

# Money & Credit: European Central Bank Policy Tools

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*thinking outside the box*

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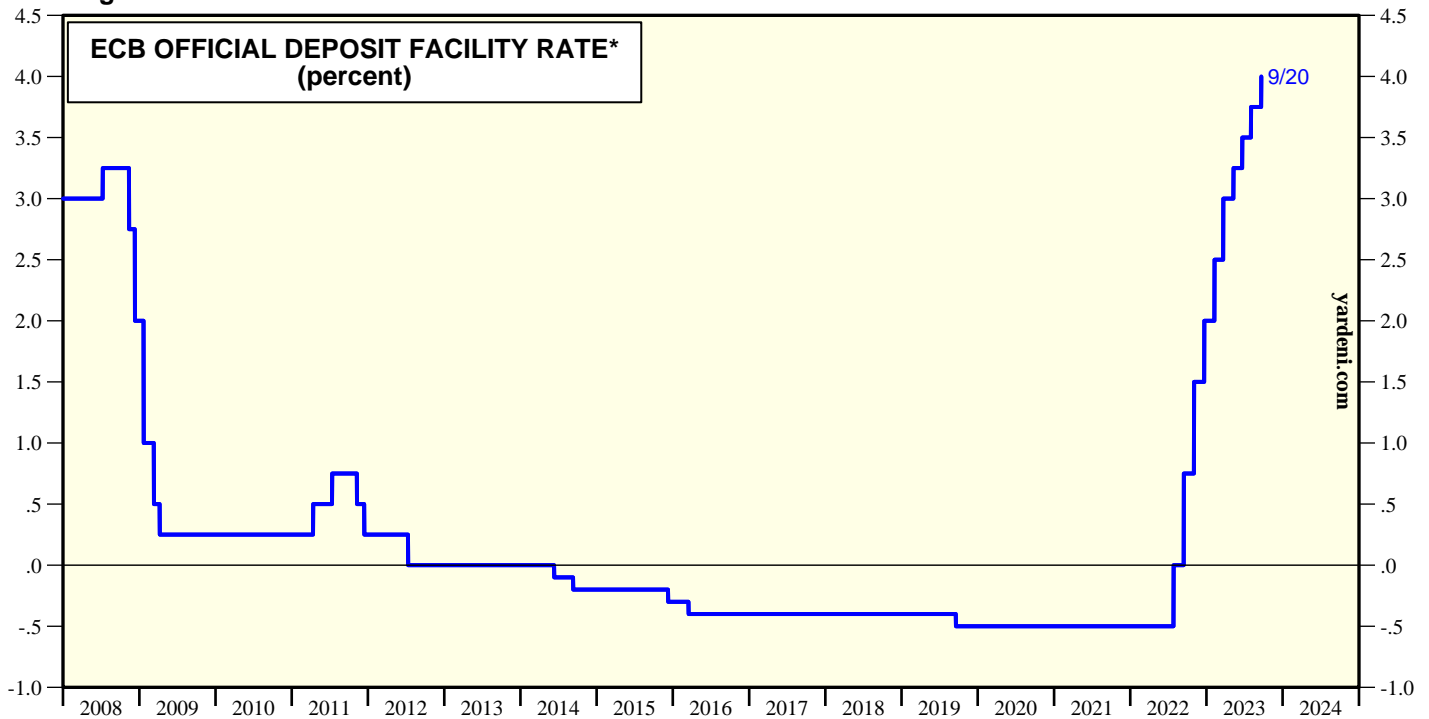
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ECB

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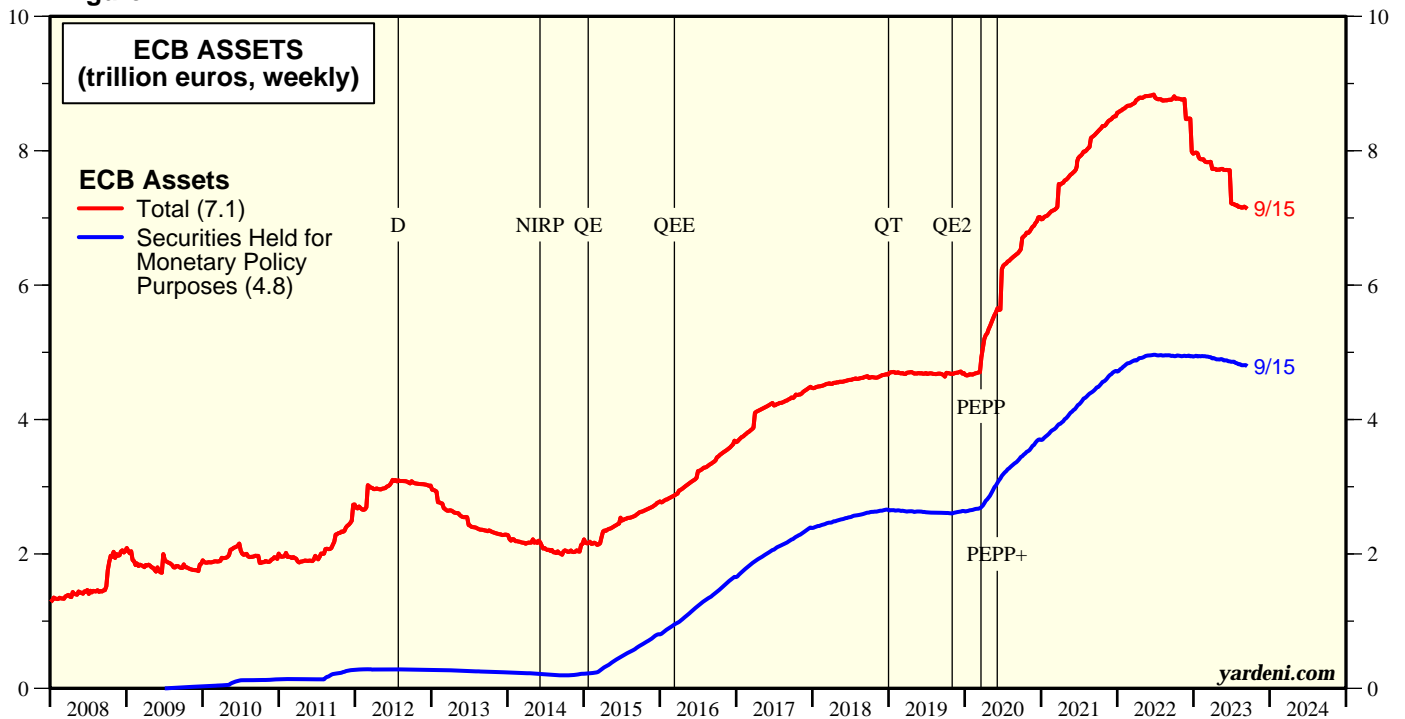
# ECB

Figure 1.



\* Paid on bank reserves held at ECB.  
Source: European Central Bank.

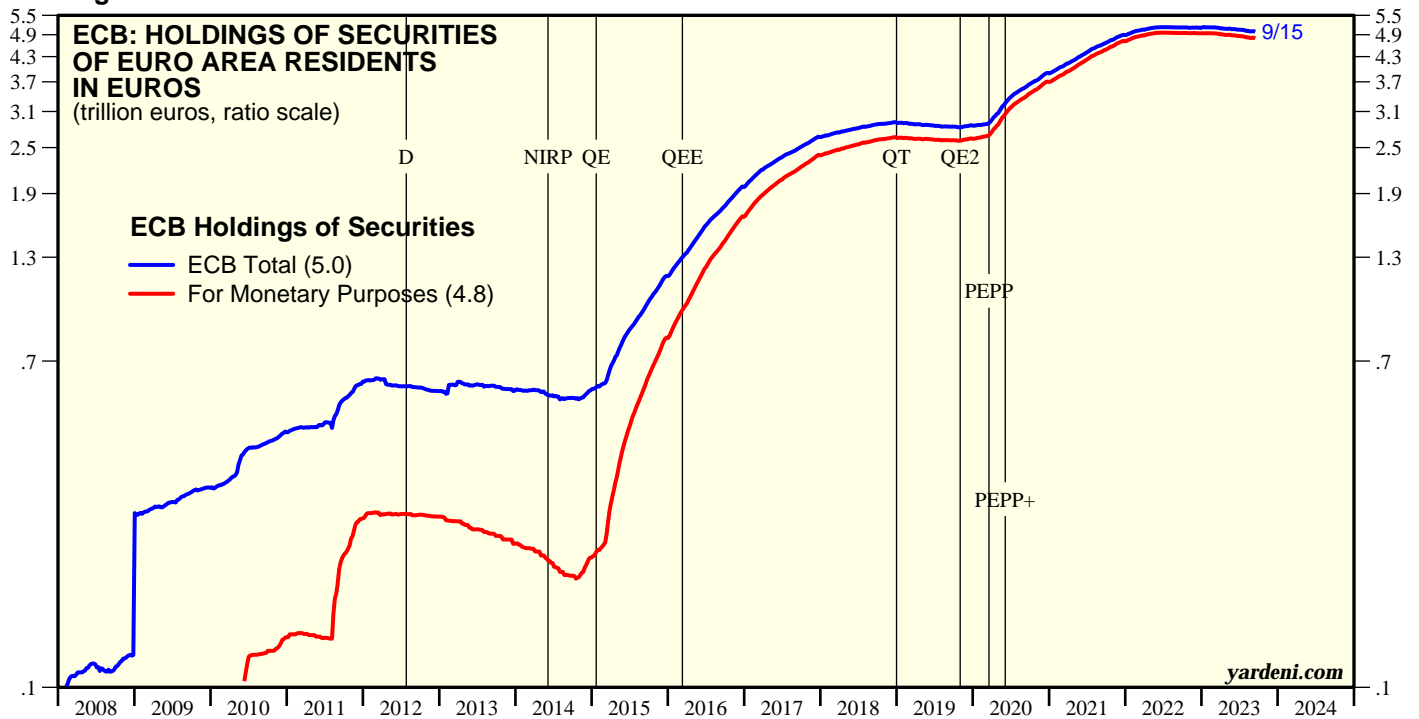
Figure 2.



D = ECB President Mario Draghi pledged to do "whatever it takes" to defend the euro (7/26/12). NIRP = negative interest-rate policy (6/5/14). QE (1/22/15). QEE = expansion and extension of QE (3/10/16, corporate bond purchases started 6/1/16). QT (12/31/18). QE2 (11/1/19). PEPP (3/18/20) 750 billion euros open-ended asset purchases. PEPP+ (6/4/20) expanded by 600 billion euros.  
Source: European Central Bank.

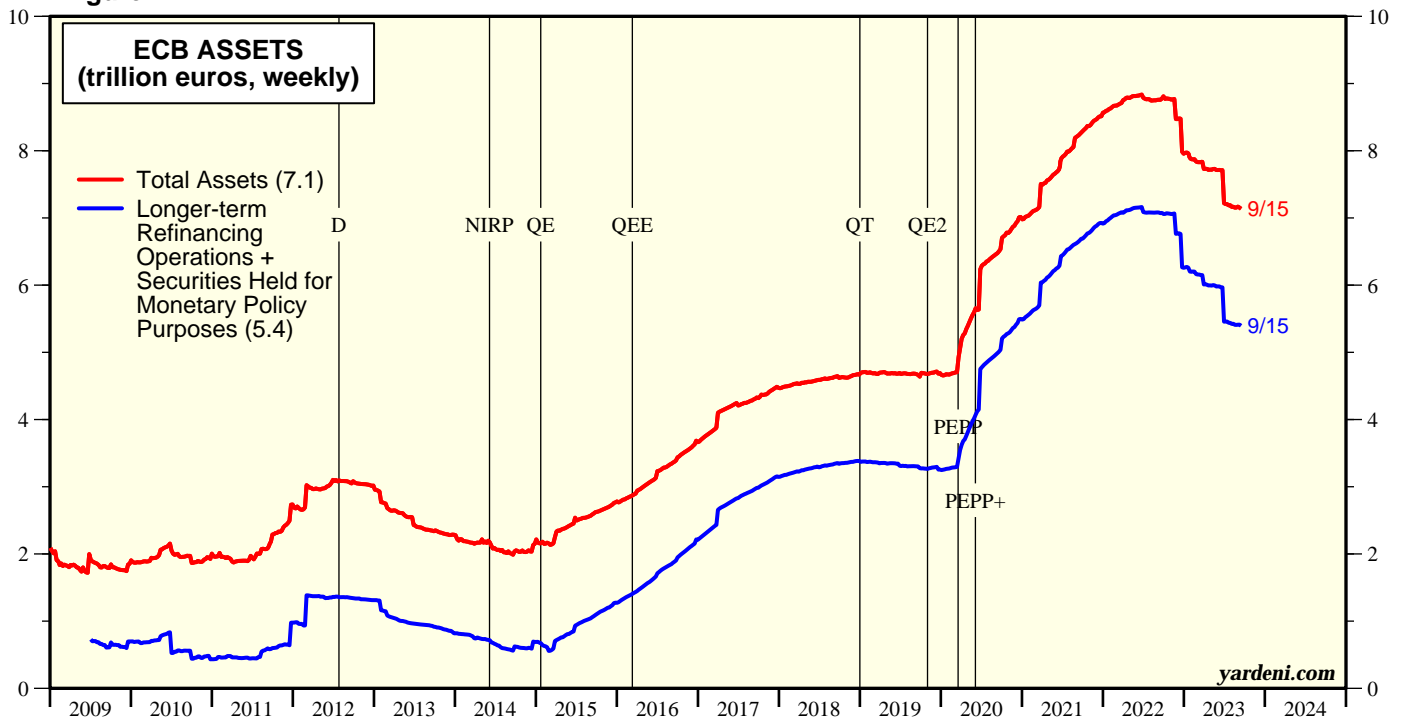
# ECB

Figure 3.



D = ECB President Mario Draghi pledged to do "whatever it takes" to defend the euro (7/26/12). NIRP = negative interest-rate policy (6/5/2014). QE (1/22/15). QEE = expansion and extension of QE (3/10/16, corporate bond purchases started 6/1/16). QT (12/31/18). QE2 (11/1/19). PEPP+ (6/4/20) expanded by 600 billion euros.  
Source: European Central Bank.

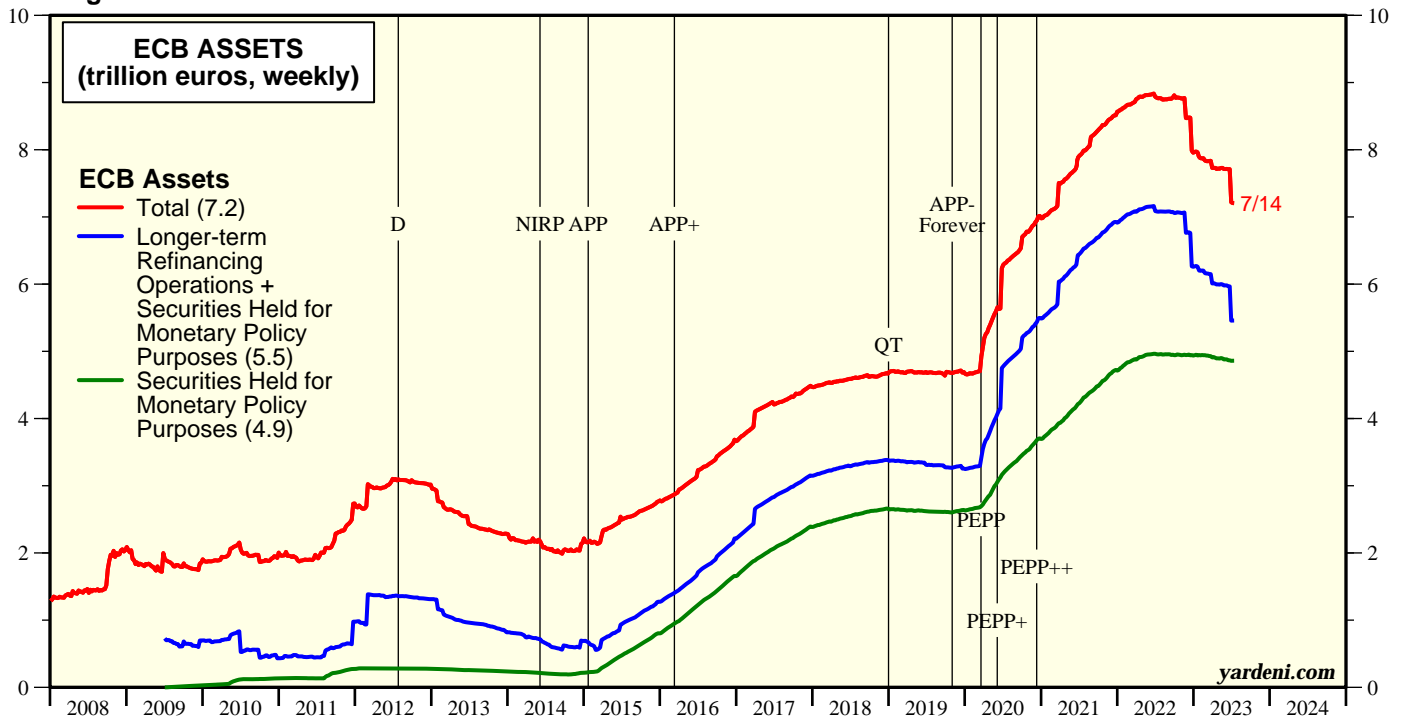
Figure 4.



D = ECB President Mario Draghi pledged to do "whatever it takes" to defend the euro (7/26/12). NIRP = negative interest-rate policy (6/5/2014). QE (1/22/15). QEE = expansion and extension of QE (3/10/16, corporate bond purchases started 6/1/16). QT (12/31/18). QE2 (11/1/19). PEPP (3/18/20) 750 billion euros open-ended asset purchases. PEPP+ (6/4/20) expanded by 600 billion euros.  
Source: European Central Bank.

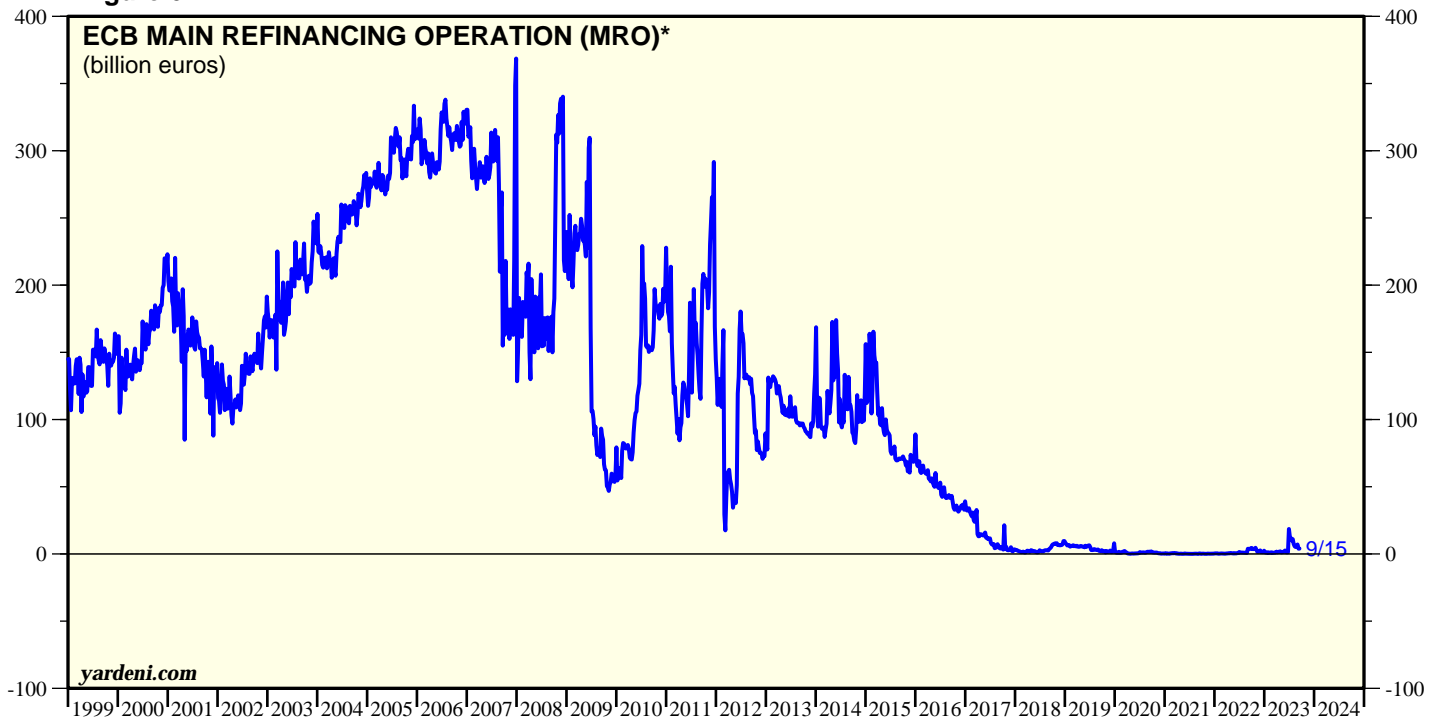
# ECB

Figure 5.



D = ECB President Mario Draghi pledged to do "whatever it takes" to defend the euro (7/26/12). NIRP = negative interest-rate policy (6/5/2014). APP (1/22/15). APP+ = expansion and extension of APP (3/10/16, corporate bond purchases started 6/1/16). QT (12/31/18). APP-Forever (11/1/19) 20 billion euros per month. PEPP (3/18/20) 750 billion euros open-ended asset purchases. PEPP+ (6/4/20) expanded by 600 billion euros. PEPP++ (12/10/20) another 500 billion euros in purchases.  
 Source: European Central Bank.

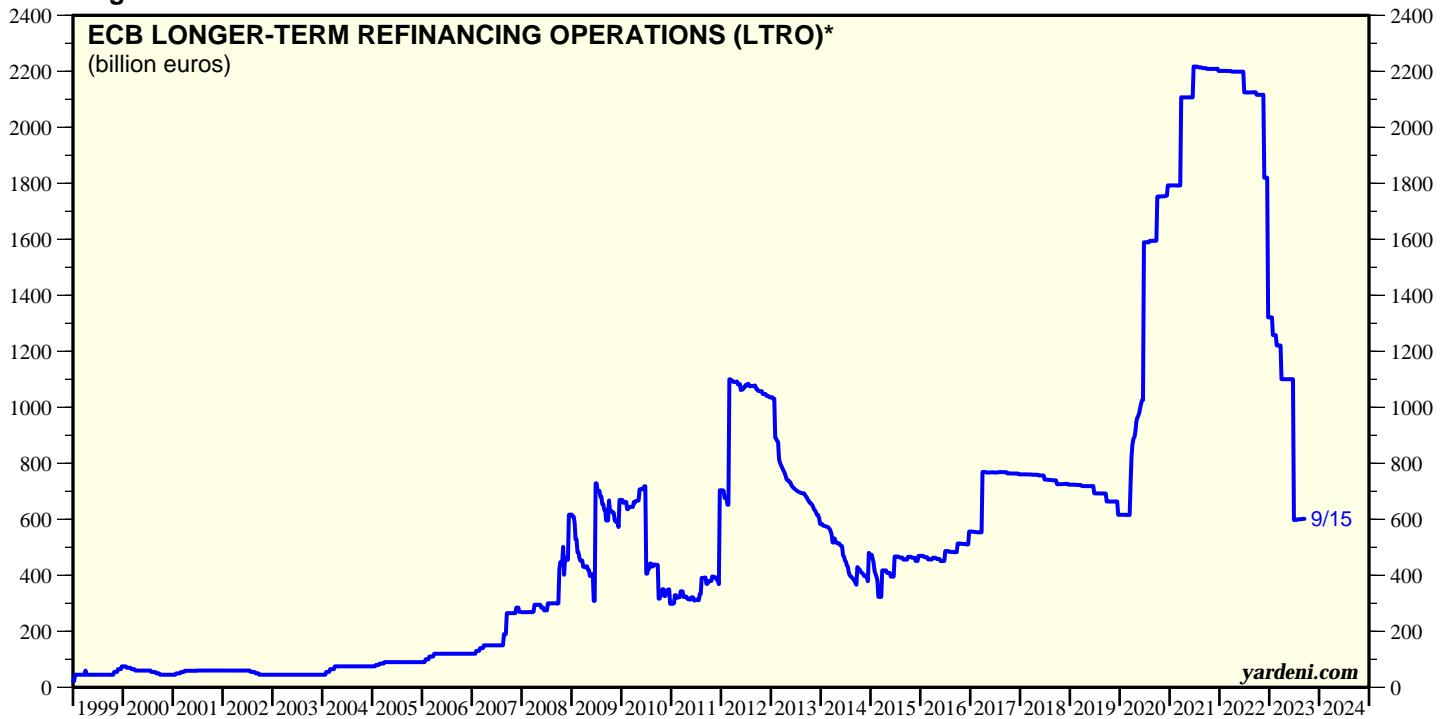
Figure 6.



\* Shorter-term repo liquidity measure with one-week maturity.  
 Source: European Central Bank.

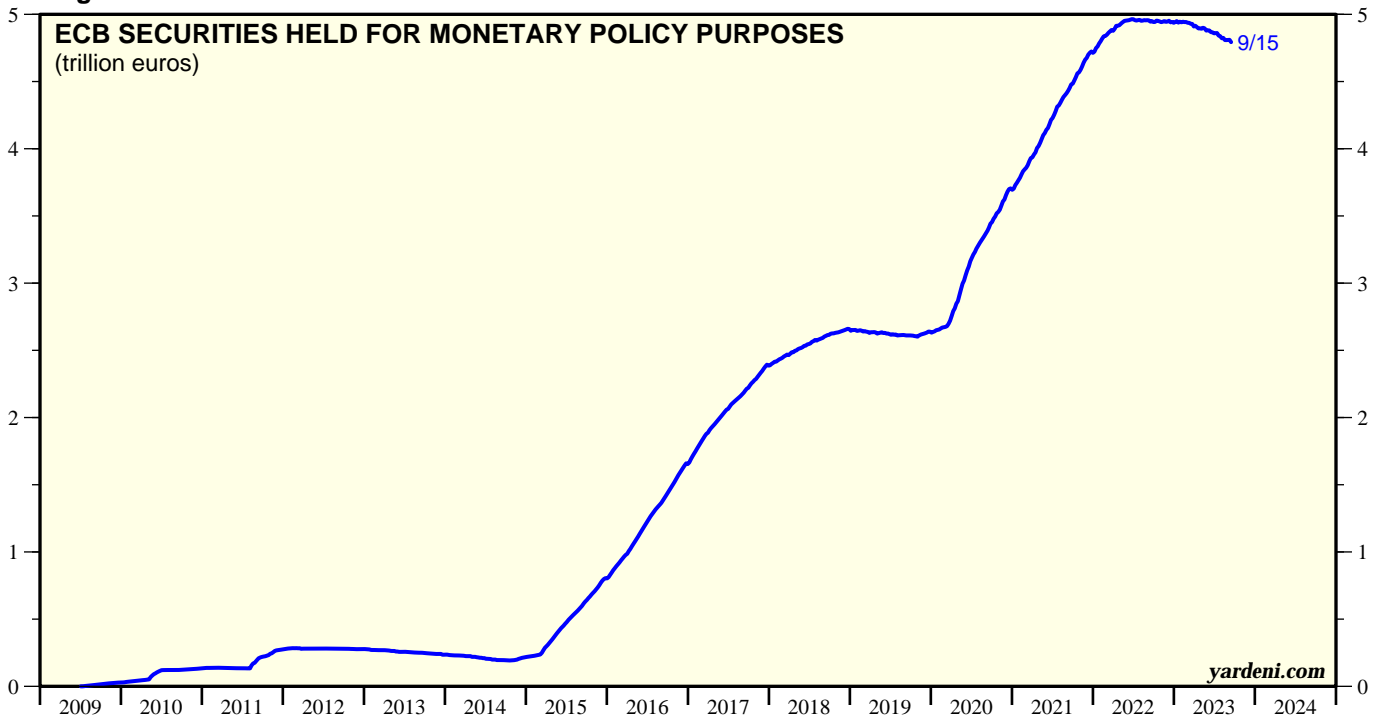
# ECB

Figure 7.



\* LTROs provide an injection of low interest rate funding to eurozone banks with sovereign debt as collateral on the loans. The loans are offered monthly and are typically repaid in three months, six months, or one year.  
Source: European Central Bank.

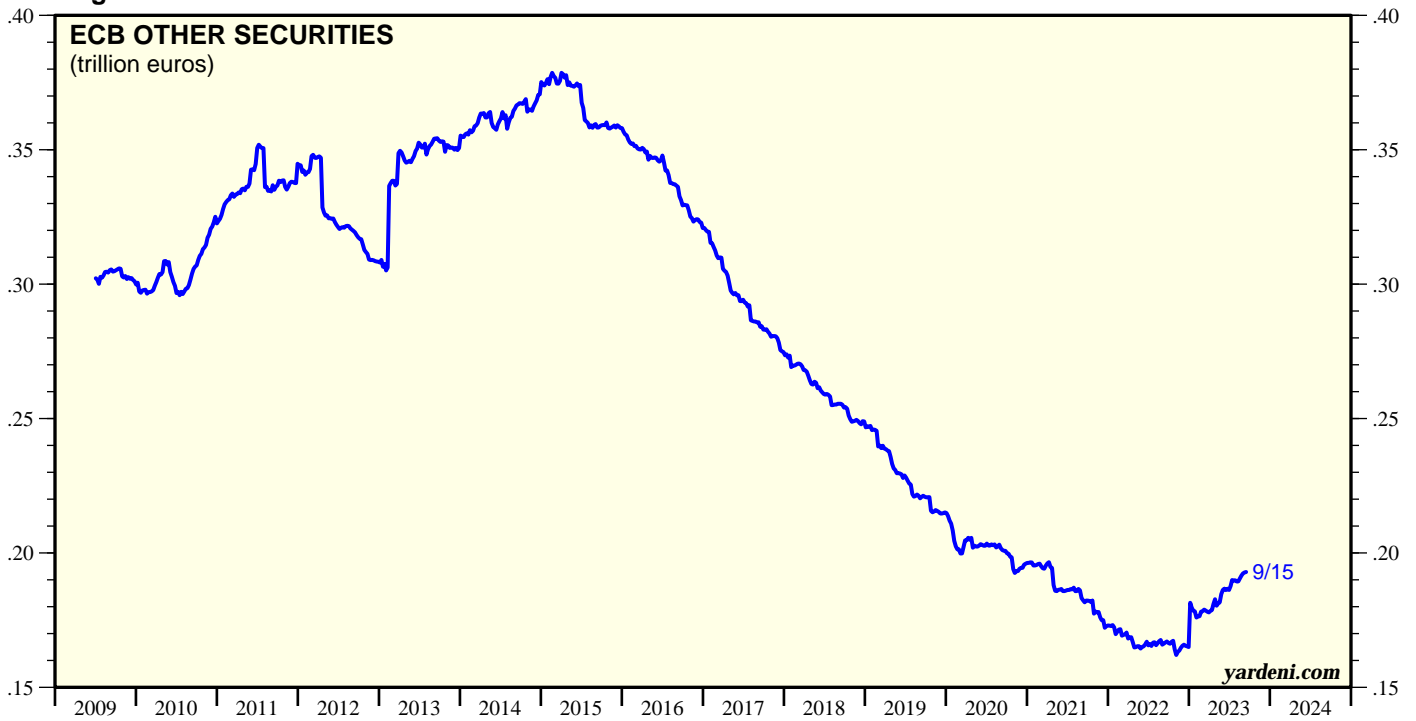
Figure 8.



Source: European Central Bank.

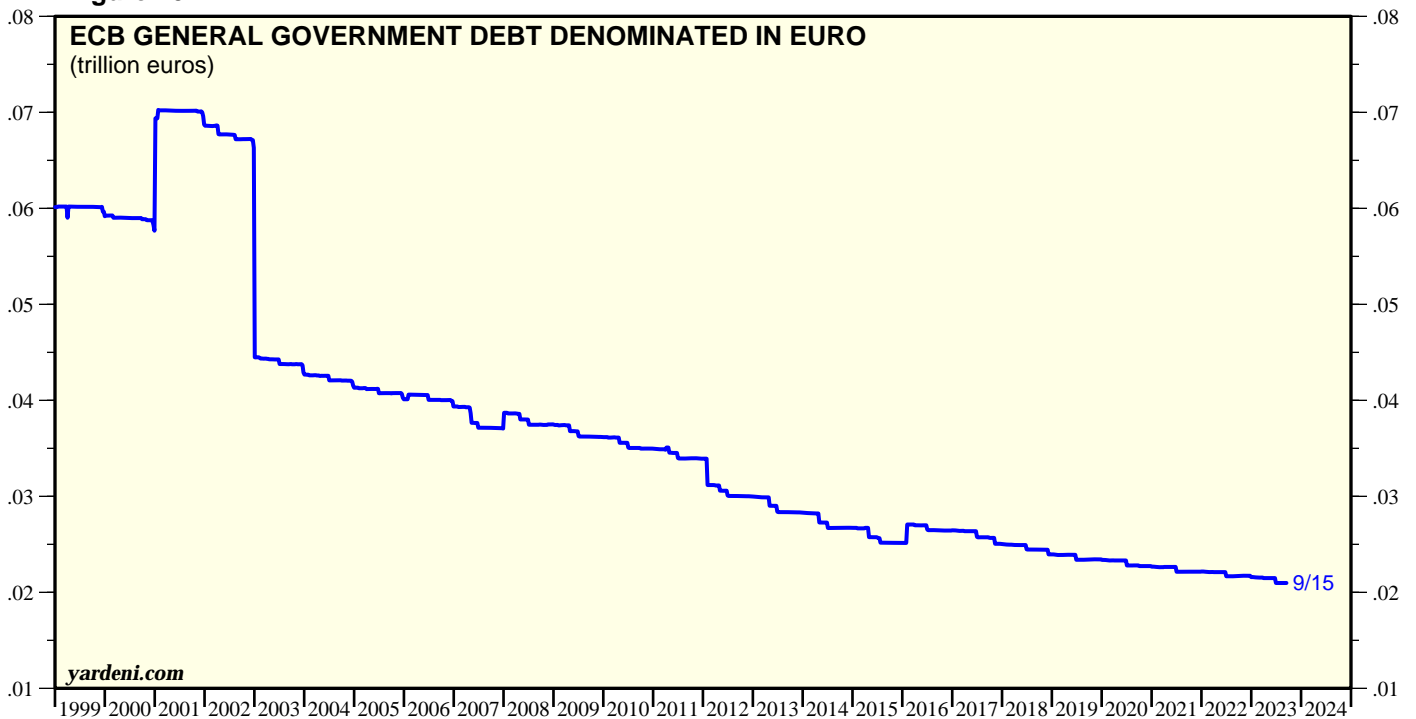
# ECB

Figure 9.



Source: European Central Bank.

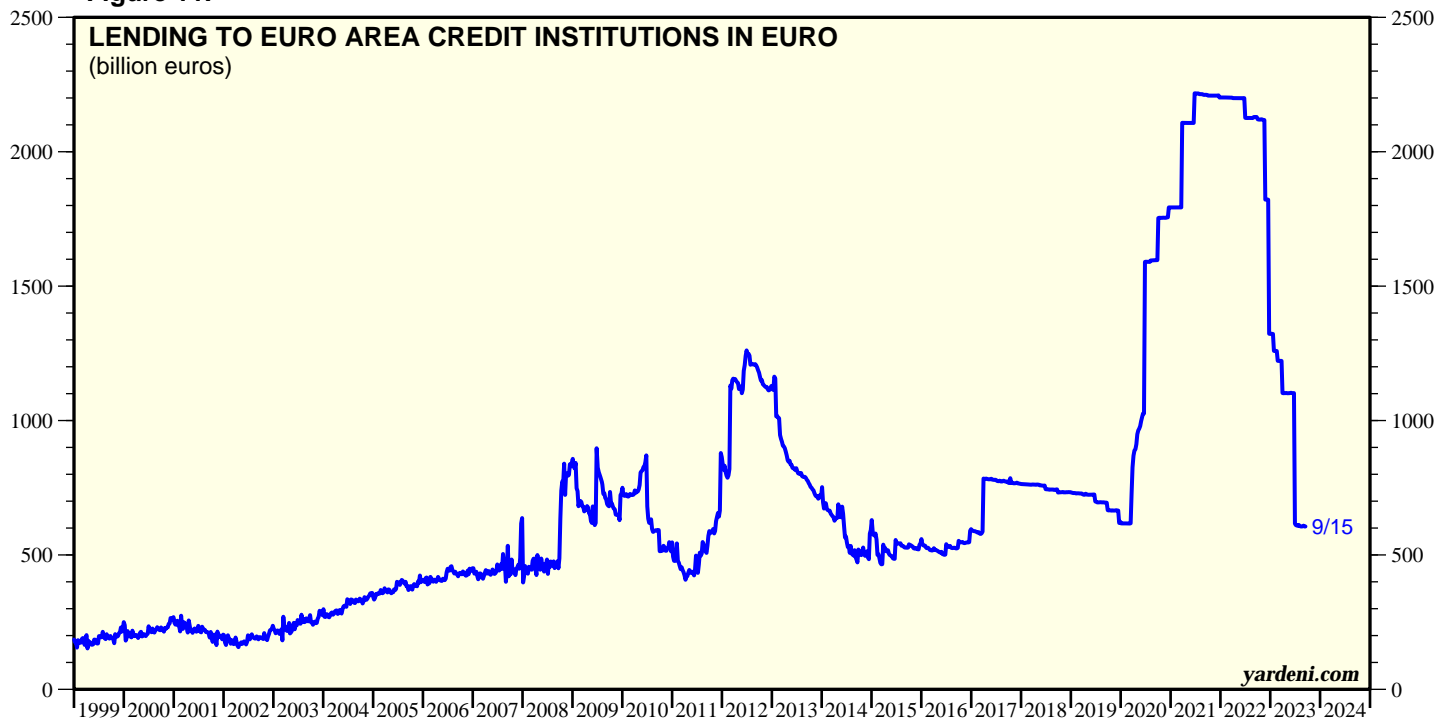
Figure 10.



Source: European Central Bank.

# ECB

Figure 11.

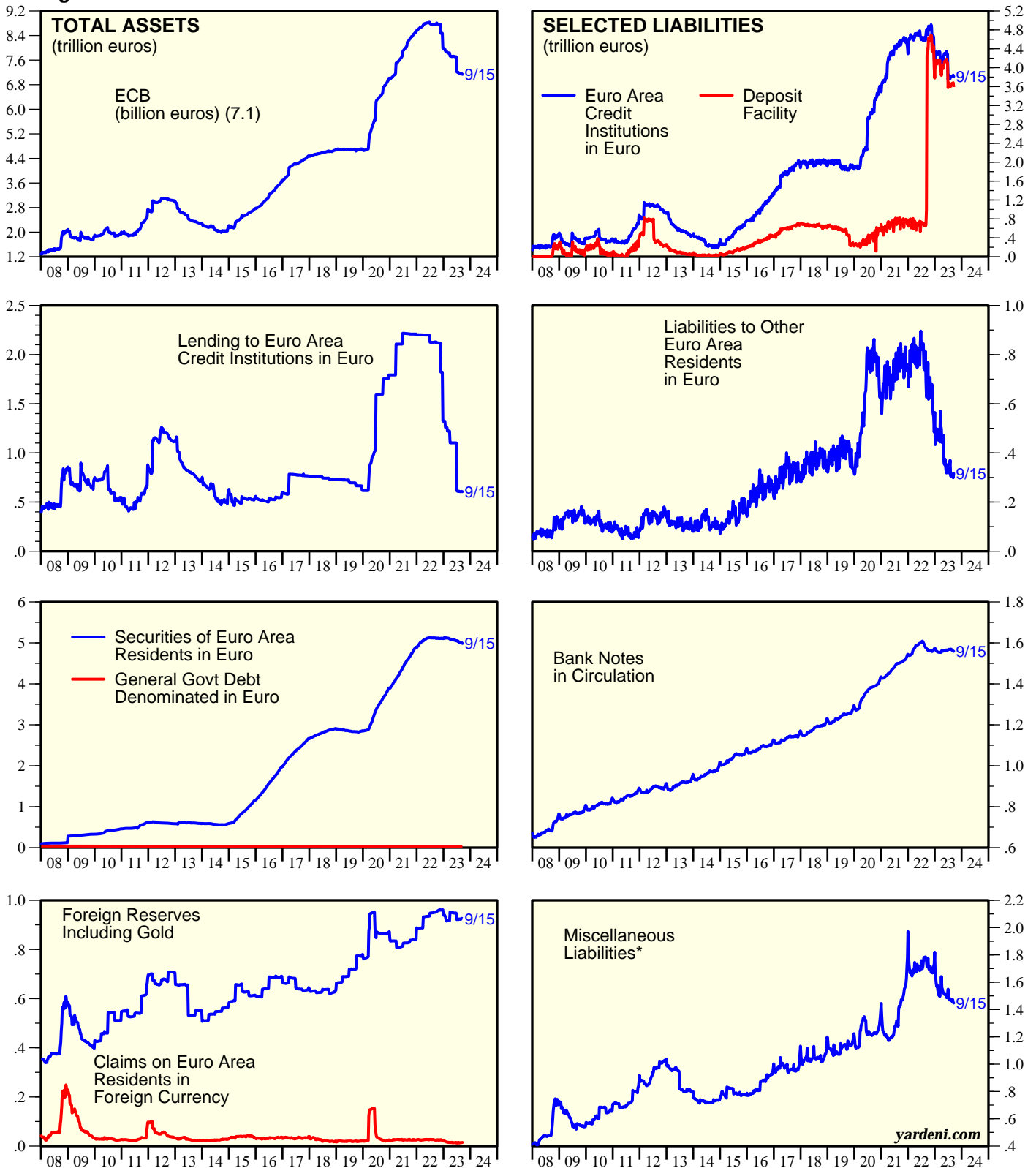


Source: European Central Bank.



# ECB

Figure 12.



\* Total liabilities minus sum of lending to euro area credit institutions in euro, liabilities to other euro area residents in euro, and bank notes in circulation.

Source: European Central Bank.

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