

Targeting a Sustainable Recovery with Green TLTROs

The market perspective

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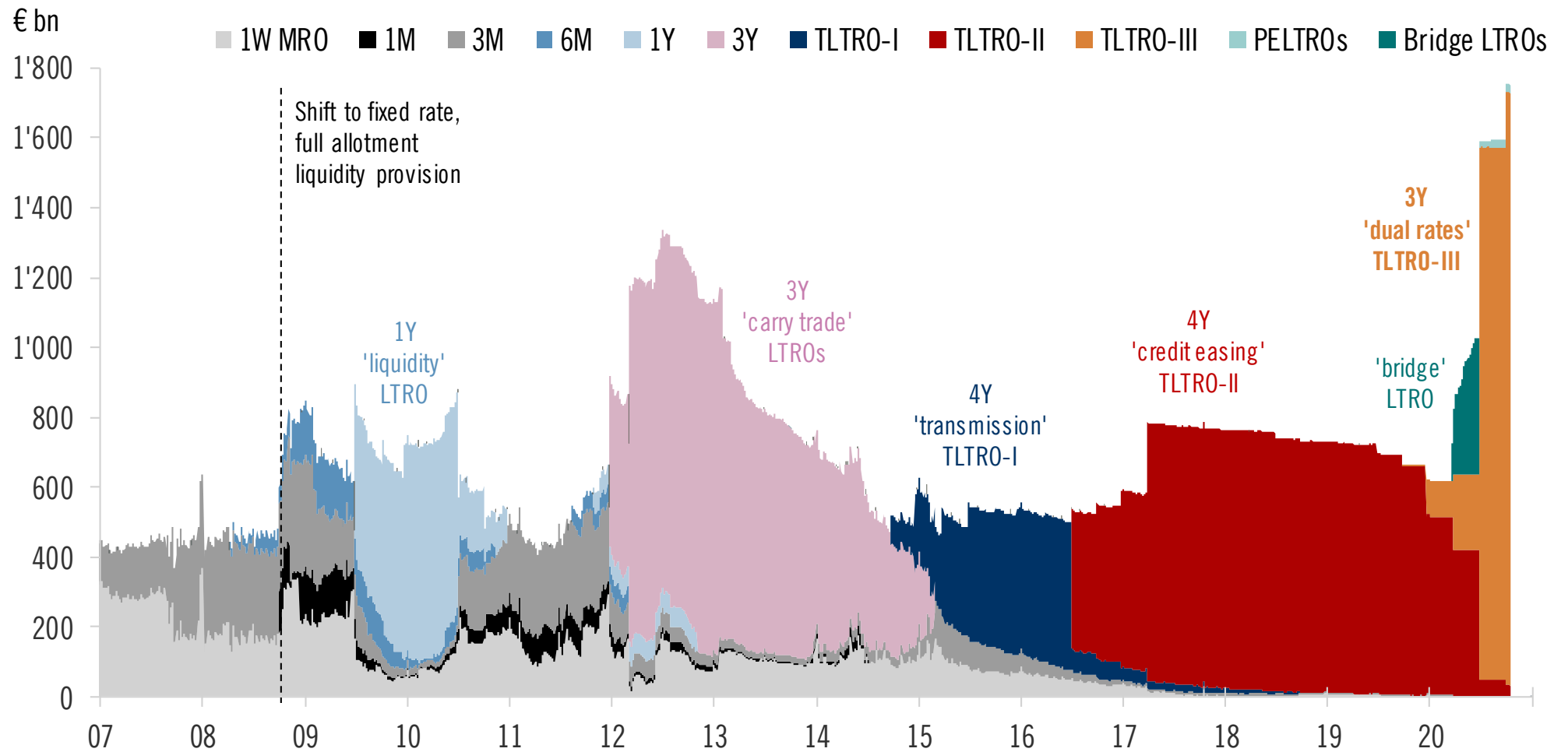
Pictet Wealth Management, Global Strategist

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ECB: Targeting the Last Tool Really Operational?

ECB: history of Longer-Term Refinancing Operations



Source: Pictet WM – CIO Office, ECB



(T)LTROs have helped improve the transmission of monetary policy

Euro area: interest rate on new bank loans to SMEs

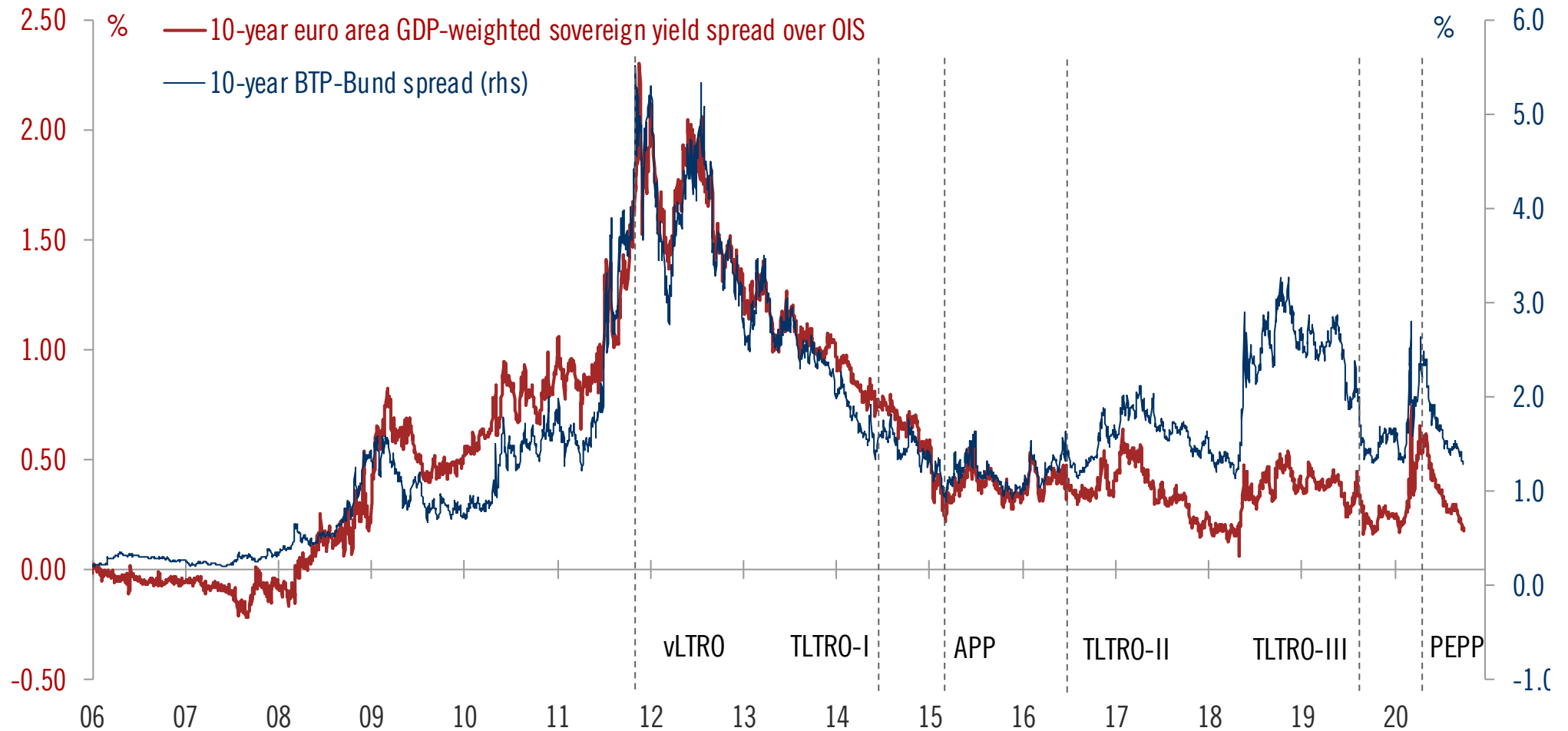


Source: Pictet WM – CIO Office, ECB



(T)LTROs have helped improve the transmission of monetary policy

Euro area: 10-year sovereign bond spreads

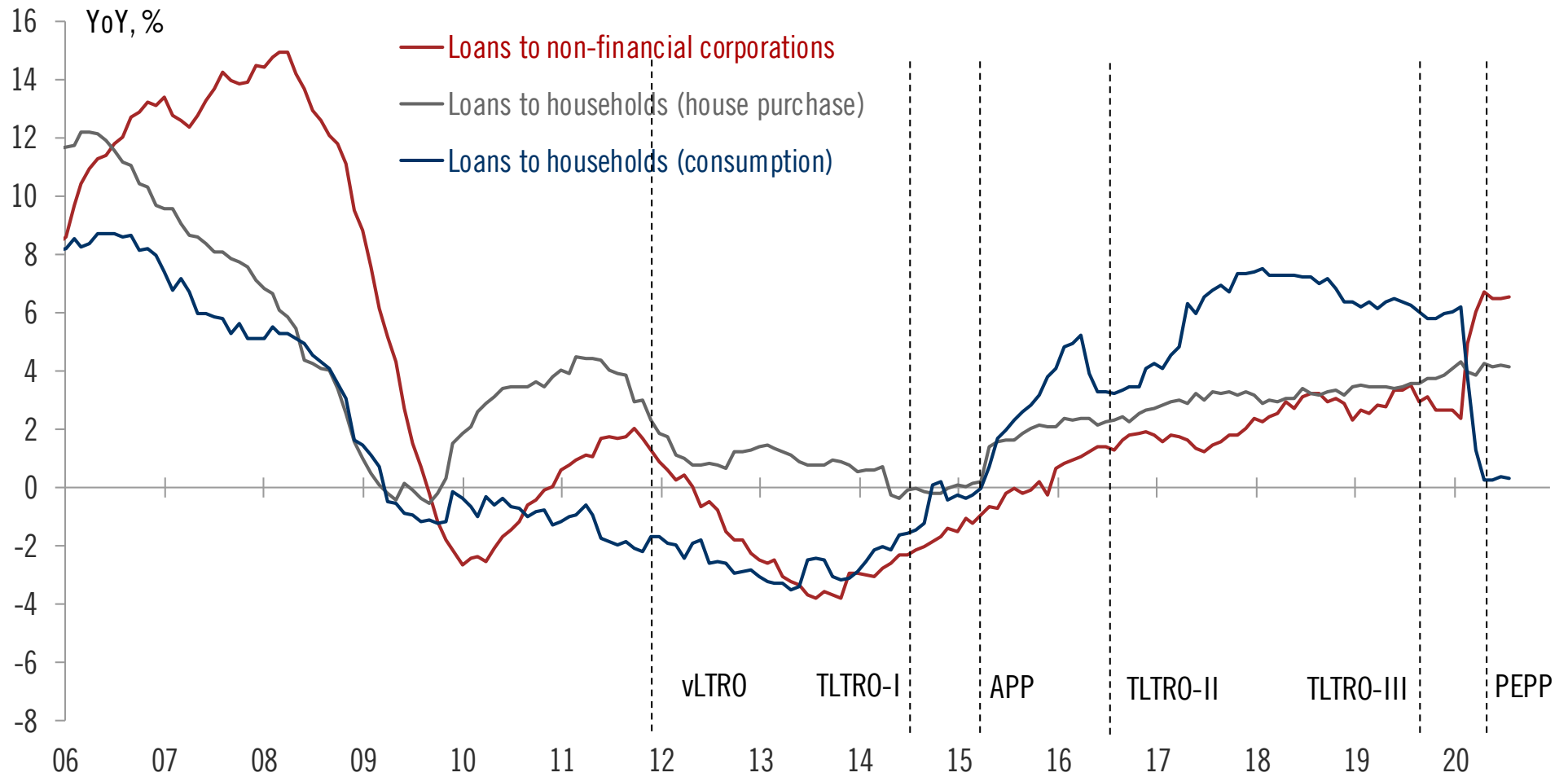


Source: Pictet WM – CIO Office, ECB



(T)LTROs have helped improve the transmission of monetary policy

Euro area: bank loans to the private sector

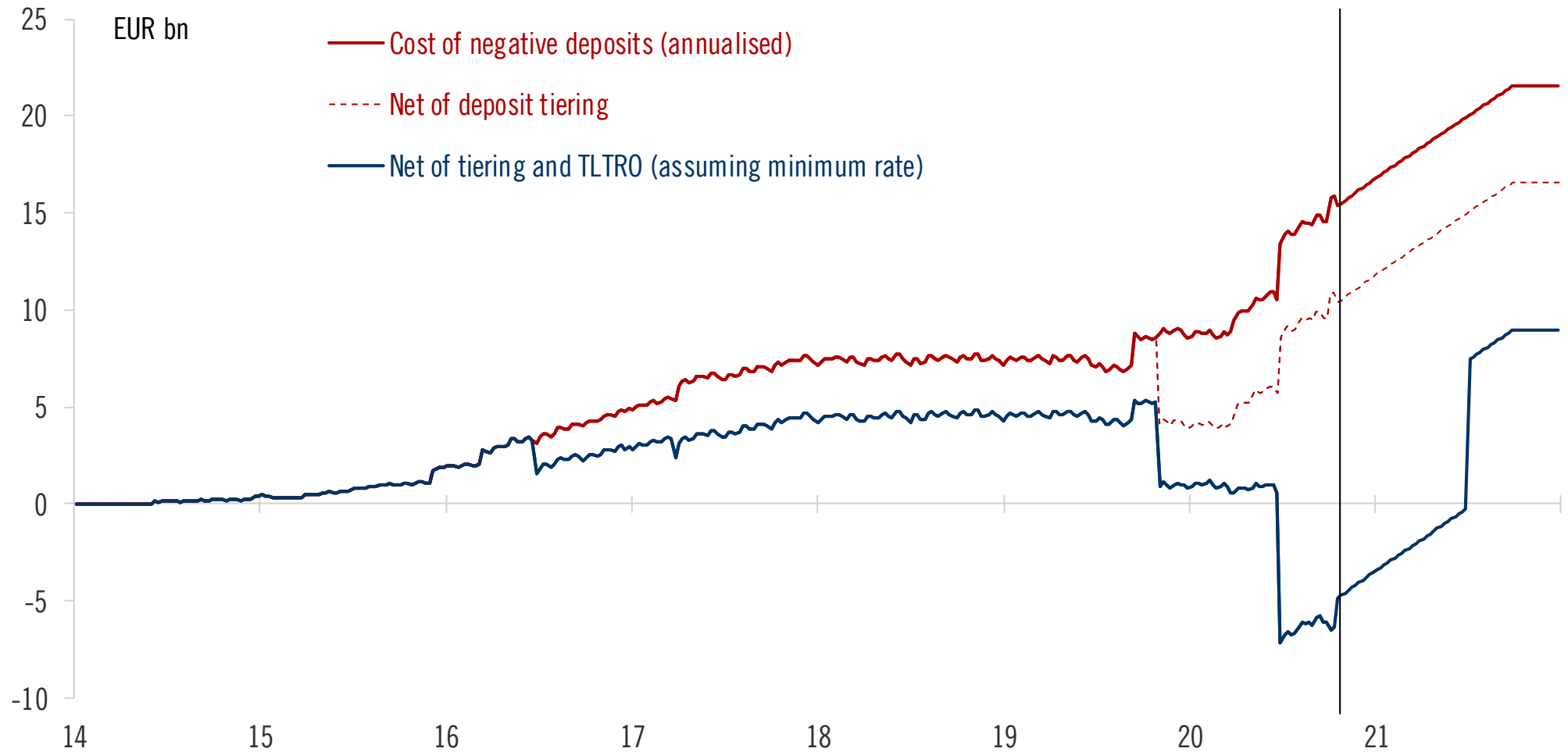


Source: Pictet WM – CIO Office, ECB



TLTROs and potential trade-offs

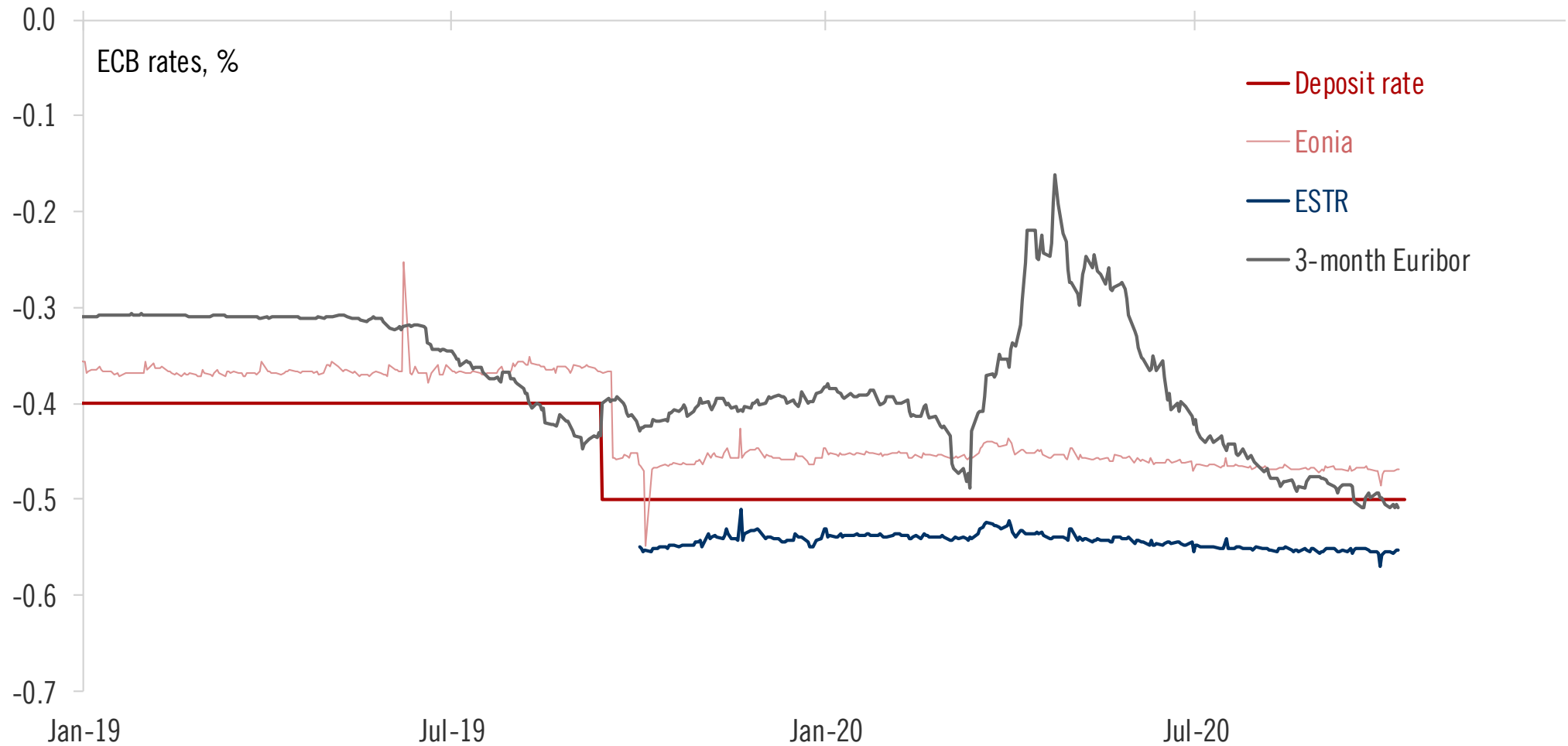
Euro area: direct cost of Negative Interest Rate Policy for the banking sector, before and after tiering and TLTROs



Source: Pictet WM – CIO Office, ECB

TLTROs and potential trade-offs

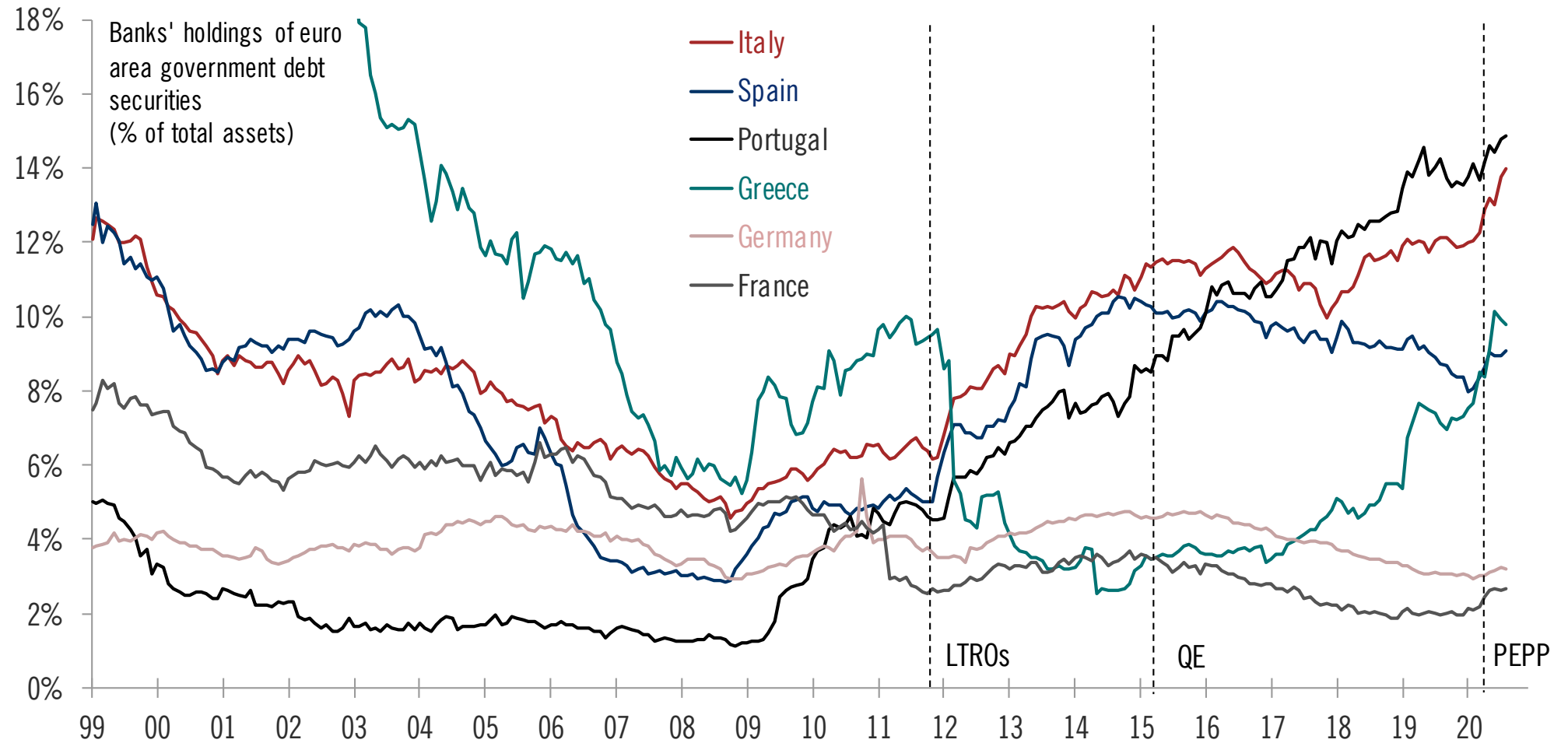
Euro area: ECB policy rates and money market rates



Source: Pictet WM – CIO Office, ECB

TLTROs and potential trade-offs

Euro area: banks' holdings of euro area government debt



Source: Pictet WM – CIO Office, ECB

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