

Autonomous factors in the Eurosystem

Paul Mercier 14 March 2010

Weekly financial statement as of 4 March 2011

Assets (EUR millions)	Balance	Difference compared with last week due to transactions	Liabilities (EUR millions)	Balance	Difference compared with last week due to transactions
1 Gold and gold receivables	367,432	0	1 Banknotes in circulation	824,925	5 5,276
2 Claims on non-euro area residents denominated in foreign currency	230,703	4,189	2 Liabilities to euro area credit institutions related to monetary policy	303,748	-10.374
2.1 Receivables from the IMF	75,436		operations denominated in euro	303,740	-10,374
2.2 Balances with banks and security investments, external loans and other	155,267	-	2.1 Current accounts (covering the minimum reserve system)	182,672	2 -29,596
external assets			2.2 Deposit facility	43,179	
3 Claims on euro area residents denominated in foreign currency	26.350	-131	2.3 Fixed-term deposits 2.4 Fine-tuning reverse operations	77,500	
ocialitie on early area residents denominated in total girl currency	20,000	-101	2.5 Deposits related to margin calls	397	_
4 Claims on non-euro area residents denominated in euro	22,030	177			
4.1 Balances with banks, security investments and loans	22,030	177	3 Other liabilities to euro area credit institutions denominated in euro	3,569	731
4.2 Claims arising from the credit facility under ERM II	0	0			
			4 Debt certificates Issued	0	0
5 Lending to euro area credit institutions related to monetary policy operations denominated in euro	447,045	-11,370	5 Liabilities to other euro area residents denominated in euro	99,316	-6,433
5.1 Main refinancing operations	124,442	4,987	5.1 General government	91,620	
5.2 Longer-term refinancing operations	321,835	0	5.2 Other liabilities	7,696	
5.3 Fine-tuning reverse operations	0	0			
5.4 Structural reverse operations	0	_	6 Liabilities to non-euro area residents denominated in euro	43,361	-945
5.5 Marginal lending facility	758				
5.6 Credits related to margin calls	10	-1	7 Liabilities to euro area residents denominated in foreign currency	2,916	613
6 Other claims on euro area credit institutions denominated in euro	47,838	-661	8 Liabilities to non-euro area residents denominated in foreign currency	14,906	465
			8.1 Deposits, balances and other liabilities	14,906	465
7 Securities of euro area residents denominated in euro	471,262	1,505	8.2 Liabilities arising from the credit facility under ERM II	0	0
7.1 Securities held for monetary policy purposes	138,191				
7.2 Other securities	333,070	1,505	9 Counterpart of special drawing rights allocated by the IMF	54,552	2 0
8 General government debt denominated in euro	34,904	. 0	10 Other Habilities	180,564	-2,804
9 Other assets	291,655	-6,768	11 Revaluation accounts	331,533	3 0
			12 Capital and reserves	79,831	412
			Total liabilities	1,939,219	-13,059
Total assets	1,939,219	-13,059			

Totals/sub-totals may not add up, due to rounding

Eurosystem simplified balance sheet

As of 4 March 2011 (in €billions)

Assets		Liabilities	
USD repos (*)	0.0	Claims of US Federal reserve (*)	0.0
Autonomous liquidity factors		Autonomous liquidity factors	
Net foreign assets (A.1+A.2+ A.3	552.1	Banknotes in circulation (L.1)	824.9
-L.7-L.8-L.9-USD repos)		Government deposits (L.5.1)	91.6
Domestic assets (A.7.2+A.8)	368.0	Other autonomous factors (net)	285.4
Monetary policy instruments		Monetary policy instruments	
Main refinancing operation (A.5.1)	124.4	Current accounts (L.2.1)	182.7
Longer term refinancing operation (A.5.2)	321.8	Absorbing operations (L.2.3+L.2.4)	77.5
Marginal lending facility (A.5.5)	8.0	Deposit facility (L.2.2)	43.2
Covered bond portfolio (A.7.1)	60.7		
Securities Markets Programme (A.7.1)	77.5		
Total	1,505.3	Total	1,505.3

Total autonomous liquidity factors (autonomous liability factors – autonomous asset factors): €281.9 billion

Published figure (incl. SMP) on Monday, 7 March: €204.4 billion

Sources: Items in brackets - Eurosystem weekly financial statements - http://www.ecb.europa.eu/press/pr/wfs/2011/html/index.en.html

Split SMP-CBPP from text to weekly financial statement

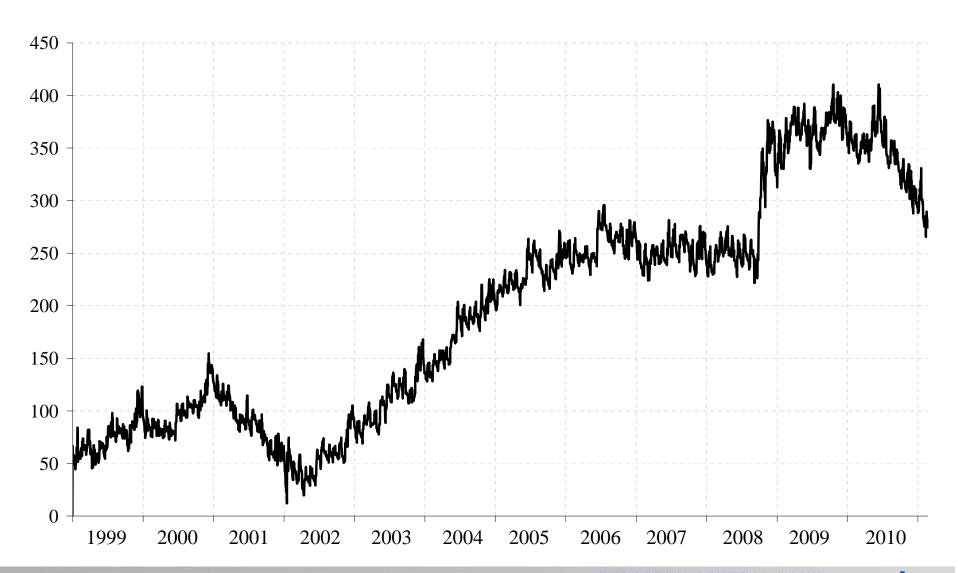
Items with asterisk - Eurosystem open market operations - http://www.ecb.europa.eu/mopo/implement/omo/html/index.en.html

Analysing autonomous factors

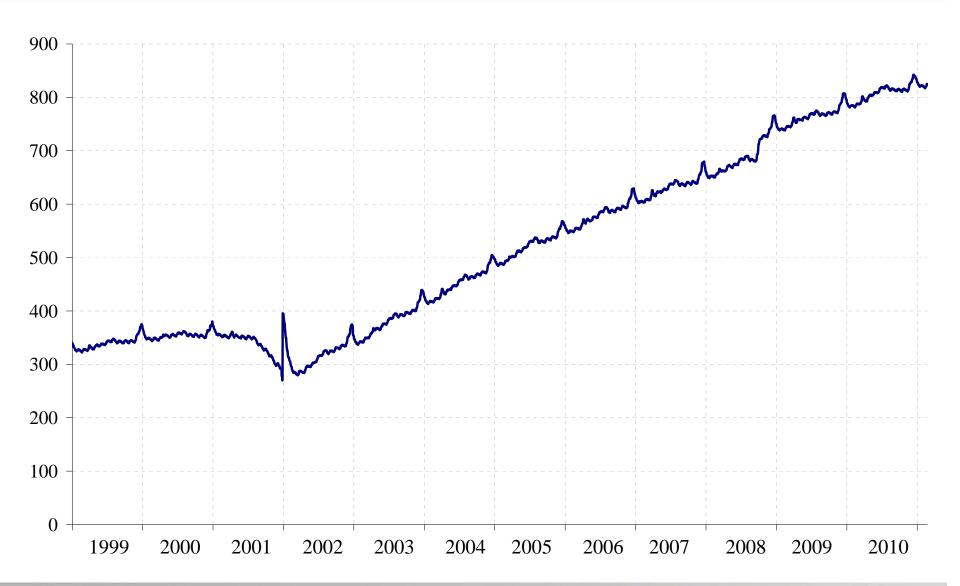
3 categories:

- Banknotes
- Government deposits
- Net portfolio: the sum of net foreign assets, domestic assets and other autonomous factors (OAF)
 - •Net foreign assets subject to quarterly revaluations and the revaluation accounts are recorded under **OAF**.
 - •Domestic portfolio transactions of NCBs recorded under different autonomous factors (**domestic assets and OAF**).
 - Reclassification of investment portfolios at end 2008 affected **domestic assets** and **OAF.**

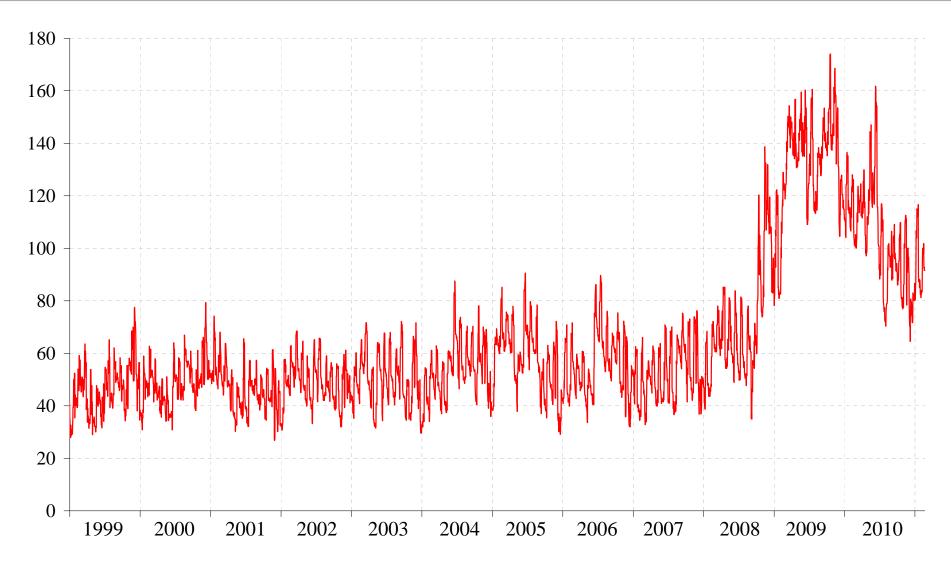
Total autonomous factors: 1999 – 2011 (in € billion)



Banknotes (L.I): 1999 – 2011 (in € billion)



Government deposits (L.5.1): 1999 – 2011 (in € billion)



Eurosystem simplified balance sheet

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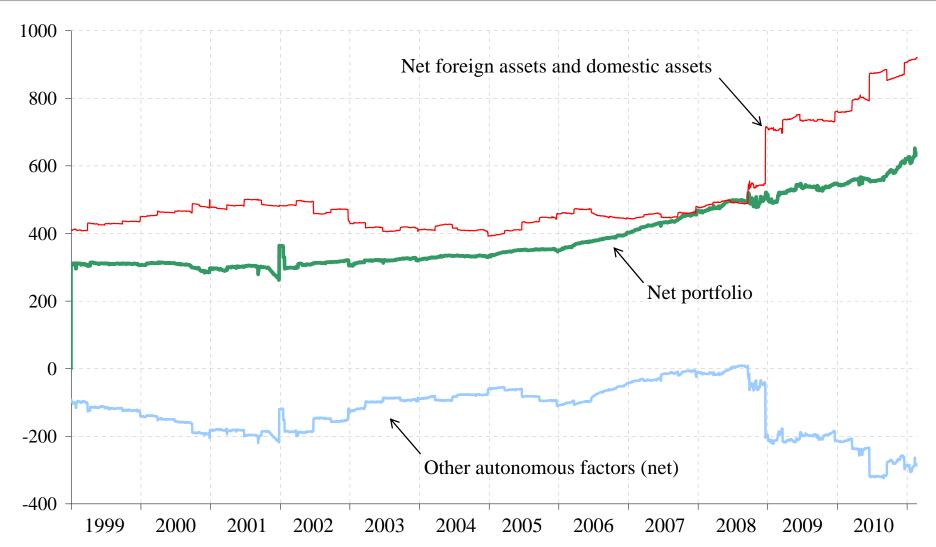
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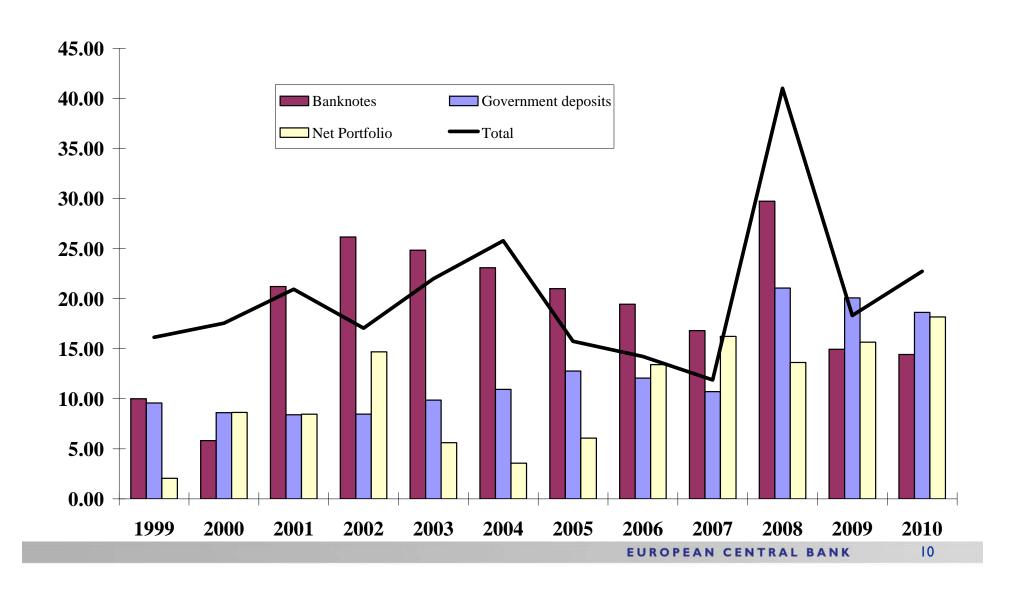
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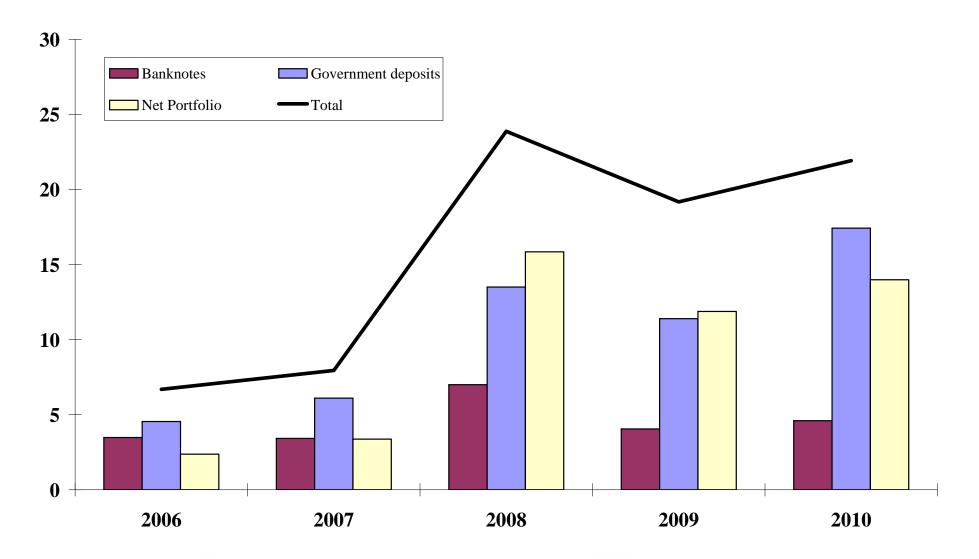
Net portfolio: 1999 – 2011 (in € billion)



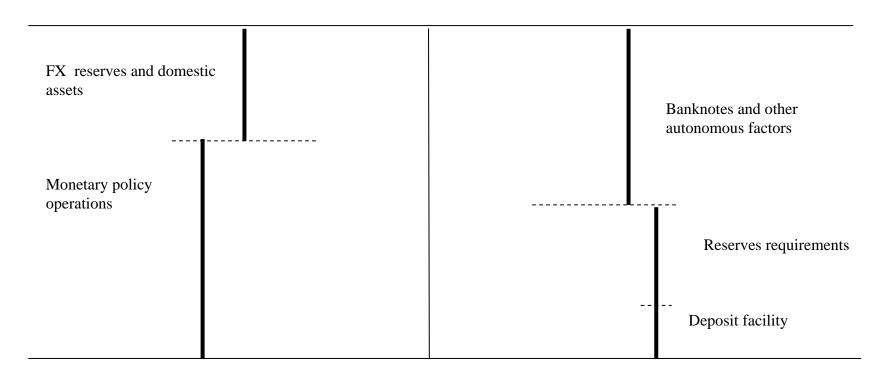
Daily volatility of autonomous factors (in € billion)



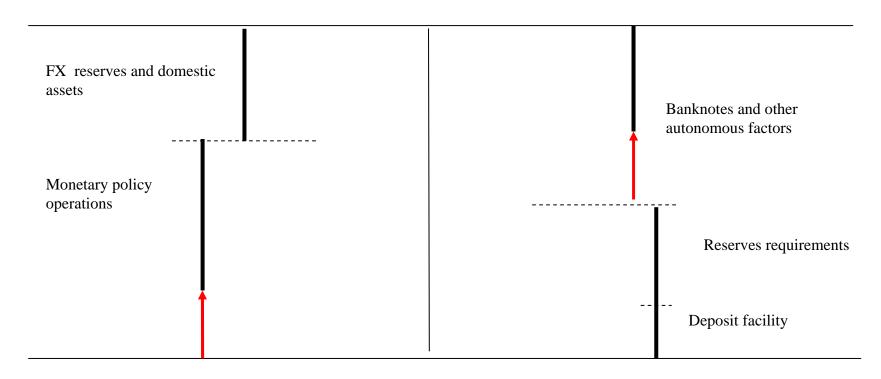
Average absolute accumulated forecast errors – 8 days ahead (in € billion)



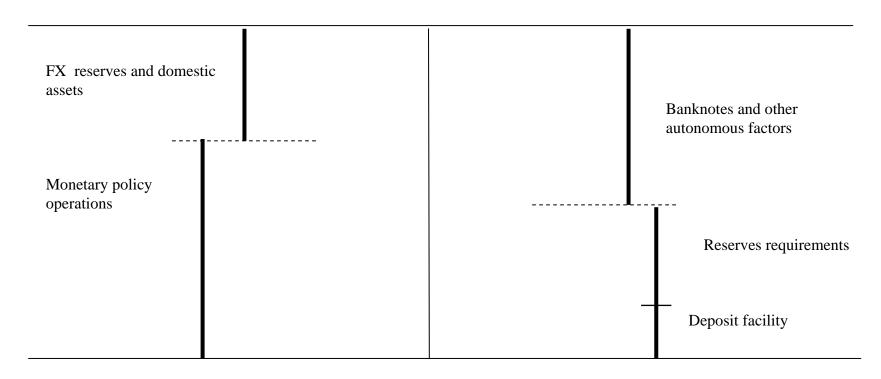
Monetary Policy operations and autonomous factors



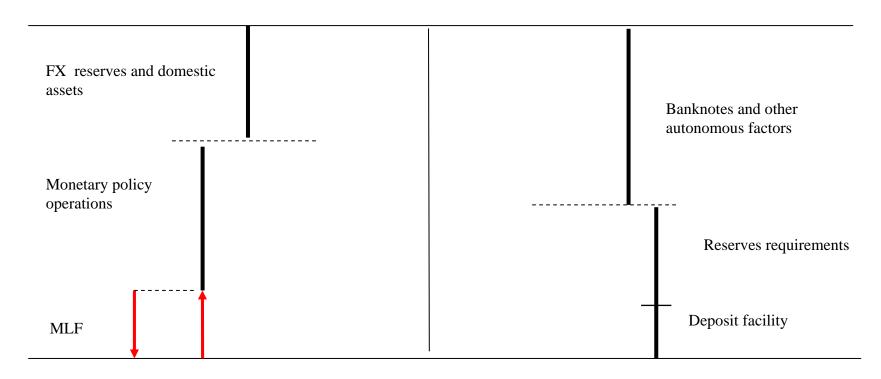
Monetary Policy operations and autonomous factors



Substitution between Open Market Operations and MLF



Monetary Policy operations and autonomous factors



Two ECB 40 publications in February

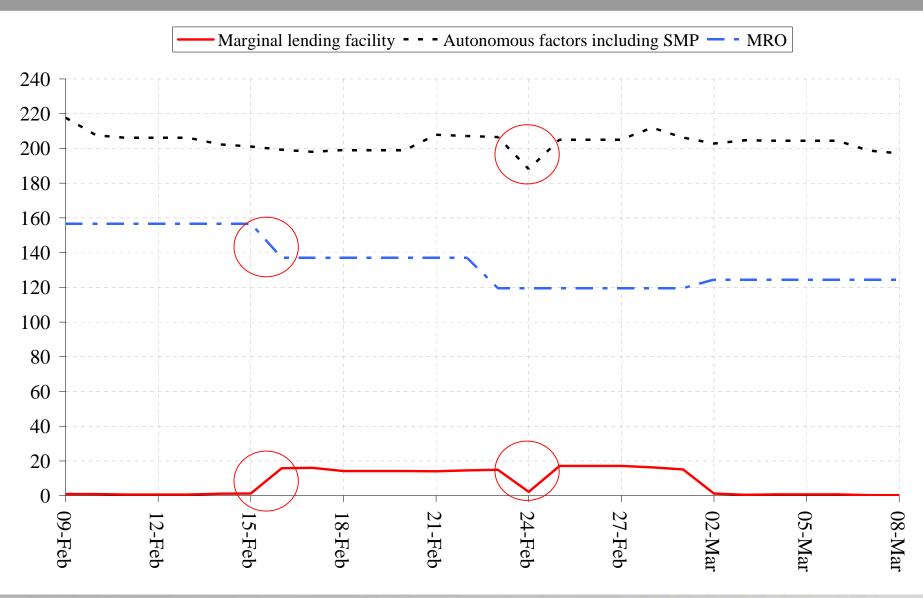
On 17 February:

On 25 February:

Information on liquidity conditions in the euro area (in milli	ions of euro).
Reserve maintenance period (MP): 09/02/2011 to 08/03/2011	
Average reserve requirements for the current MP	211,624
Average reserve requirements for the current Mr	211,024
Estimate on 15/02/2011 of average daily autonomous factors:	
for the period 14/02/2011 to 22/02/2011	274,400
F,,,,	
Figures as at 16/02/2011	
Average current account holdings in the current MP (1)	239,205
Outstanding open market operations excl. SMP*	441,512
Use of marginal lending facility	(15,801
Use of deposit facility	14,723
Net liquidity effect from autonomous factors and SMP	199,245
Current account holdings (1)	243,345
*giti M D	
*Securities Markets Programme (1) Including minimum reserve holdings. Historical data on sub-	acoment reas
European Central Bank, Frankfurt, + 49 69 1344 8577	sequent pages.
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Developments in MP 2 2011



Average forecast errors in MP 2 (in € billion, based on forecast on allotment day)

