

April 2022

ECB QE Monitor

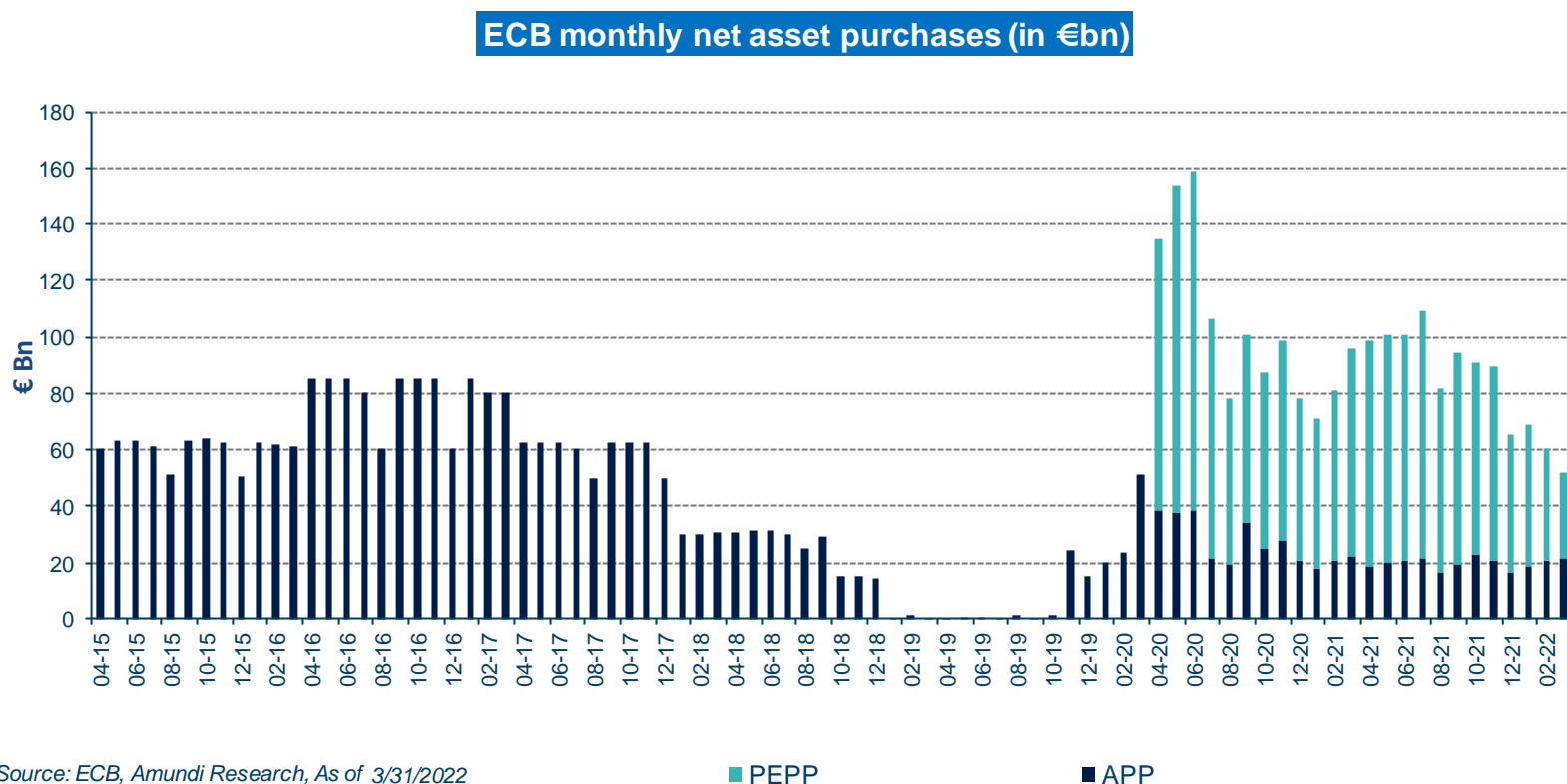
Mickael Bellaïche,
Fixed Income and Credit Research Strategist

**Confidence
must be earned**

Amundi
ASSET MANAGEMENT

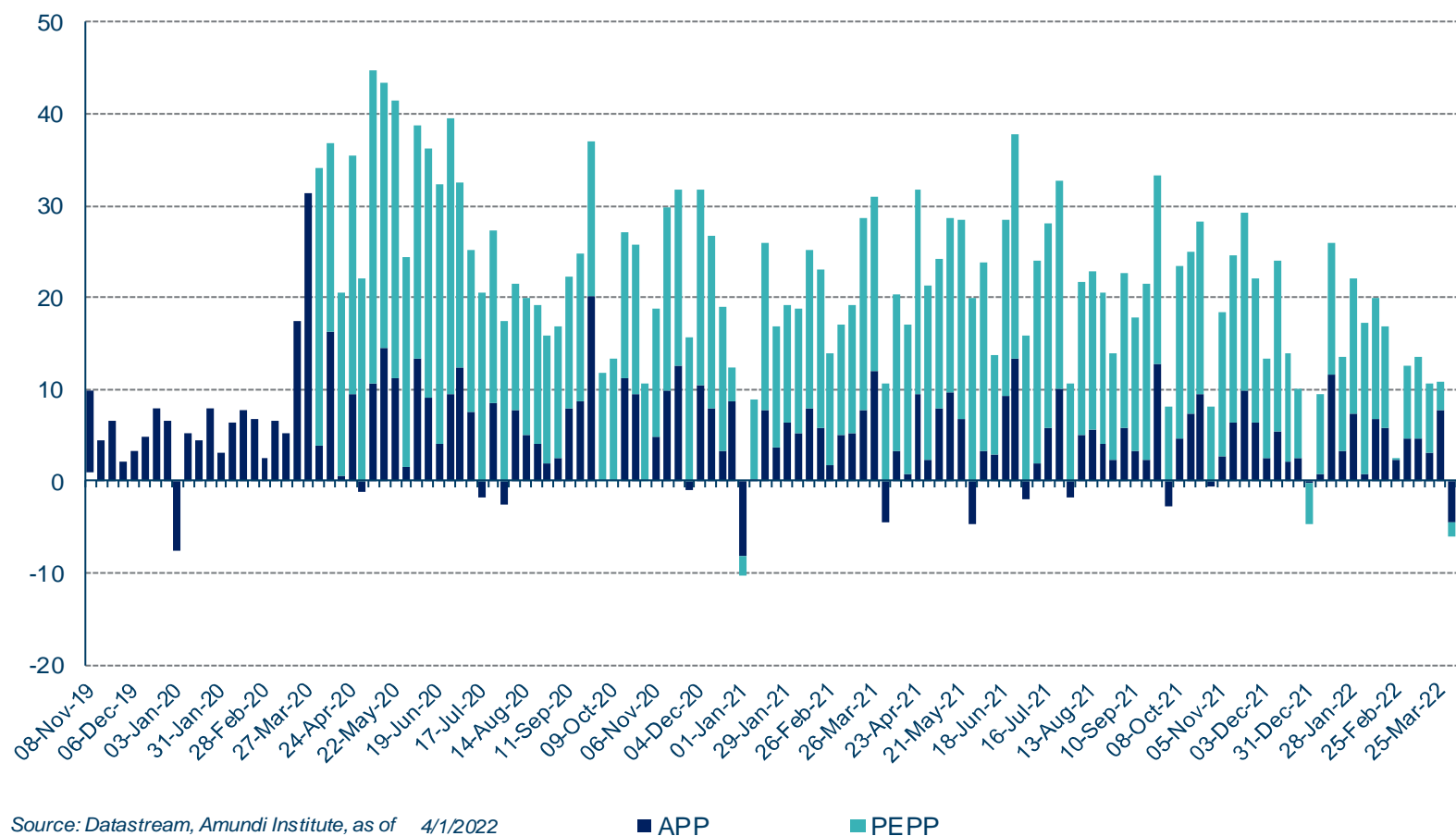
APP and PEPP: breakdown by programme in € bn

- In March 2022, ECB net asset purchases reached €21.9bn under APP and €30bn under PEPP.
- In March APP by programme: PSPP (€14.2bn; 64.6% of total), CSPP (€8bn; 36.6%), CBPP3 (€-0.61bn; -2.76%) and ABSPP (€0.3bn; 1.5%).

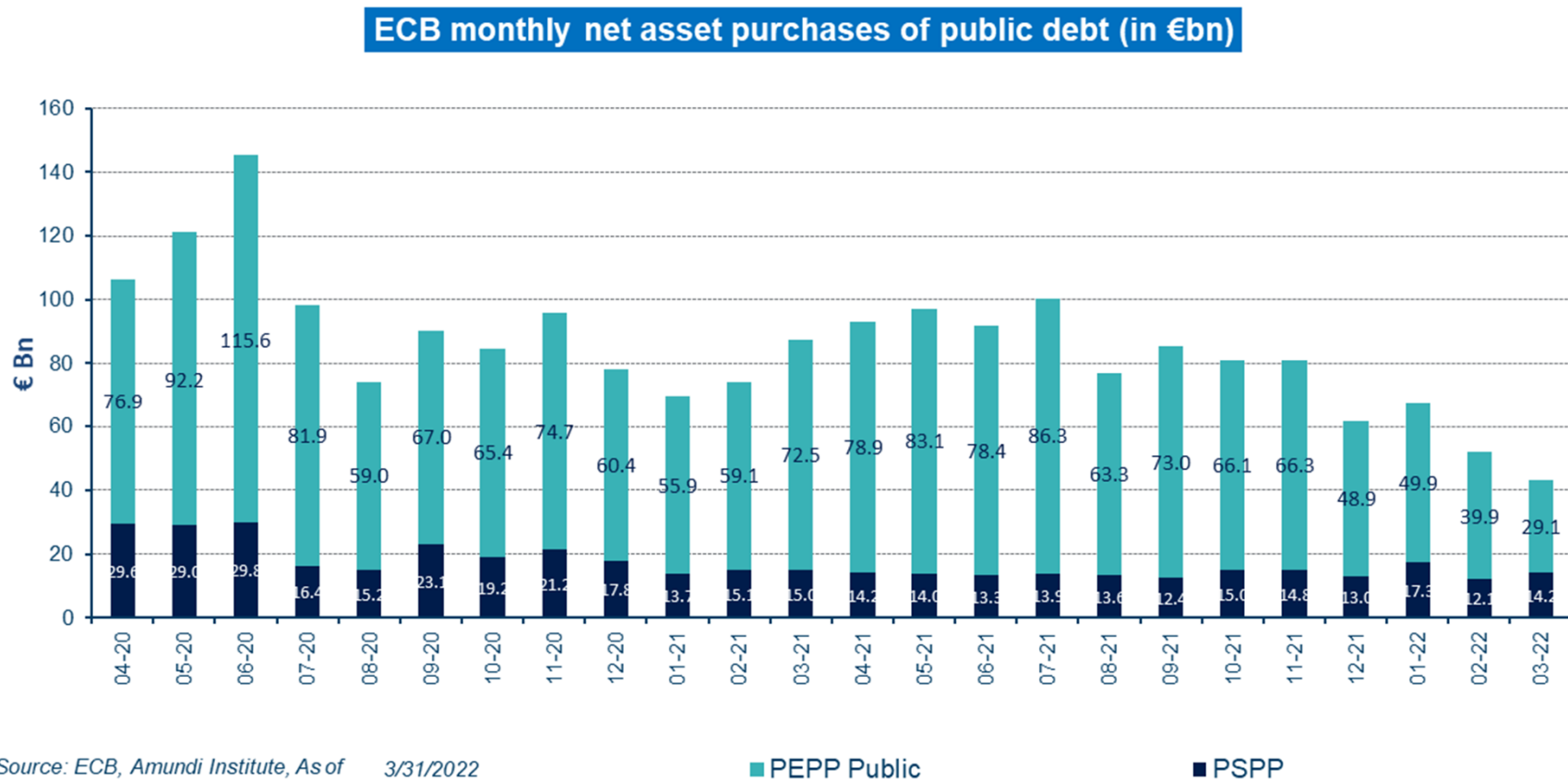


ECB PEPP related purchases were equal to €30bn during March 2022 vs. €40bn in February 2022

ECB weekly net asset purchases (in €Bn)

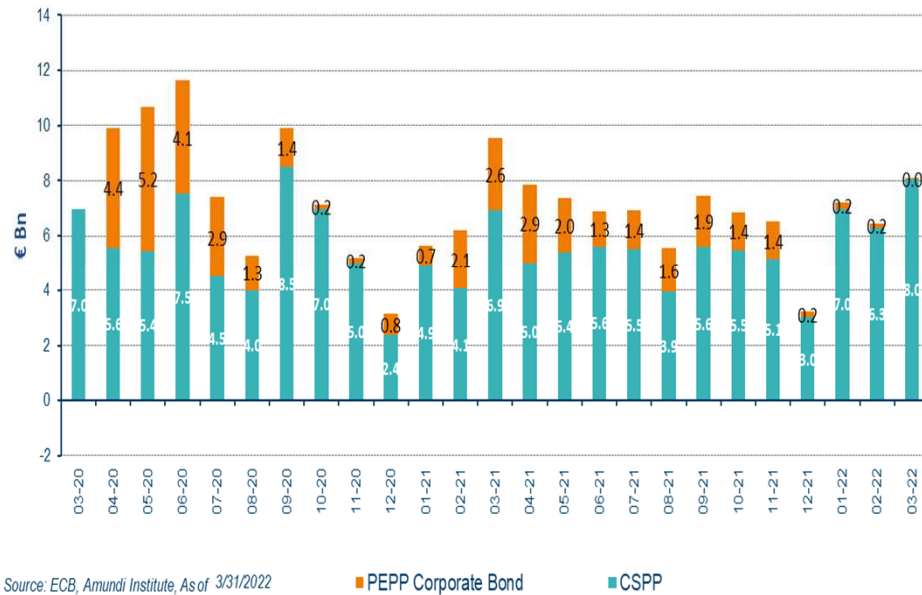


APP and PEPP: Sovereign monthly net purchases

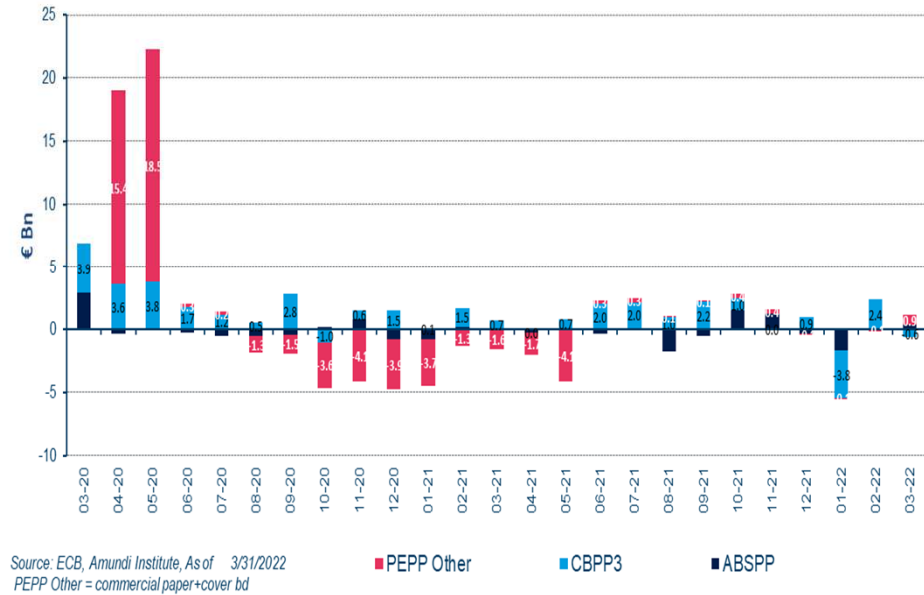


APP and PEPP: Private debt monthly net purchases

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

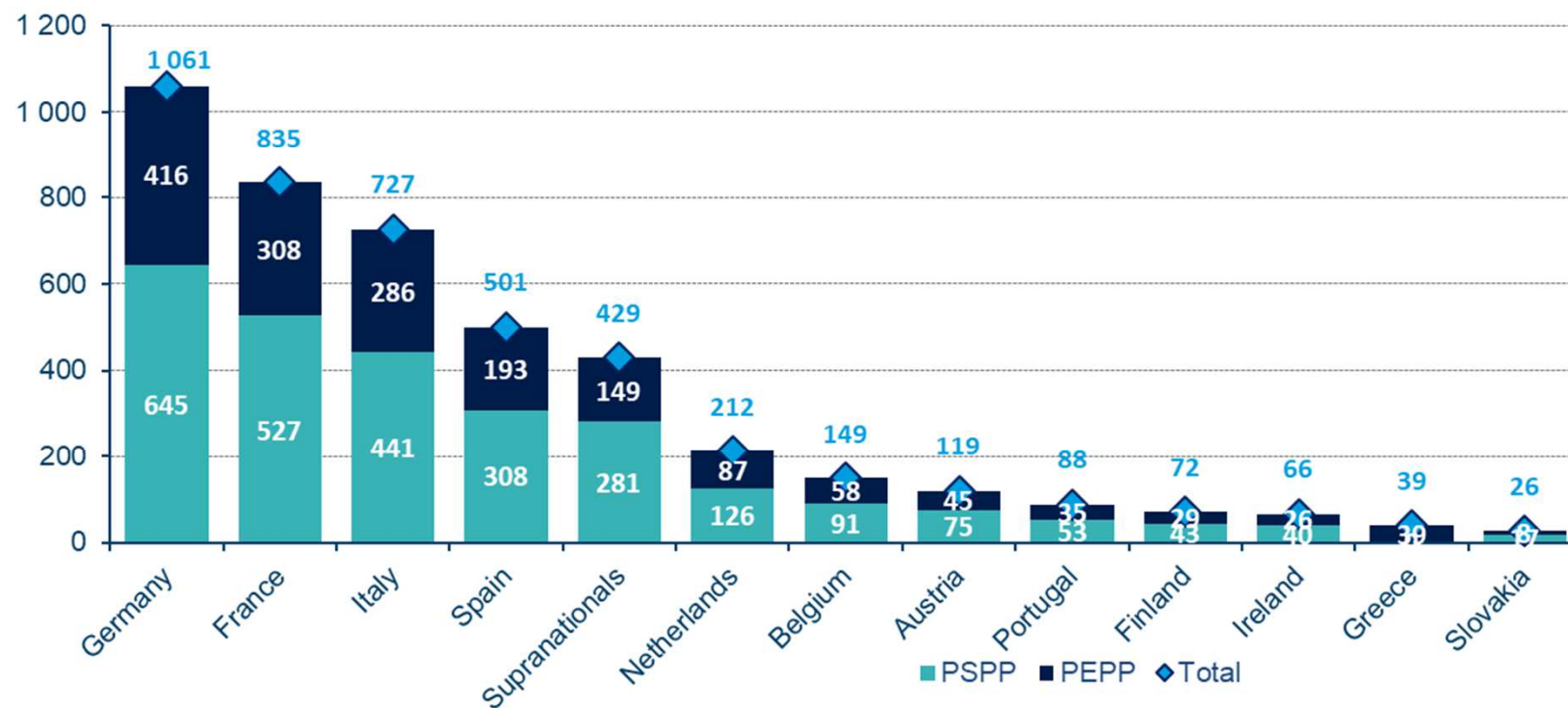


ECB monthly net asset purchases of other private debt (in €bn)



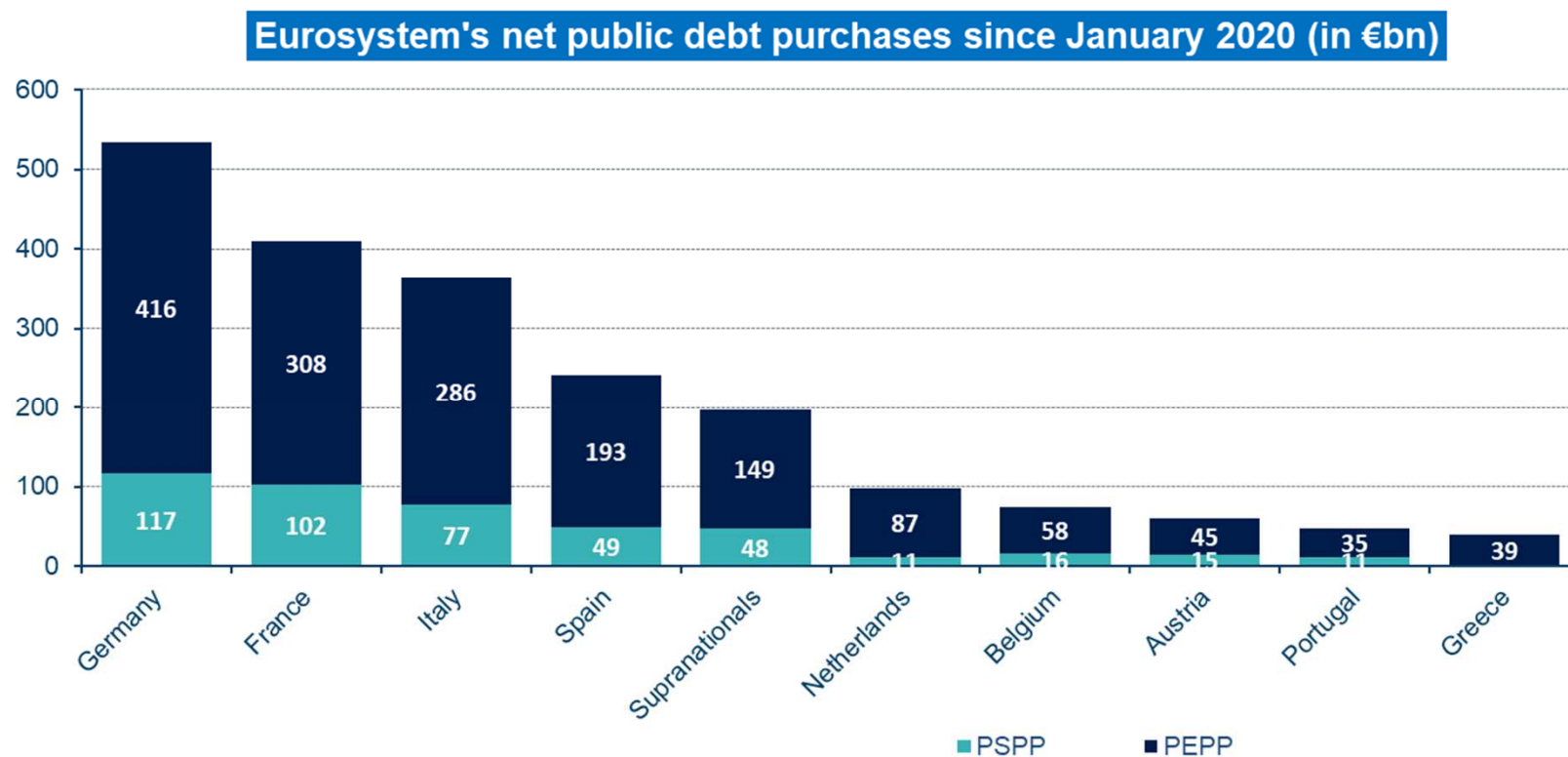
Eurosystem's holding: public debt

Eurosystem holding by jurisdiction (in €bn)



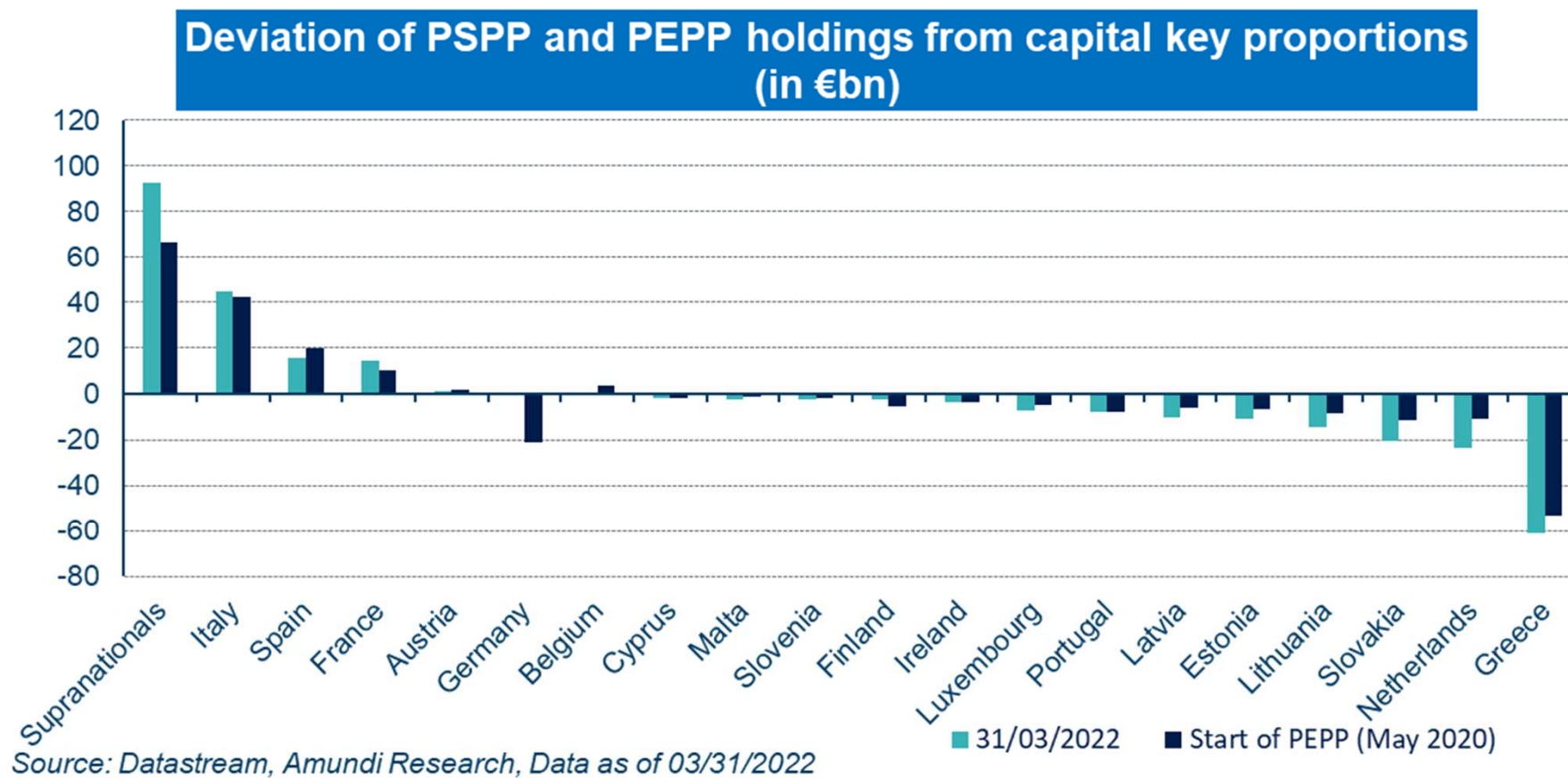
Source: Datastream, Amundi Institute, Data as of 03/31/2022

Eurosystem's purchases since January 2020: public debt

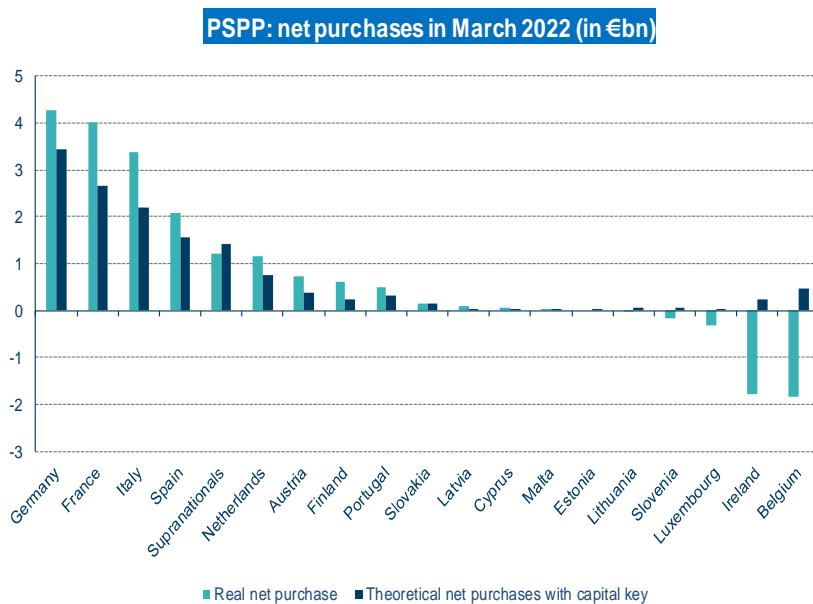


Source: Datastream, Amundi Institute, Data as of 03/31/2022

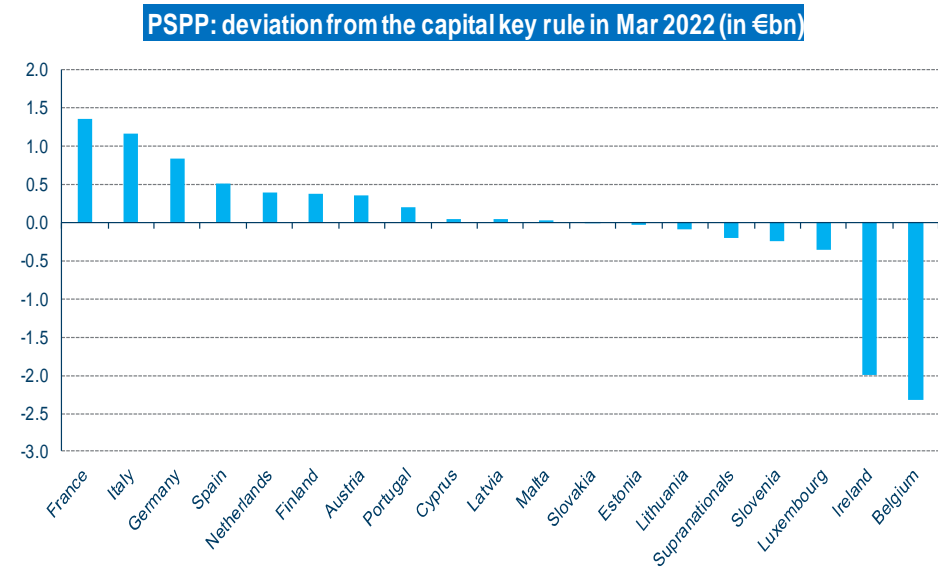
PSPP and PEPP holdings: Deviation from capital key proportions



Deviation of monthly PSPP purchases from capital key proportions

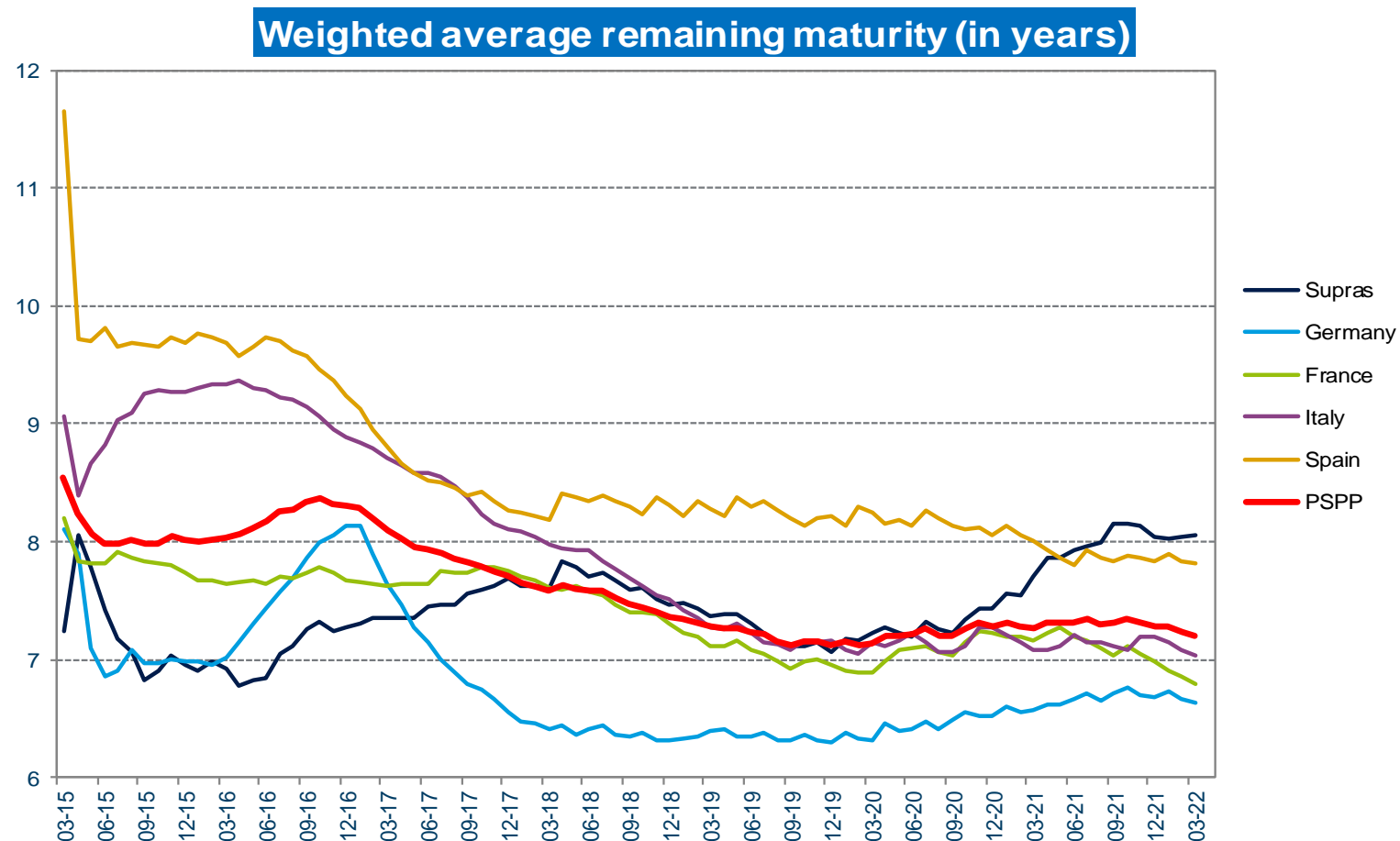


Source: Datastream, Amundi Institute, Data as of 03/31/2022



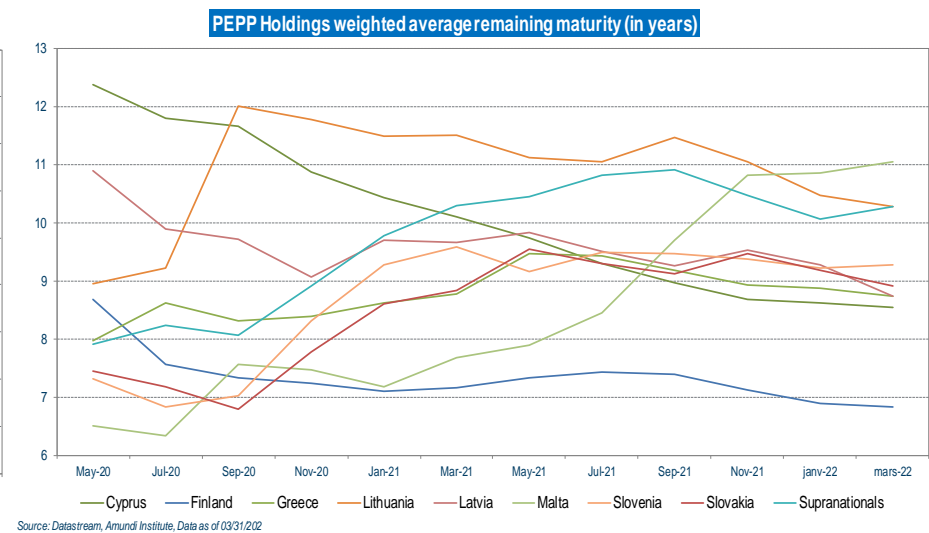
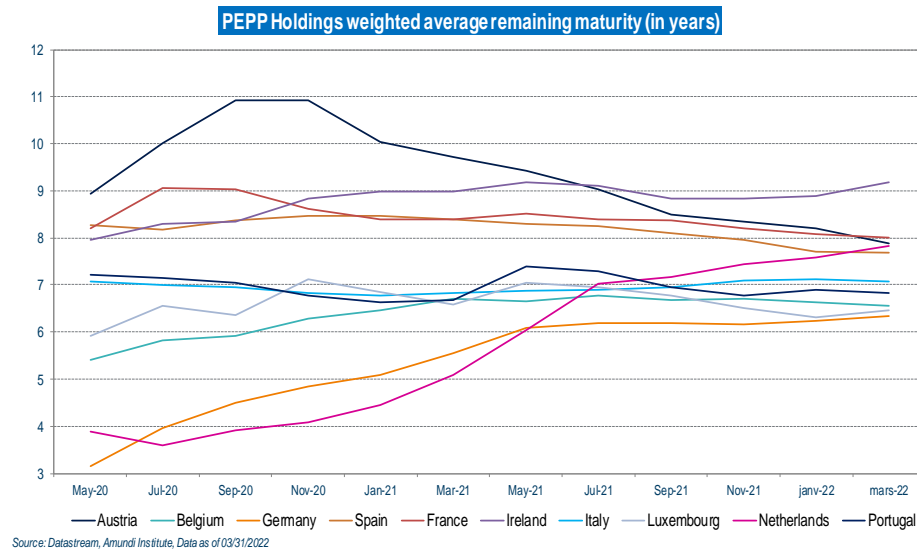
Source: Datastream, Amundi Institute, Data as of 03/31/2022

Weighted average maturities by jurisdiction for the PSPP

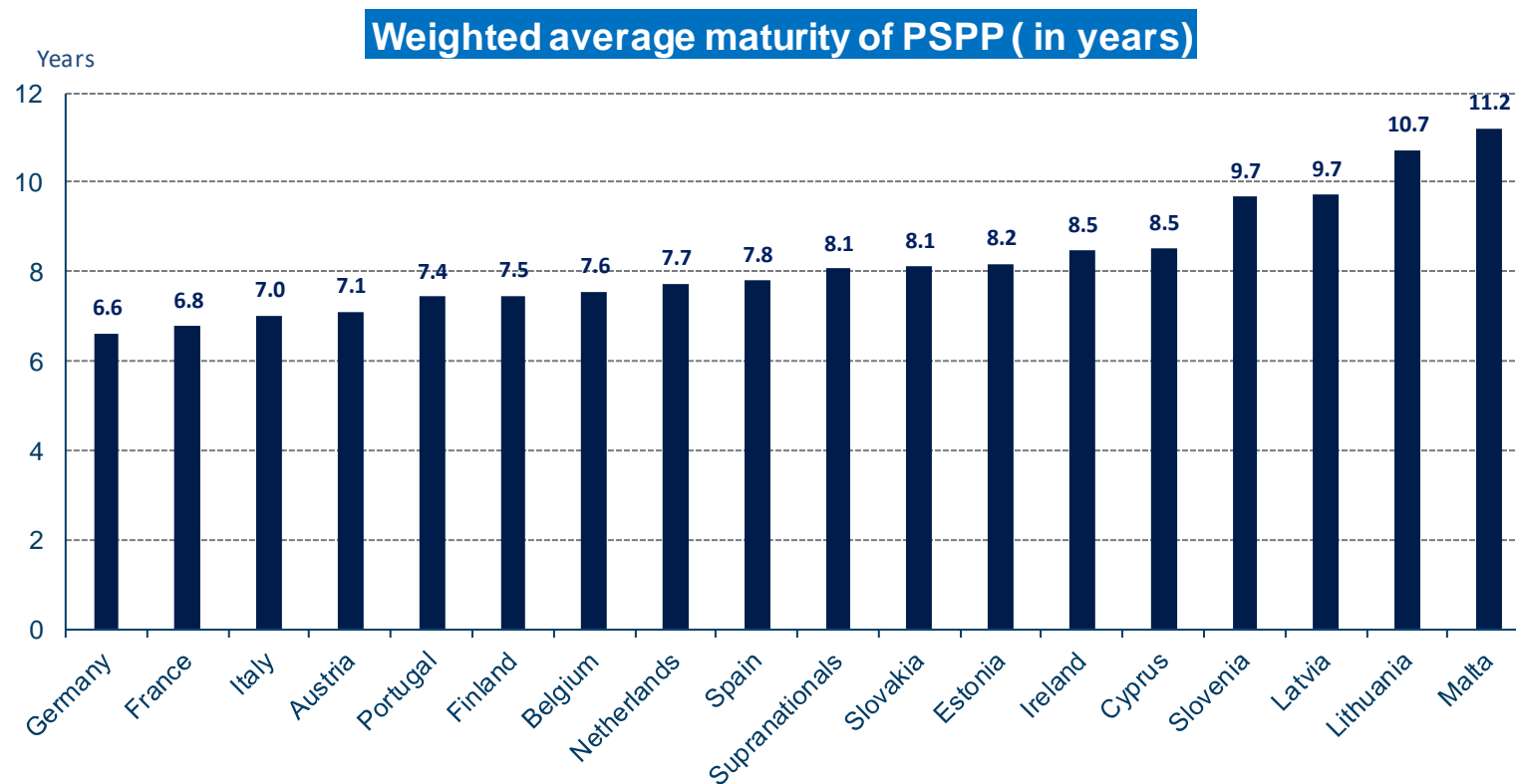


Source: Datastream, Amundi Institute, Data as of 03/31/2022

PEPP Holdings weighted average remaining maturity



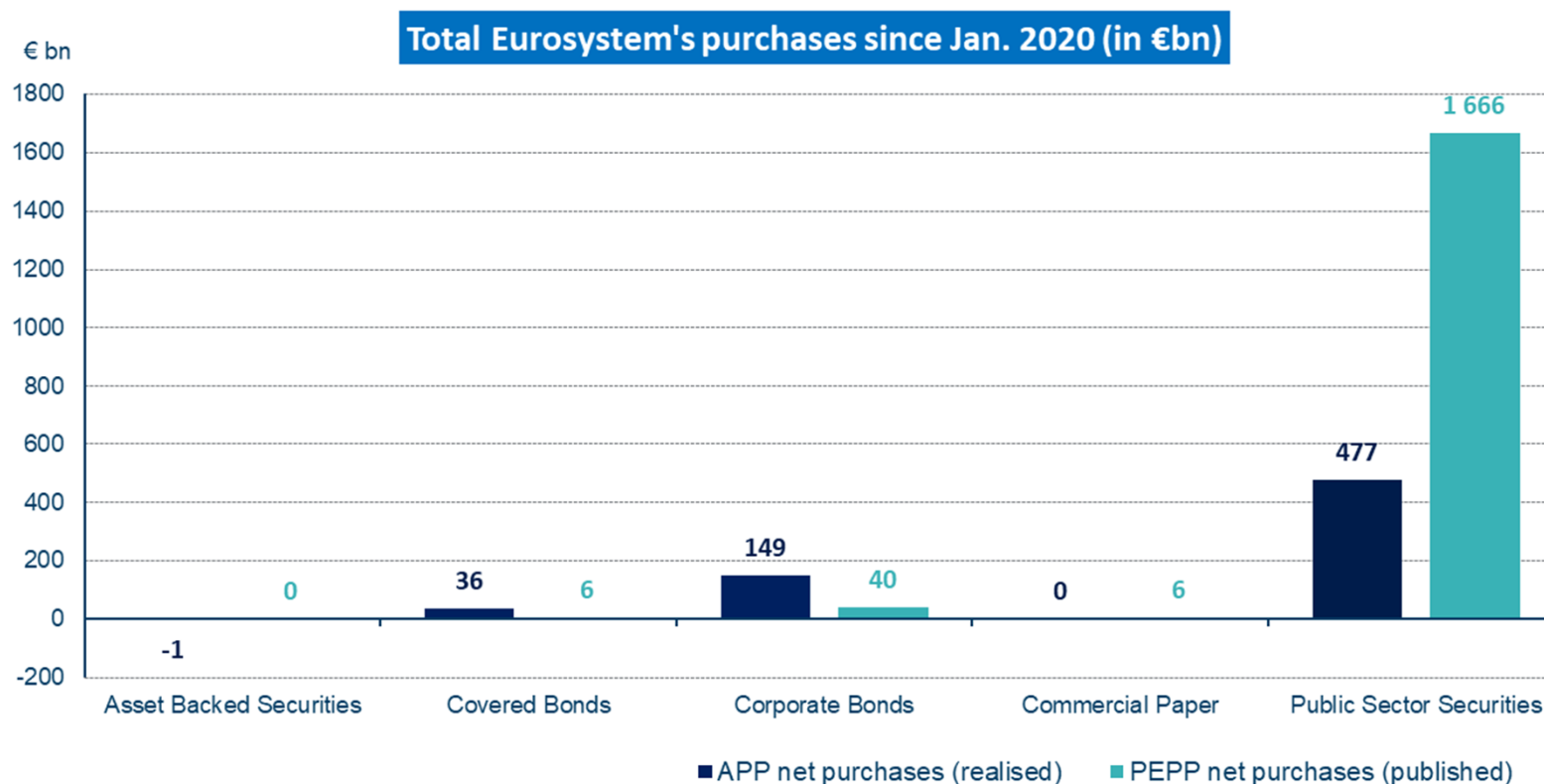
Weighted average maturity of PSPP bonds (as at January 2022)



Source: Datastream, Amundi Institute, Data as of 03/31/2022

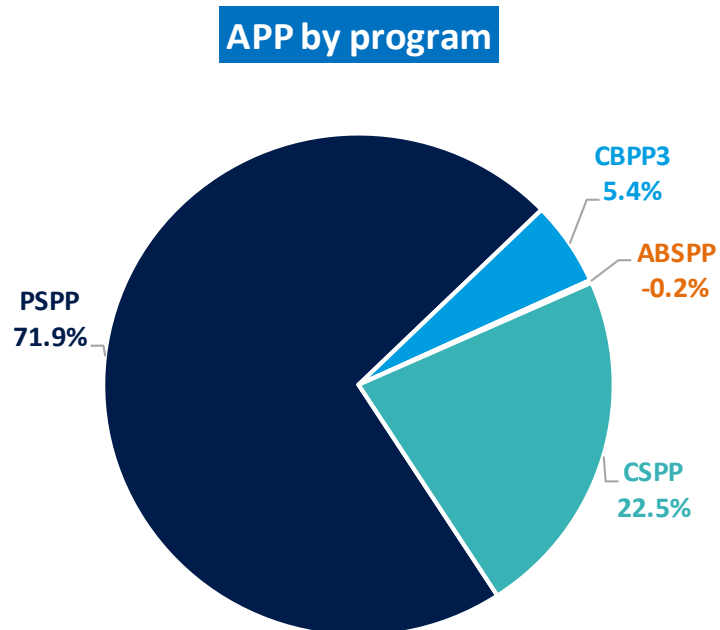
What's next for 2022?

Of its PEPP envelope of €1 850bn, the ECB has spent €1 695bn.

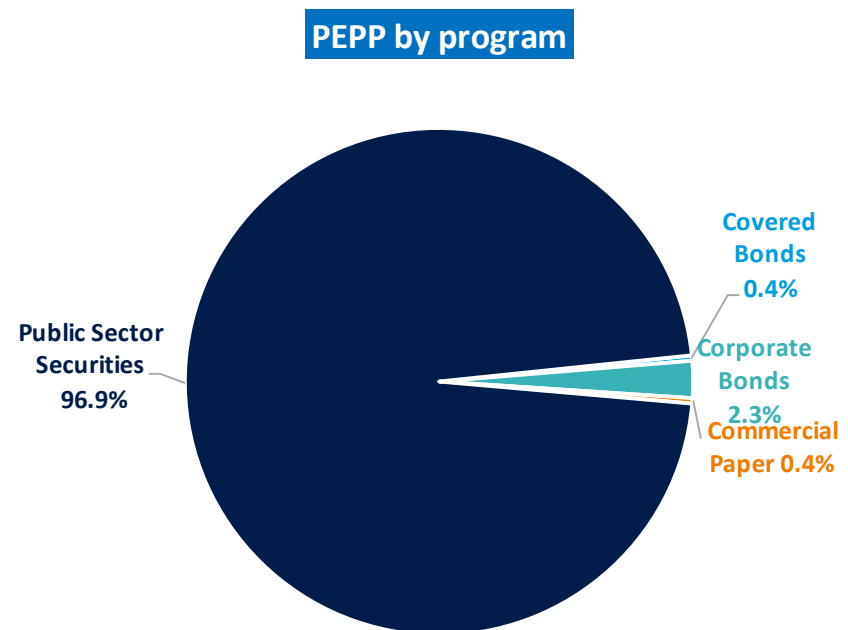


Source: Datastream, Amundi Institute, as of 03/31/2022

APP and PEPP: breakdown by program in %



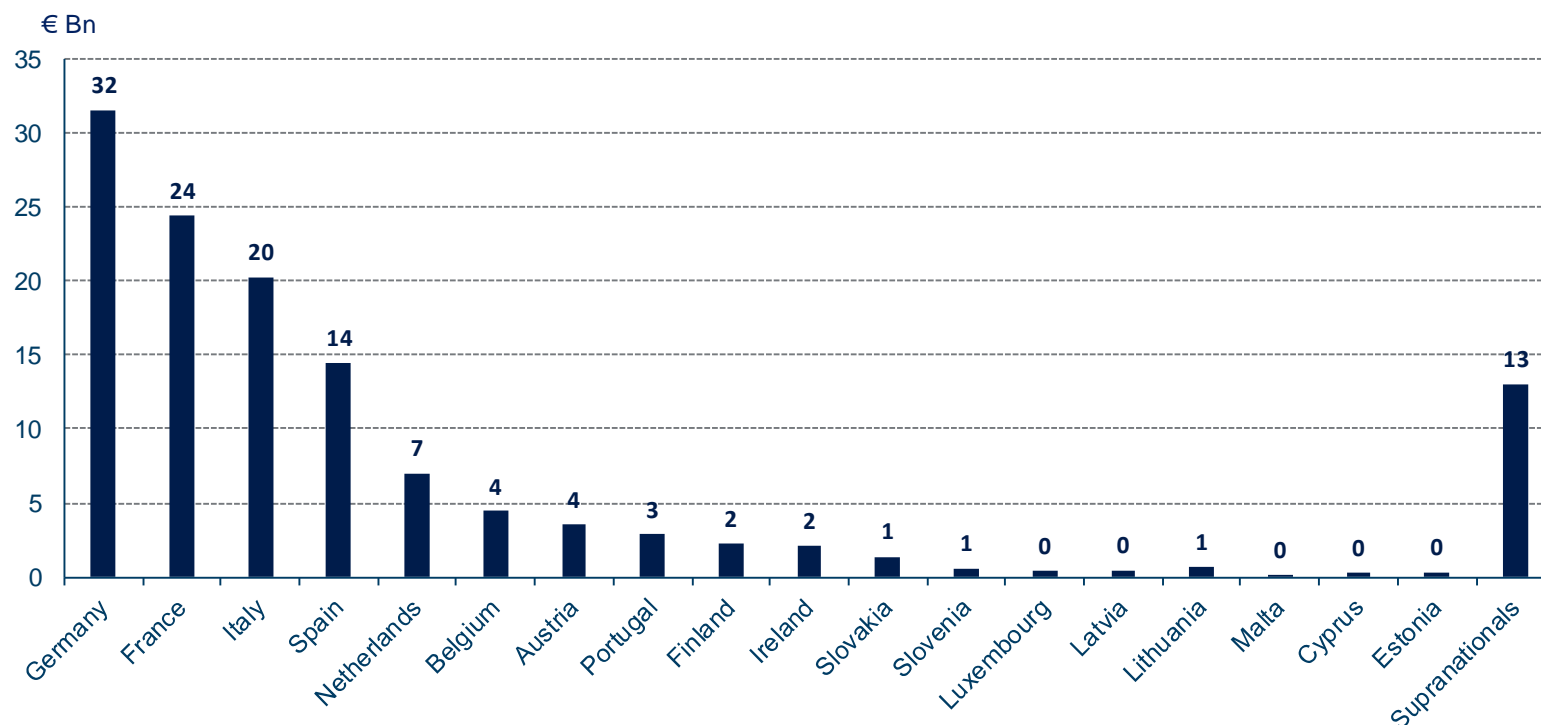
Source: ECB, Amundi Institute, Date: 03/31/2022



Source: ECB, Amundi Institute, Date: 03/31/2022

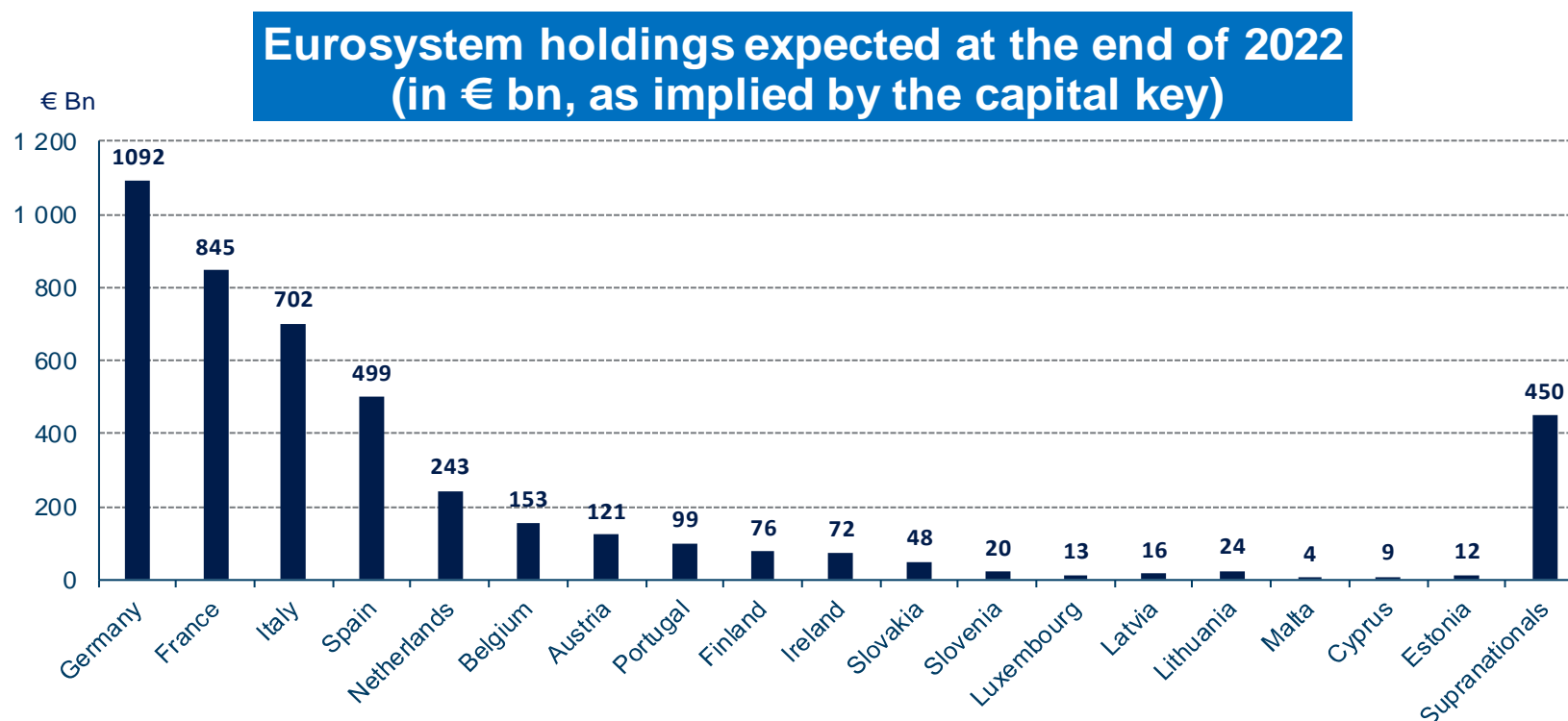
ECB Firepower by jurisdiction for 2022

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



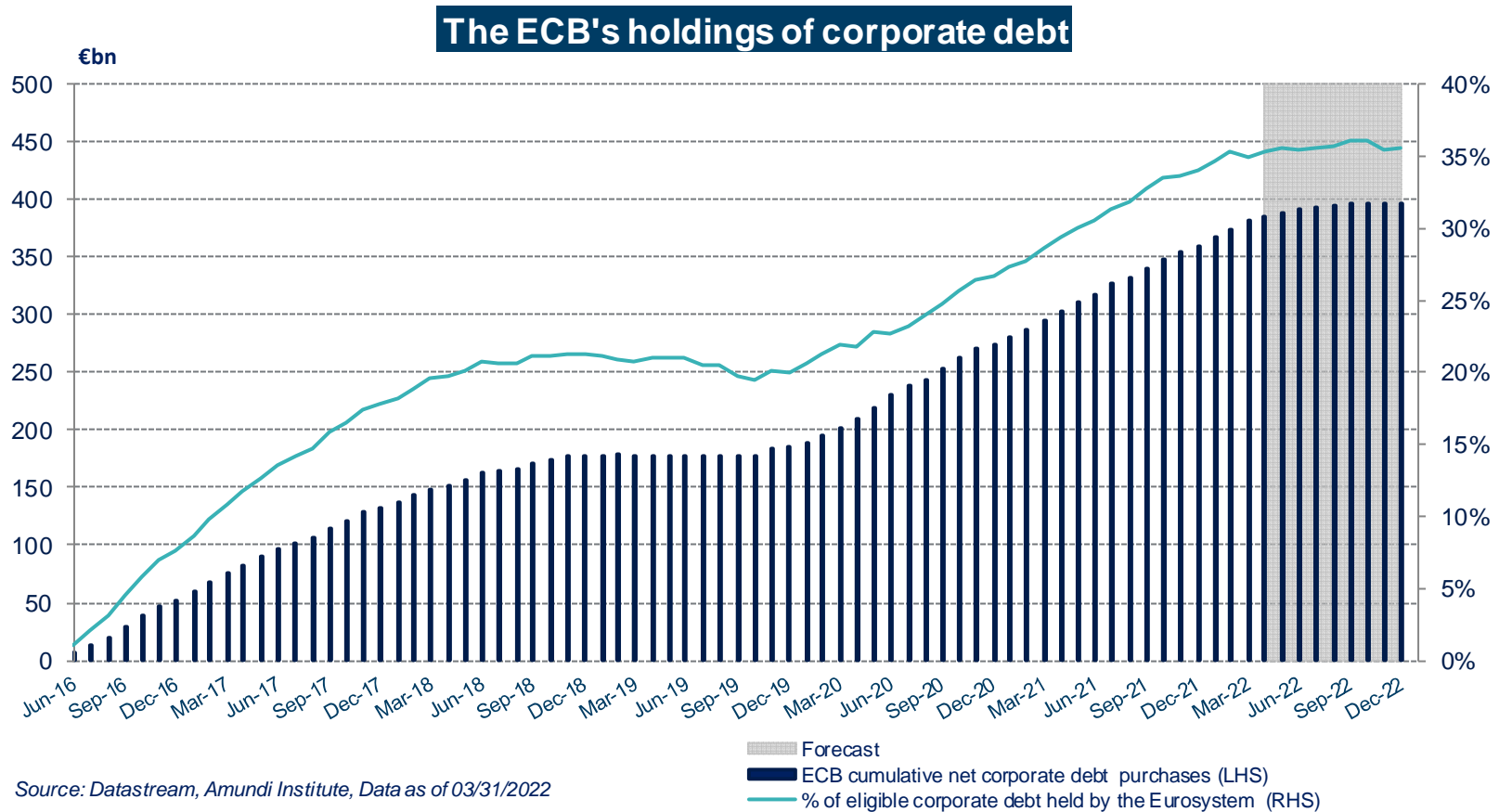
Source: Datastream, Amundi Institute, Data as of 03/31/2022

ECB Firepower by jurisdiction for 2022



Source: Datastream, Amundi Institute, Data as of 03/31/2022

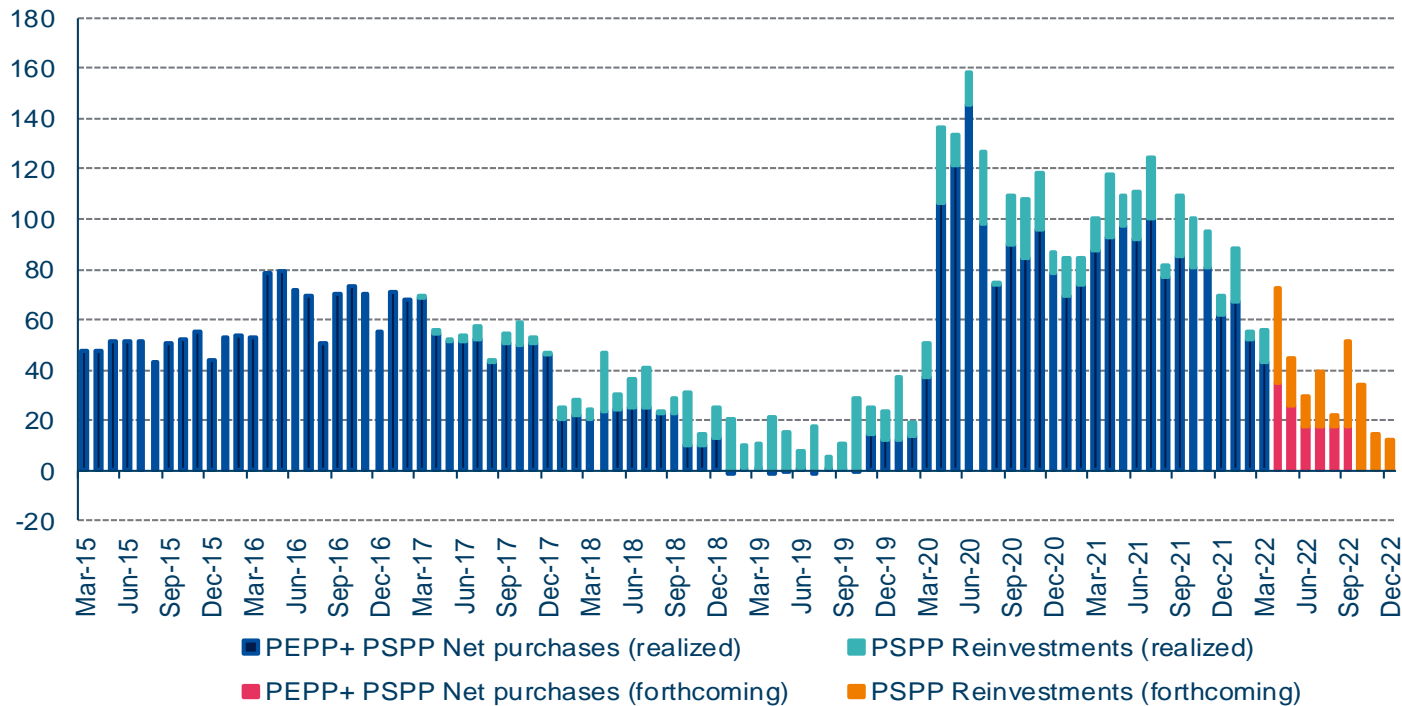
The ECB's holdings of QE eligible corporate debt will likely reach 35-40% by end of 2022



Sovereign monthly gross purchases

- ECB firepower at the end of 2022: €131bn
 - APP: €40bn for April + €30bn for May + €20bn/month from June to end of Q3 2022
 - Hypothesis: 87% of the ECB's purchases will be public debt
- PSPP reinvestment will average €20.4bn/month over the next 12 months, up from €15.6bn in the past 12 months.

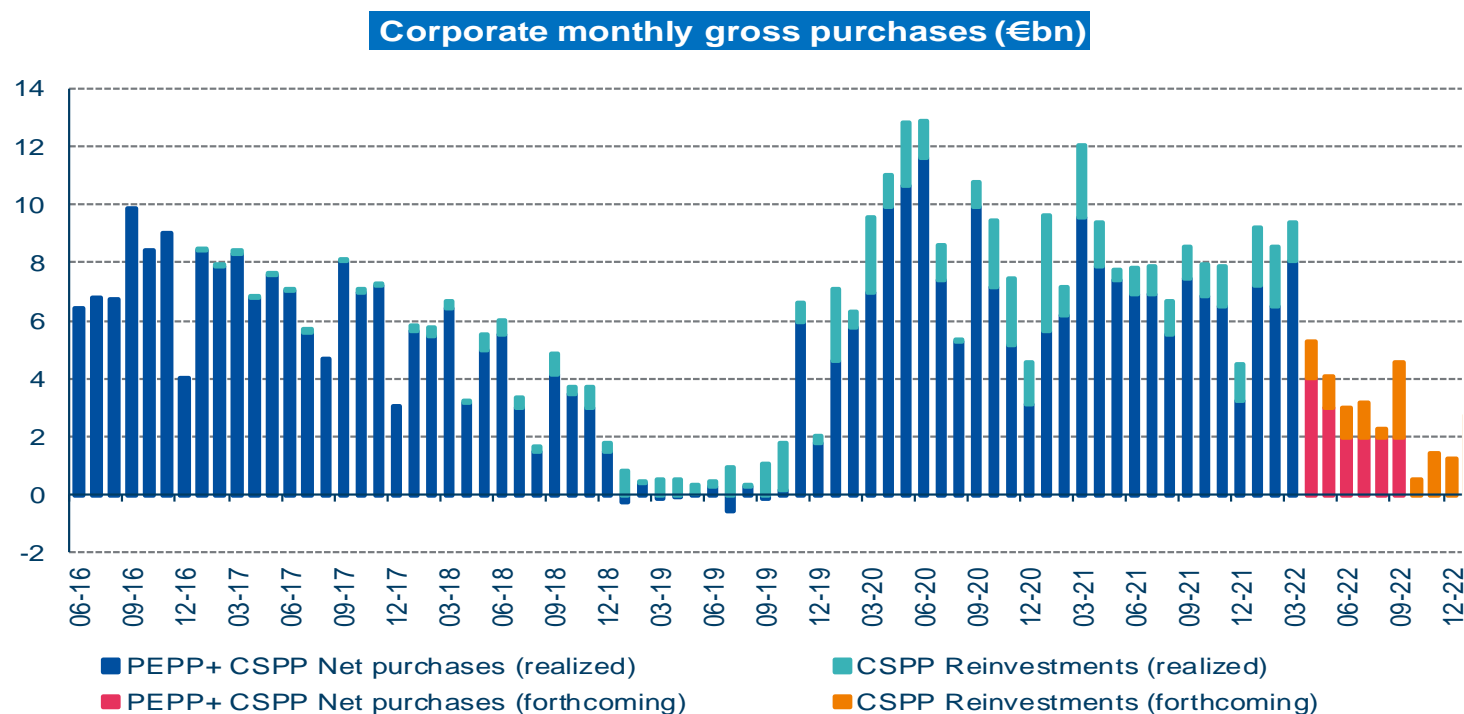
Sovereign monthly gross purchases (€bn)



Source: ECB, Amundi Institute, Data as of: 03/31/2022

Corporate monthly gross purchases

- ECB firepower at the end of 2022 : €15bn
 - APP: €40bn for April + €30bn for May + €20bn/month from June to end of Q3 2022
 - Hypothesis: 10% of the ECB's purchases will be corporate debt
- CSPP reinvestment will average €1.1bn/month over the next 12 months



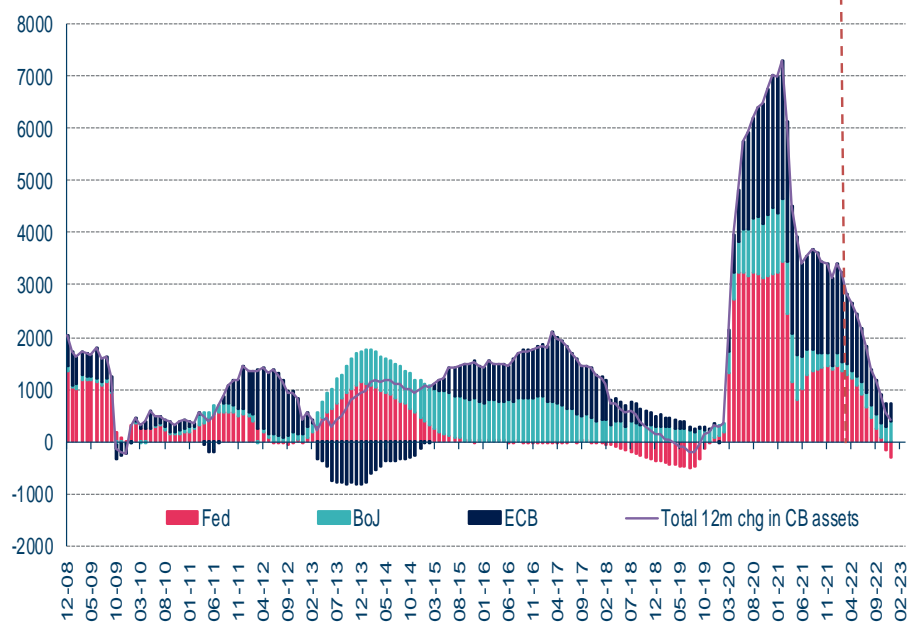
Source: ECB, Amundi Institute, Data as of: 03/31/2022

Annex

Central Banks

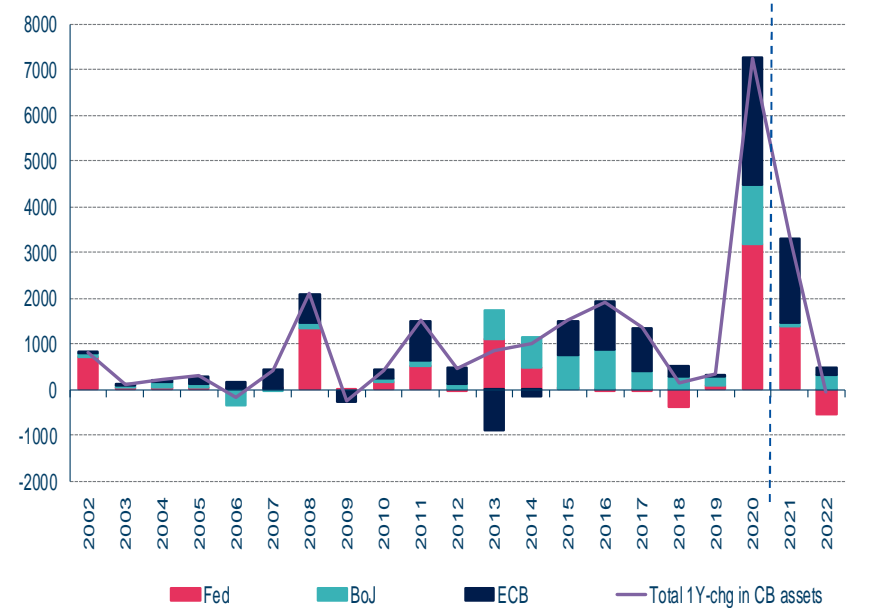
- **Fed:** end of QE, QT starting in June or July
- **ECB:** End of PEPP at end of march 2022 and Gradual reduction in the pace of purchases via the APP
- **BoE:** Active QT to start when hitting 1% interest rate level (likely in H2)

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



Source: Datastream, Amundi Institute, as of 03/31/2022

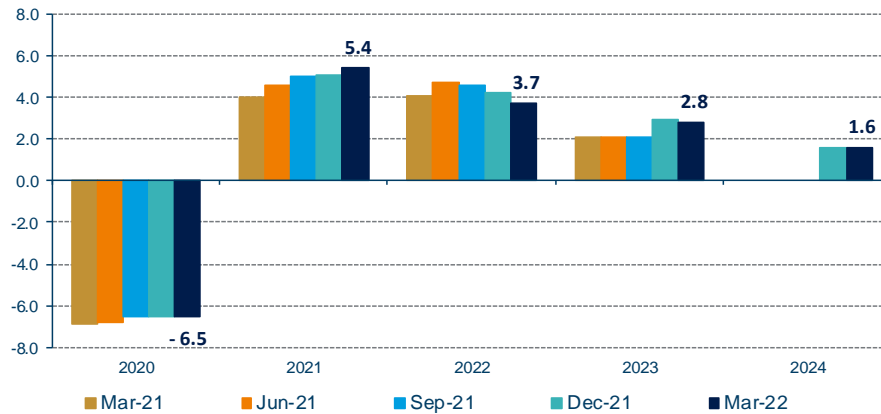
1Y-Change in central banks assets in \$bn (with forecast)



Source: Datastream, Amundi Institute, as of 03/31/2022

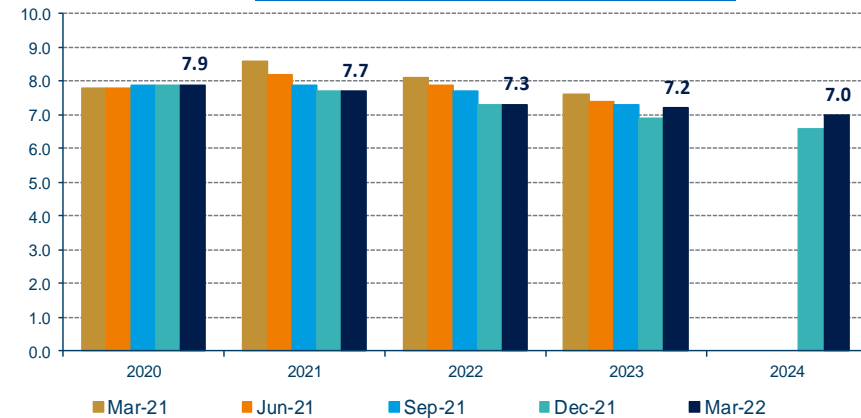
ECB Projections

ECB forecast: real GDP (yoy%)



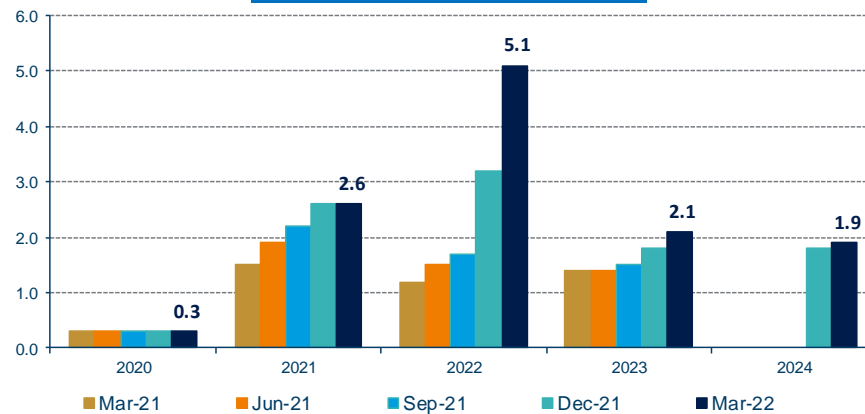
Source: Bloomberg, Amundi Research, Data as of 03/10/2022

ECB forecast: Unemployment (yoy%)



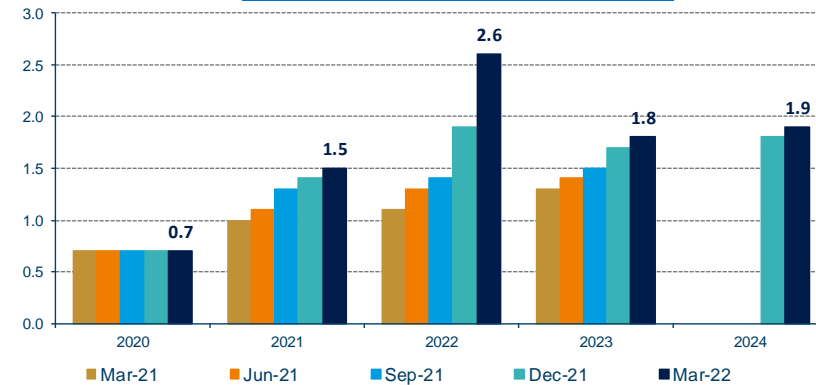
Source: Bloomberg, Amundi Research, Data as of 03/10/2022

ECB forecast: Inflation (yoy%)



Source: Bloomberg, Amundi Research, Data as of 03/10/2022

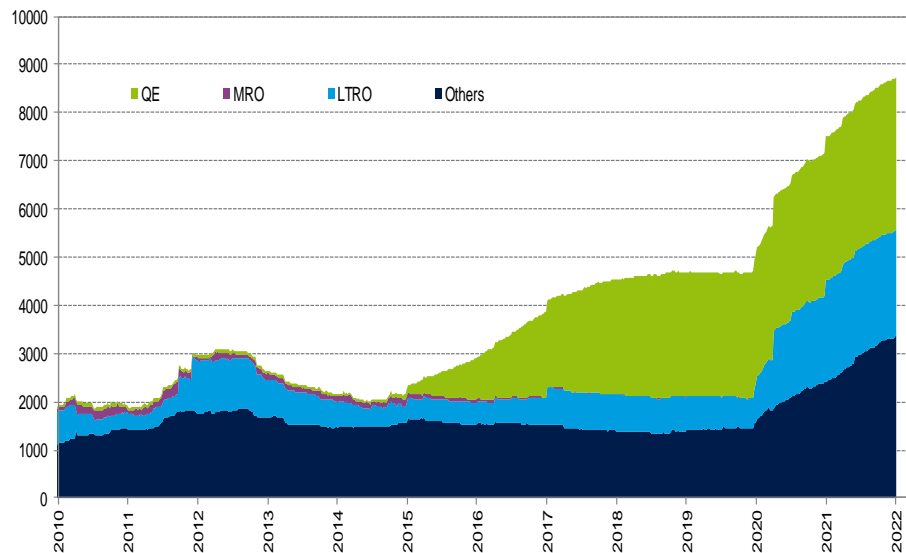
ECB forecast: Core Inflation (yoy%)



Source: Bloomberg, Amundi Research, Data as of 03/10/2022

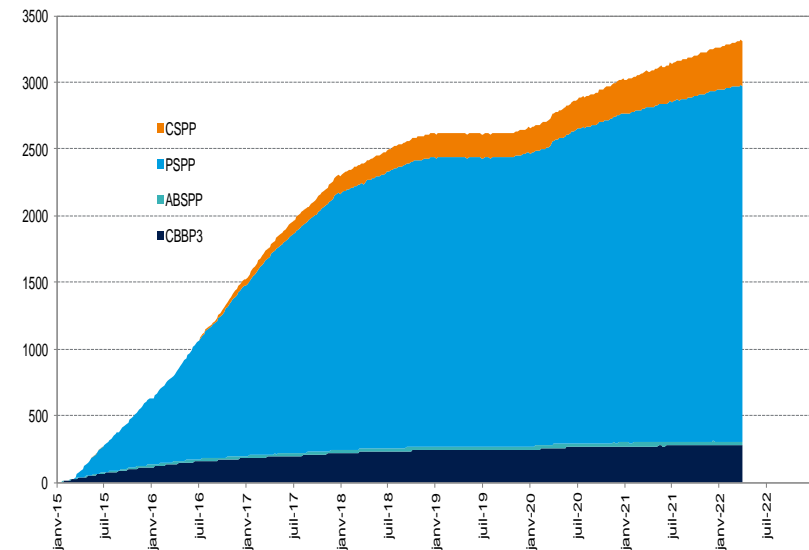
ECB Balance Sheet (1/2)

ECB balance sheet, total asset (in €bn)



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

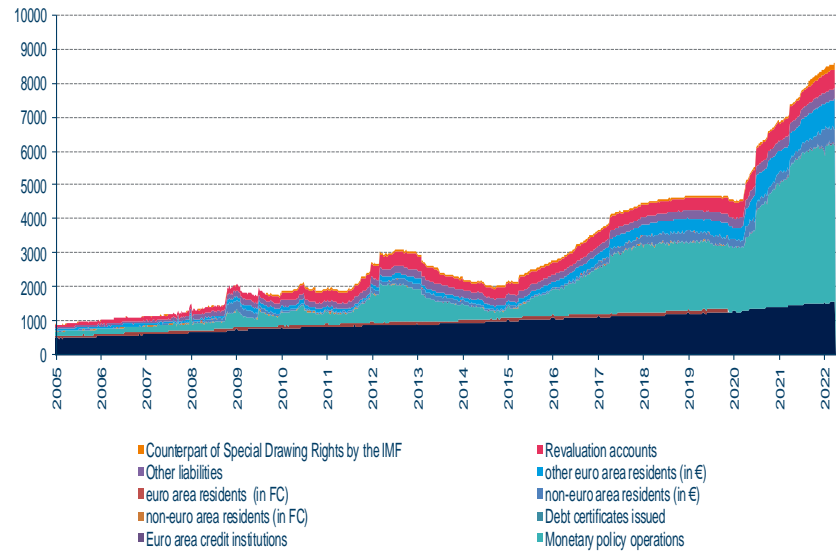
Amounts purchased by the Eurosystem under the expanded asset purchase programme (€ bn)



Source: Datastream, Amundi Institute

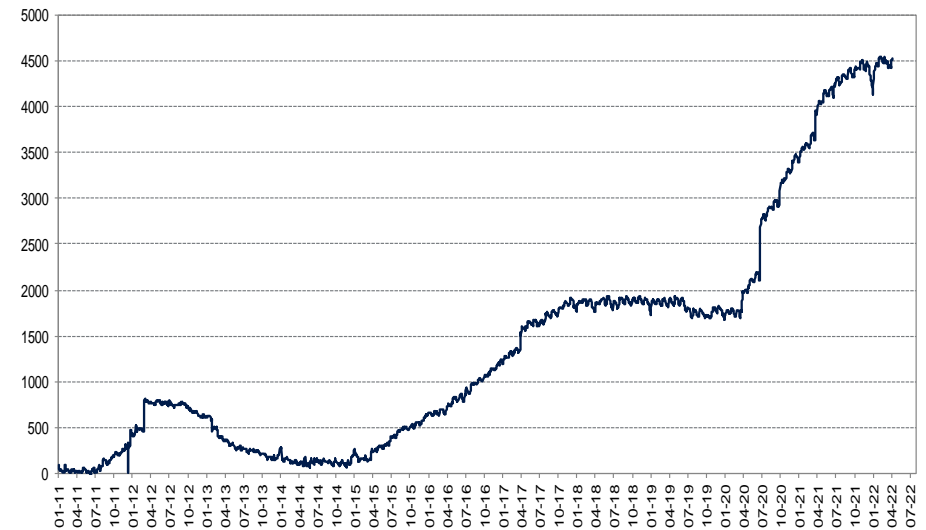
ECB Balance Sheet (2/2)

ECB: Liabilities (in \$bn)



Source: Datastream, Amundi Institute

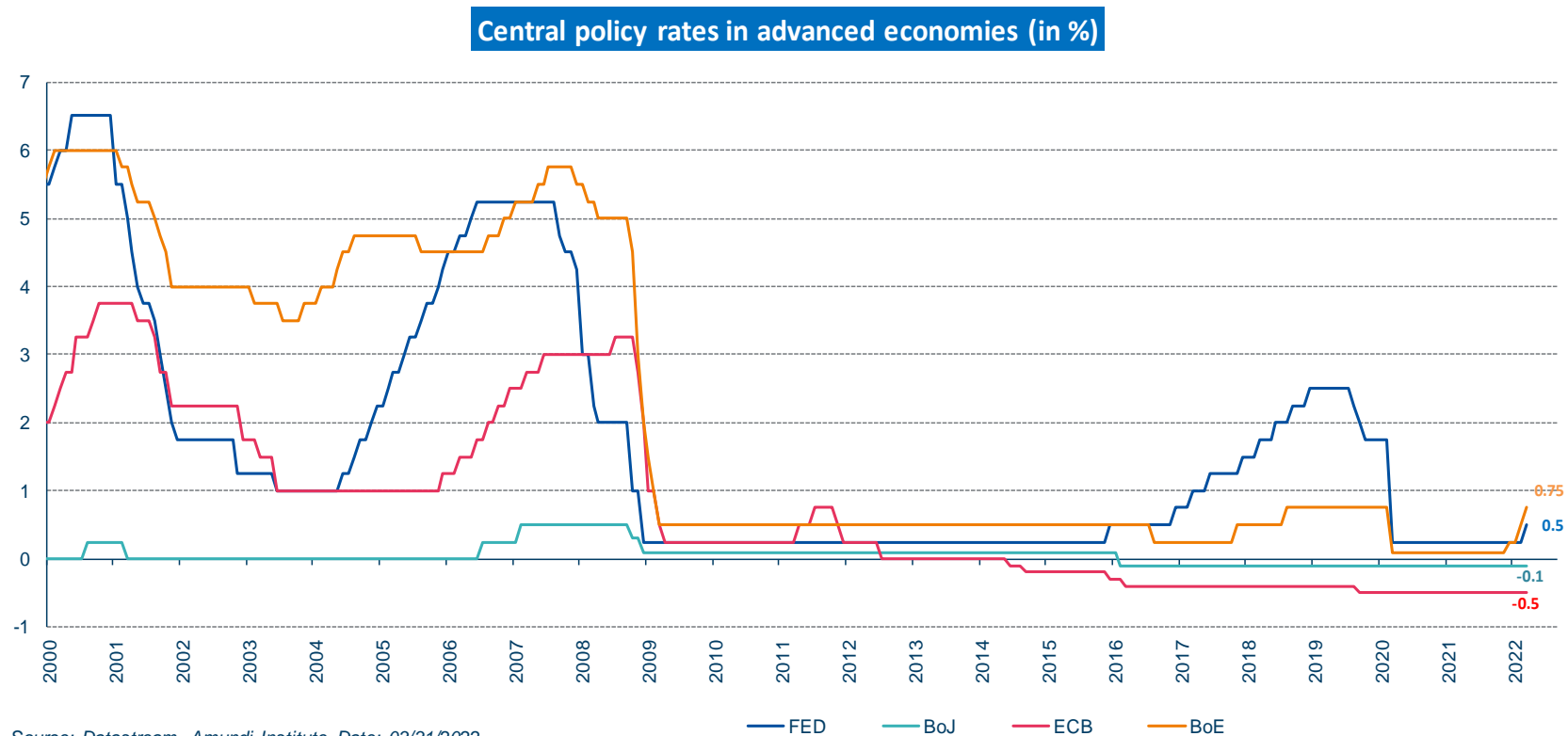
Eurosystem : excess reserves (€bn)



Source: Datastream, Amundi Institute, 03/31/2022

Central Banks: Normalization of monetary policy

- **Fed**: six rates hikes in 2022, first two possibly at two consecutive meetings (March and May)
- **ECB**: Two rates hikes in 2022 and one hike 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.



■ Source: Datastream, Amundi Institute, Date: 03/31/2022

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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