# Discussion of “Strategic Bidding in ECB Refinancing Operations” by Edgar Vogel

ECB Workshop, Frankfurt

Christian Ewerhart

University of Zurich

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(i) Banks bid **lower** in MROs just before an LTRO, and **higher** in MROs just after an LTRO.

(ii) LTRO participants bid **lower, for larger amounts, more frequently, and more persistently** than LTRO non-participants.

# Comments (1)

Change the **title** (e.g., into: "How is MRO bidding affected by the presence of LTROs? – An empirical analysis of the pre-crisis period")

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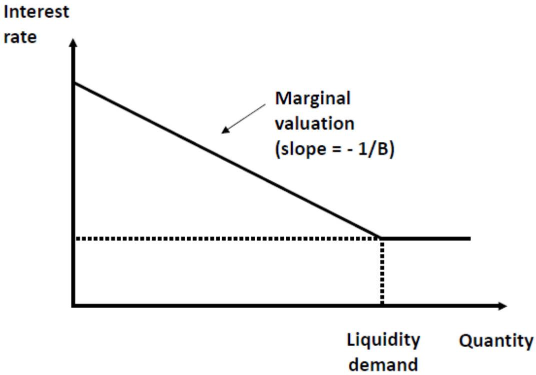

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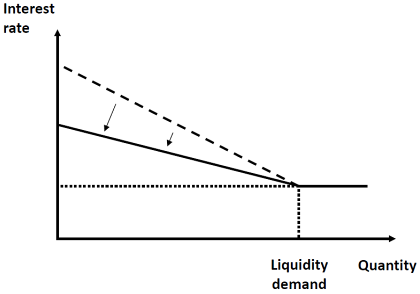

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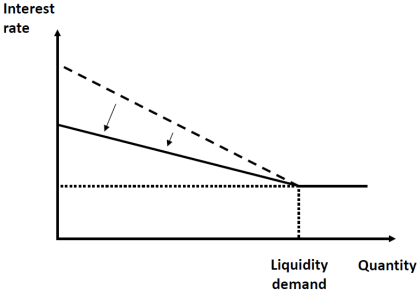


Therefore, the theoretical prediction for the discriminatory auction is that the **average weighted bid rate declines**.

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Since $Q^0 > \overline{Q}$, the average weighted bid $\frac{1}{2}(\overline{v}^d + r^d_{\min})$ is indeed declining in $B$.

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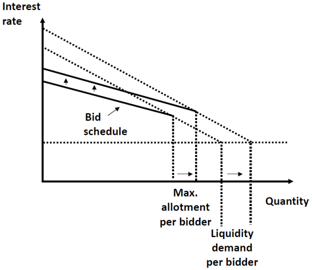

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which holds in any case.

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**Additional reference:** Bruno, Scalia and Ordine (2005) discuss interest rate volatility, collateral/country effects, and bank size as determinants of participation.

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Use of **MRR imputations** could perhaps be better motivated.

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More generally, the **relative merits** of MROs and LTROs need further exploration (e.g., NZZ article of September 25)