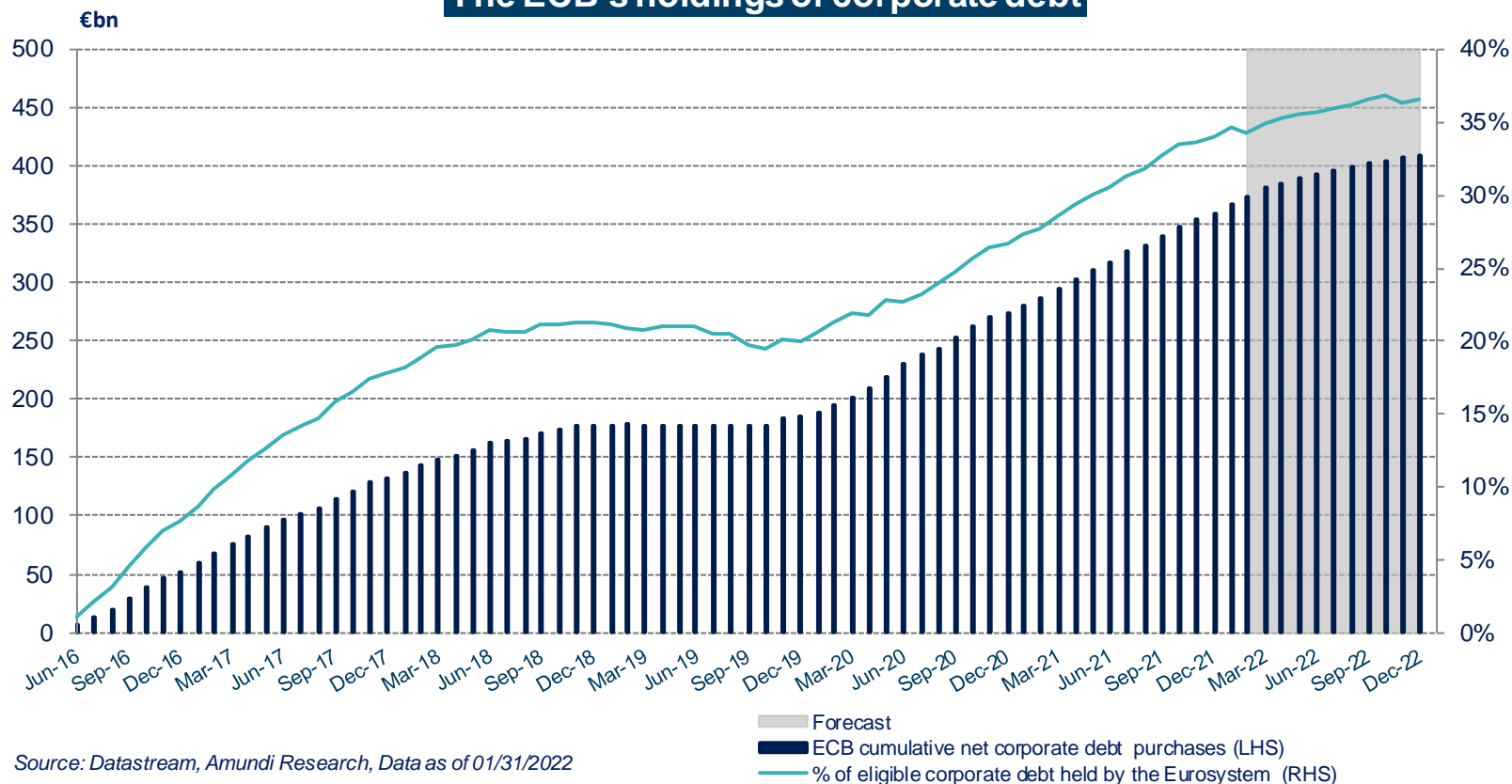
ECB Firepower by jurisdiction for 2022



Source: Datastream, Amundi Research, Data as of 01/31/2022

The ECB's holdings of QE eligible corporate debt will likely reach 35-40% by end of 2022

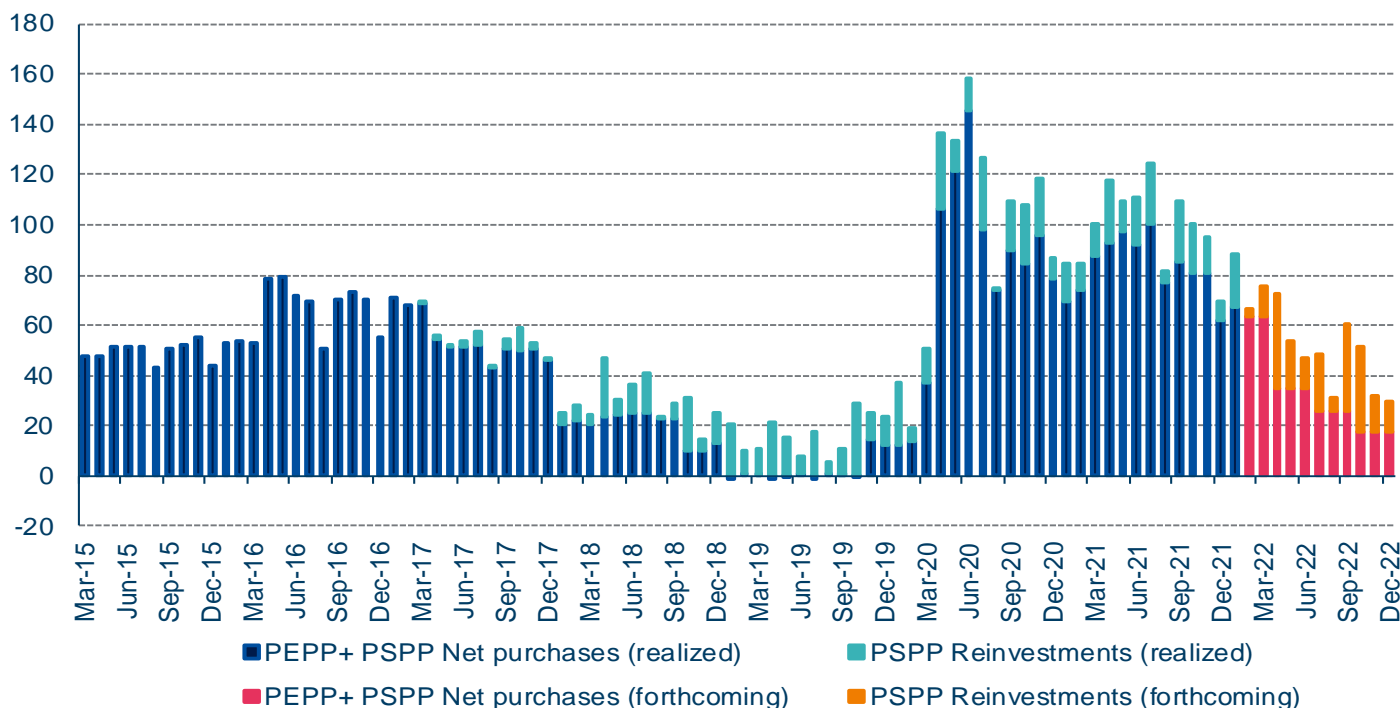
The ECB's holdings of corporate debt



Sovereign monthly gross purchases

- ECB firepower at the end of 2022: €360bn
 - PEPP: €103bn (if the ecb remains at the same rate of purchases as the last two months)
 - APP: €20bn/month for Q1+ €40bn/month for Q2 + €30bn/month for Q3 + €20bn/month for Q4
 - Hypothesis: 87% of the ECB's purchases will be public debt
- PSPP reinvestment will average €18.9bn/month over the next 12 months, up from €16.2bn in the past 12 months.

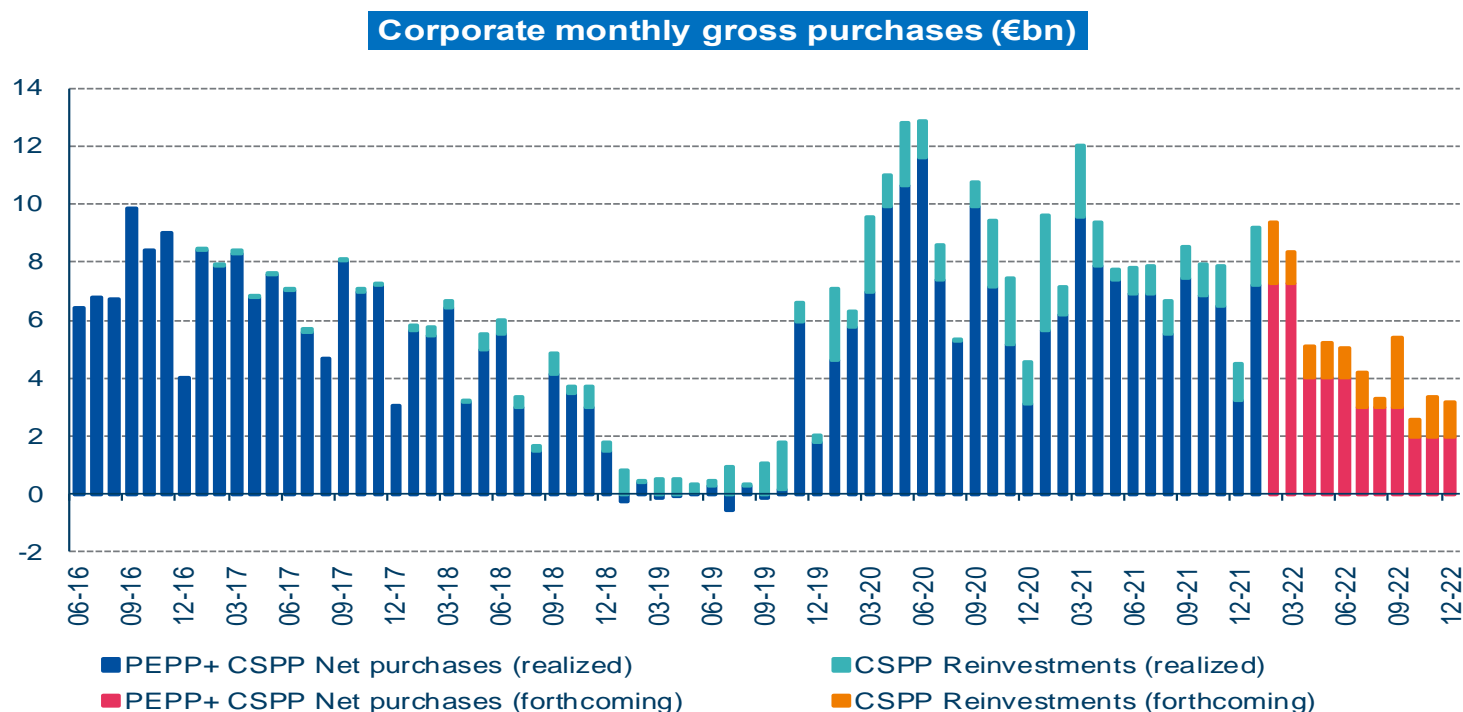
Sovereign monthly gross purchases (€bn)



Source: ECB, Amundi Research, Data as of: 01/31/2022

Corporate monthly gross purchases

- ECB firepower at the end of 2022 : €42bn
 - PEPP: €103bn (if the ecb remains at the same rate of purchases as the last two months)
 - APP: €20bn/month for Q1+ €40bn/month for Q2 + €30bn/month for Q3 + €20bn/month for Q4
 - Hypothesis: 10% of the ECB's purchases will be corporate debt
- CSPP reinvestment will average €1.3bn/month over the next 12 months



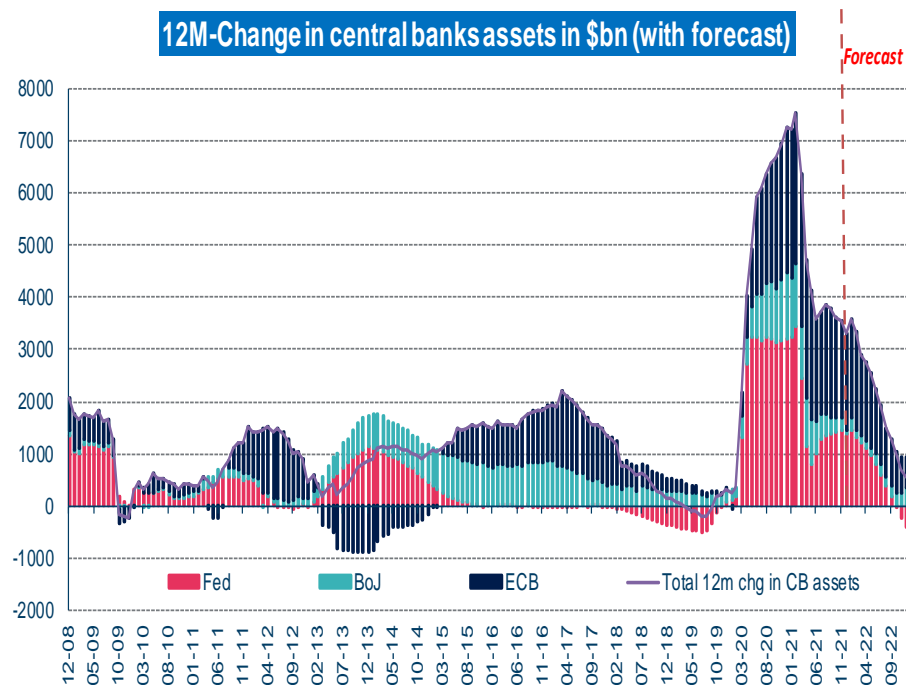
Source: ECB, Amundi Research, Data as of: 01/31/2022

Annex

Central Banks: always present to support

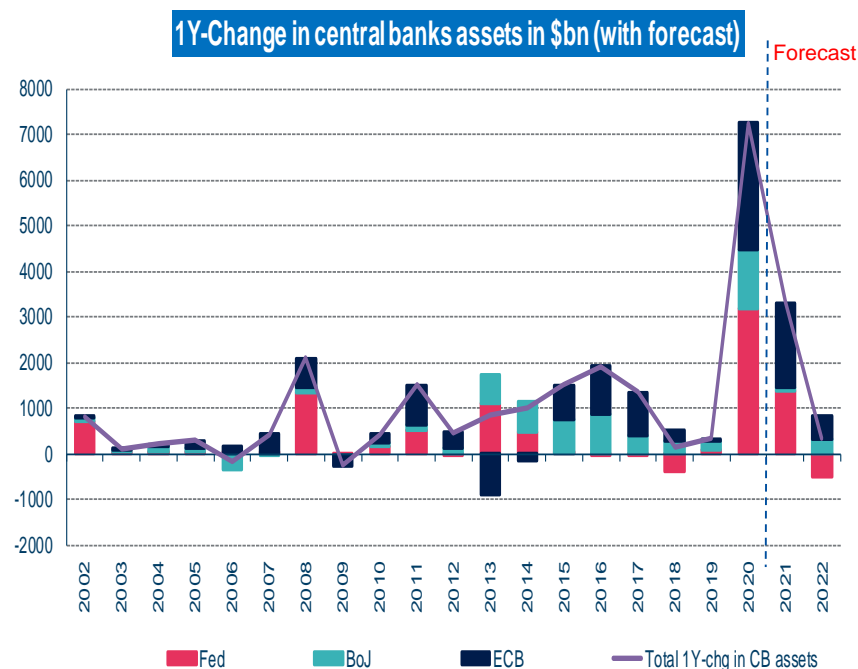
- **Fed**: End of QE in one month, QT starting in June or July
- **ECB**: End of PEPP at end of march 2022 and Gradual reduction in the pace of purchases via the APP
- **BoE**: Active QT to start when hitting 1% interest rate level (likely in H2)

12M-Change in central banks assets in \$bn (with forecast)



Source: Datastream, Amundi Research, as of 01/31/2022

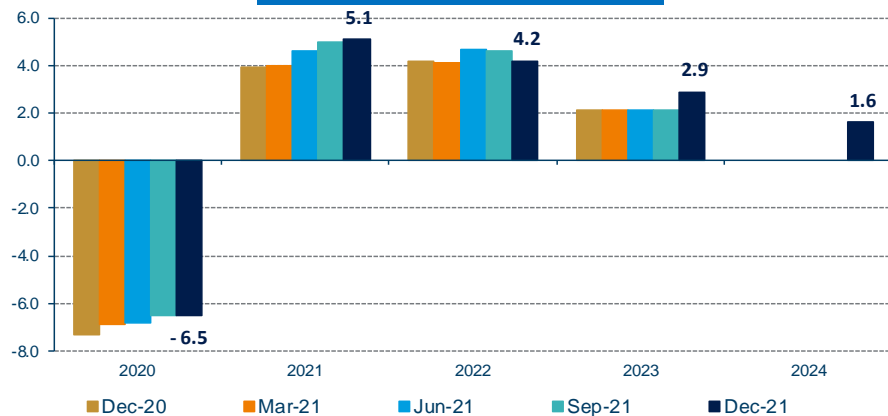
1Y-Change in central banks assets in \$bn (with forecast)



Source: Datastream, Amundi Research, as of 01/31/2022

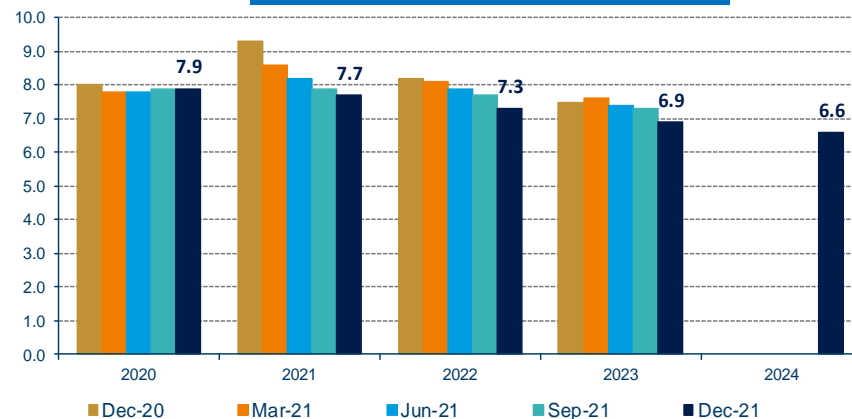
ECB Projections

ECB forecast: real GDP (yoy%)



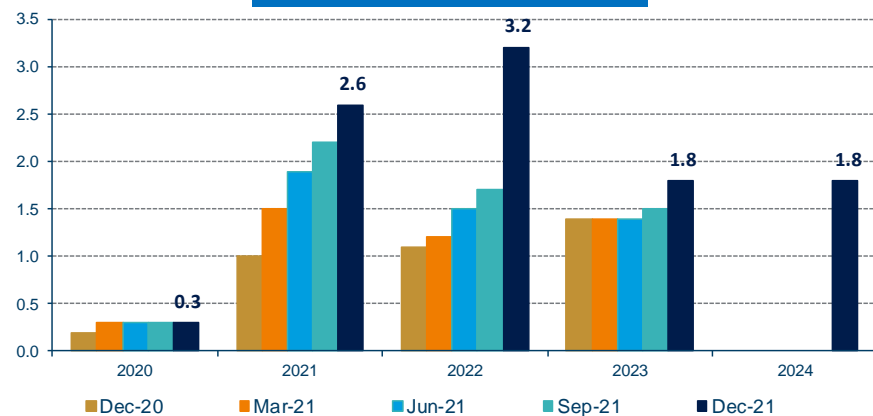
Source: Bloomberg, Amundi Research, Data as of 02/09/2022

ECB forecast: Unemployment (yoy%)



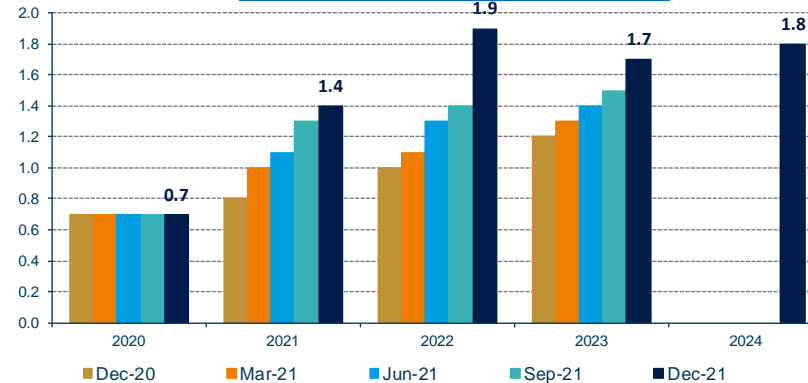
Source: Bloomberg, Amundi Research, Data as of 02/09/2022

ECB forecast: Inflation (yoy%)



Source: Bloomberg, Amundi Research, Data as of 02/09/2022

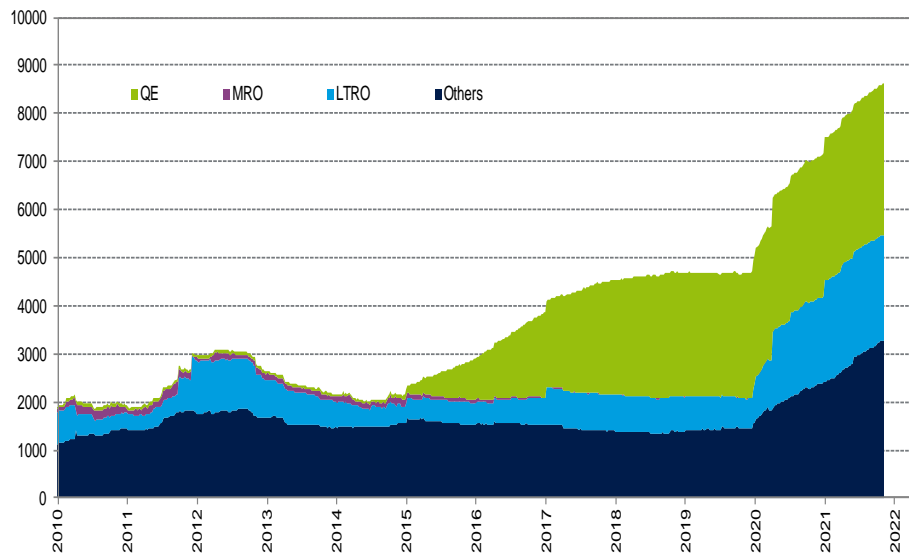
ECB forecast: Core Inflation (yoy%)



Source: Bloomberg, Amundi Research, Data as of 02/09/2022

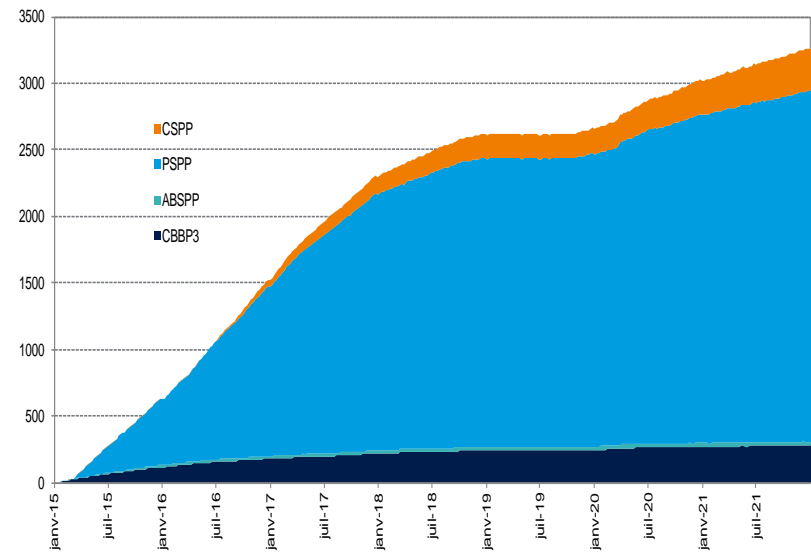
ECB Balance Sheet (1/2)

ECB balance sheet, total asset (in €bn)



Source: Datastream, Amundi Research, data as of 01/31/2022

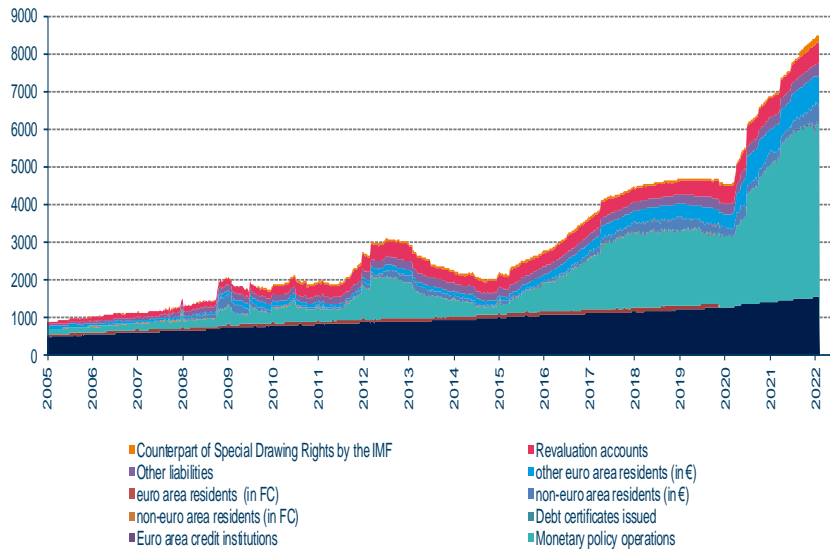
Amounts purchased by the Eurosystem under the expanded asset purchase programme (€ bn)



Source: Datastream, Amundi Research

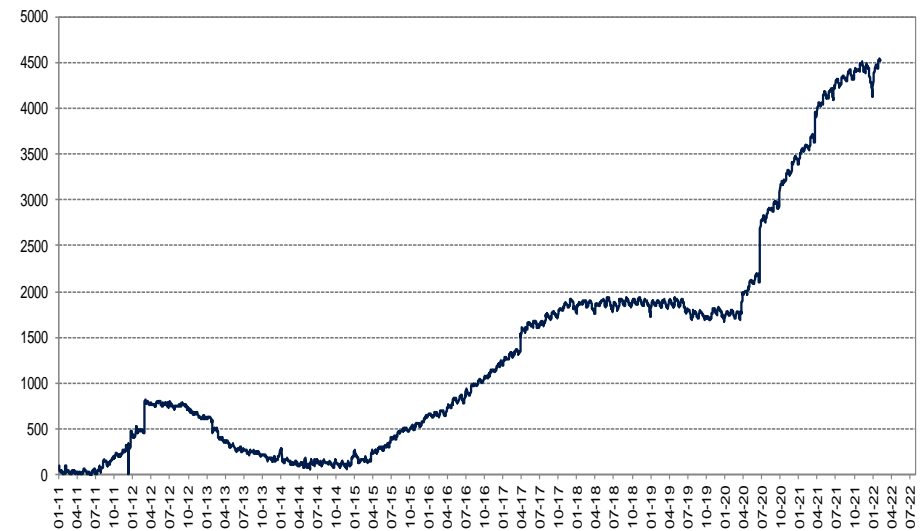
ECB Balance Sheet (2/2)

ECB: Liabilities (in \$bn)



Source: Datastream, Amundi Research

Eurosystem : excess reserves (€bn)

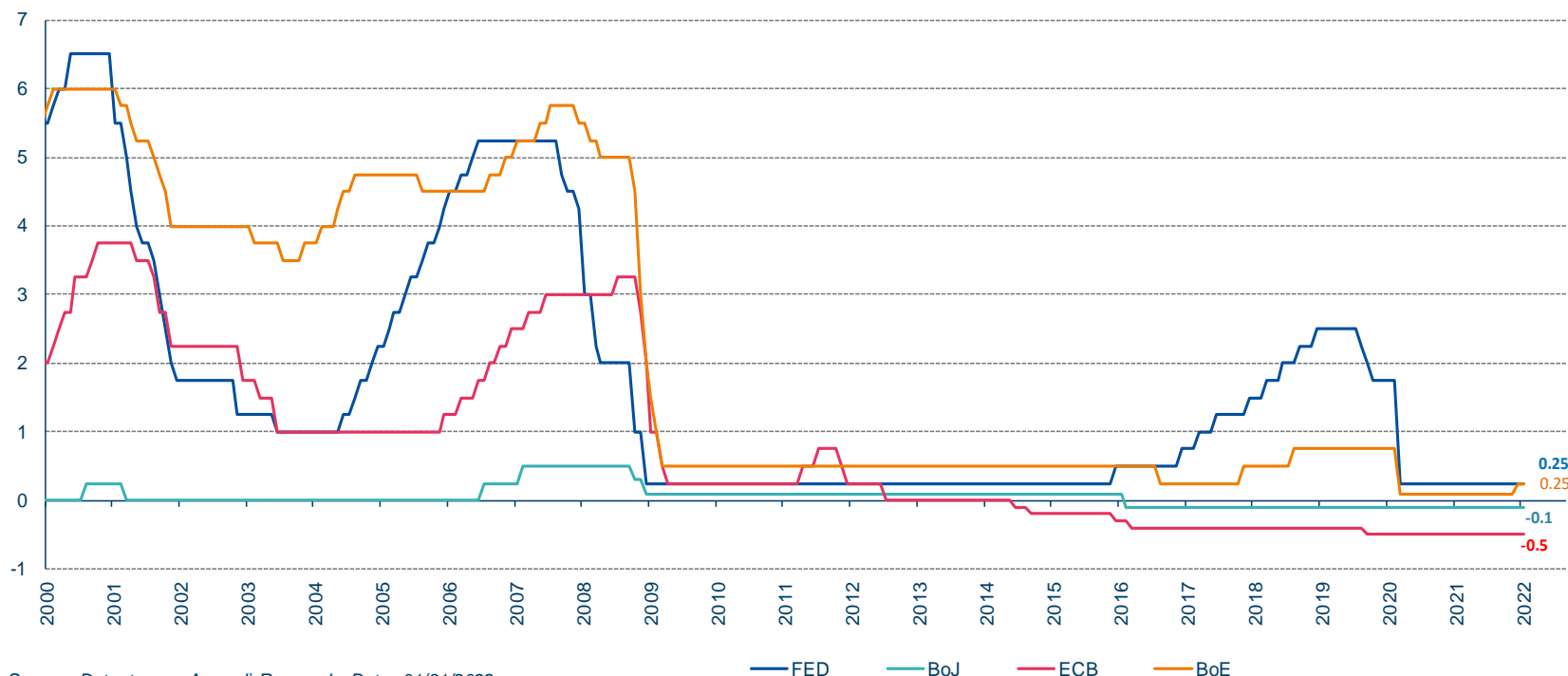


Source: Datastream, Amundi Research, 10/29/2021

Central Banks: Normalization of monetary policy

- **Fed**: Four rates hikes in 2022, first two possibly at two consecutive meetings (March and May)
- **ECB**: Two rates hikes in 2023
- **BoE**: Two hikes by 25bp over the next meetings, which could then be followed by another 25bps hike in Feb 2023
- No movement on **BoJ** interest rates since 2016.

Central policy rates in advanced economies (in %)



■ Source: Datastream, Amundi Research, Date: 01/31/2022

Appendix

■ Lexicon:

- **PSPP** : Public Sector Purchase Programme;
- **APP** : Asset Purchase Programme;
- **CSPP** : Corporate Sector Purchase Programme;
- **CBPP** : Covered Bond Purchase Programme;
- **SMP** : Security Market Programme;
- **ABSPP** : Asset Back-Backed Securities Purchase Programme.
- **PEPP** : Pandemic Emergency Purchase Programme

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