

January 2023

ECB Bond Market Contact Group

2023 WORK PROGRAMME

This document presents the work programme for the scheduled meetings of the ECB's Bond Market Contact Group (BMCG) in 2023. The work programme may be adapted throughout the year to address relevant unforeseen events and new topics of interest and is based on members' suggestions.

A. Recurrent item

A member of the group will present a review and outlook of euro area bond market developments in each meeting. The presentation will be followed by a general discussion, including some topics of policy relevance or related to the BMCG mandate.

B. Specific items for 2023

1. Bond markets in an environment of monetary policy normalisation

- Monetary policy normalisation and quantitative tightening around the globe: What are possible spill-overs to euro area bond markets?
- Market vulnerabilities: What are the lessons learned from previous episodes of market stress and dysfunction? Do central banks have the right toolkit?
- How do euro area bond markets adapt to the new environment of Eurosystem balance sheet run-off? How does the market absorb new bond issuance? What are the implications for the market intermediation and investor base?

2. As fixed income markets evolve, how are underlying structures changing?

- The increase in automation of trading: how is liquidity affected and does algorithmic trading change the landscape in euro area bond markets?
- The continued growth of Fixed Income Exchange Traded Funds: An update of trends and developments
- How does the emergence of the EU as a large issuer and its new unified funding approach change the border and interactions between the sovereign segment and the supranational and agency segment in the bond market?
- Settlement cycle in euro area bond markets: relevance of possible efficiency gains for bond market functioning

3. Turning from brown to green – how do investor and issuer behaviour change?

- What type of green instruments are attracting most inflows and gaining momentum?

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- Does Greenium matter? What motivates issuers and investors to support the financing of climate change.
- How can asset managers credibly commit to ESG integration? Does regulation help or hinder investors and issuers to support the transition to a low carbon economy?