

# Targeting a Sustainable Recovery with Green TLTROs

*The market perspective*

**Frederik Ducrozet**

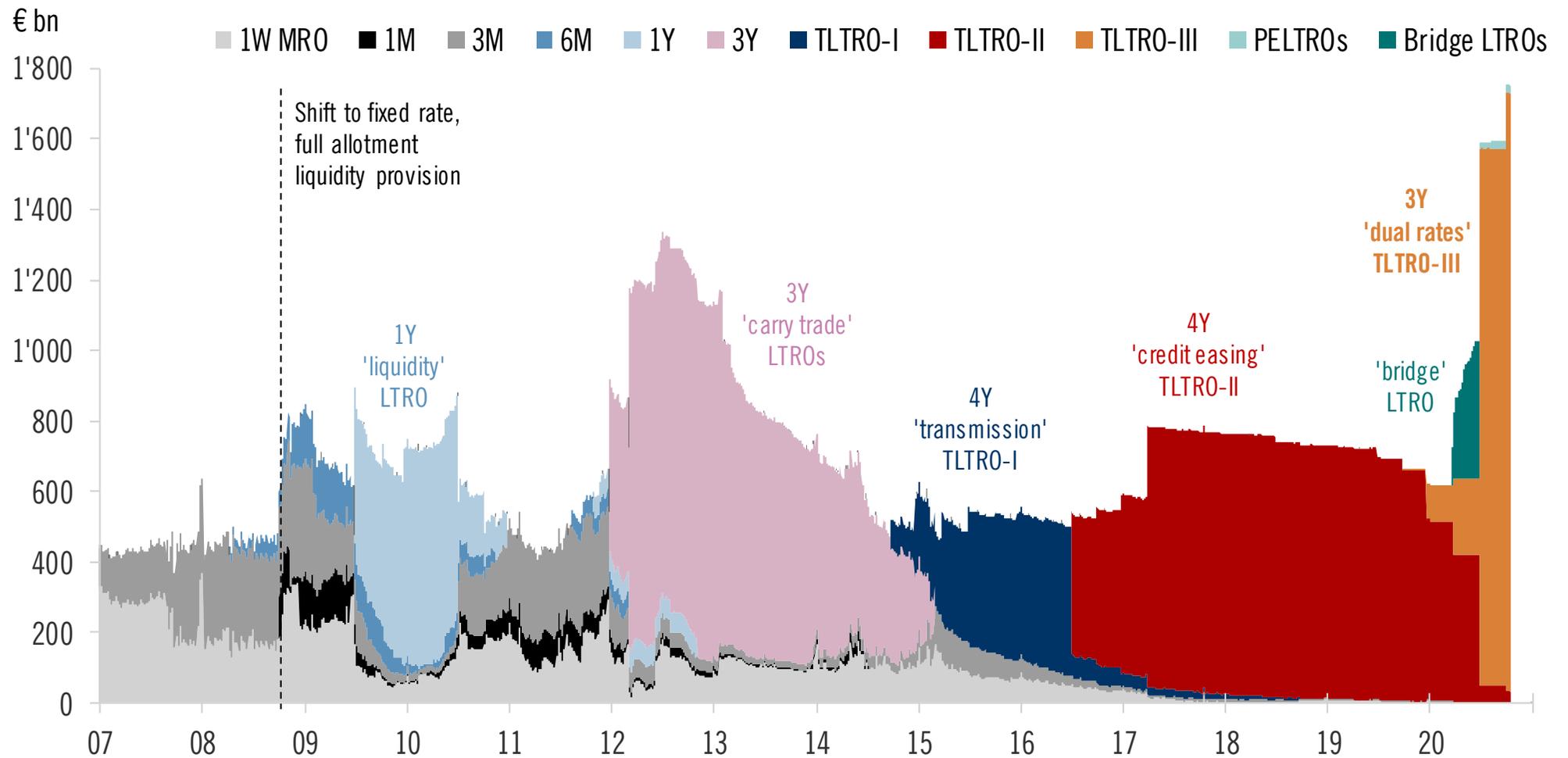
*Pictet Wealth Management, Global Strategist*

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# ECB: Targeting the Last Tool Really Operational?

## ECB: history of Longer-Term Refinancing Operations

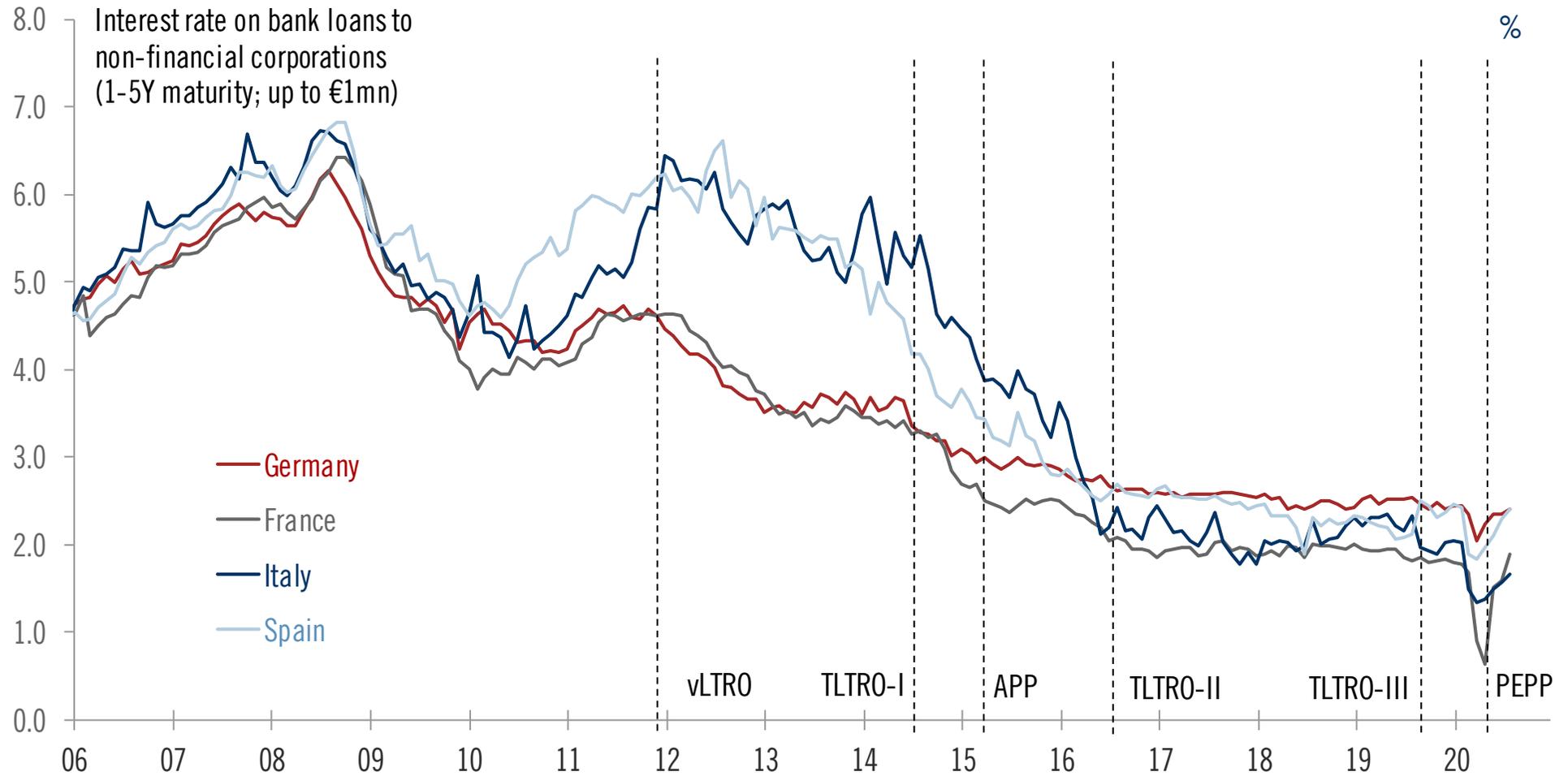


Source: Pictet WM – CIO Office, ECB



# (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

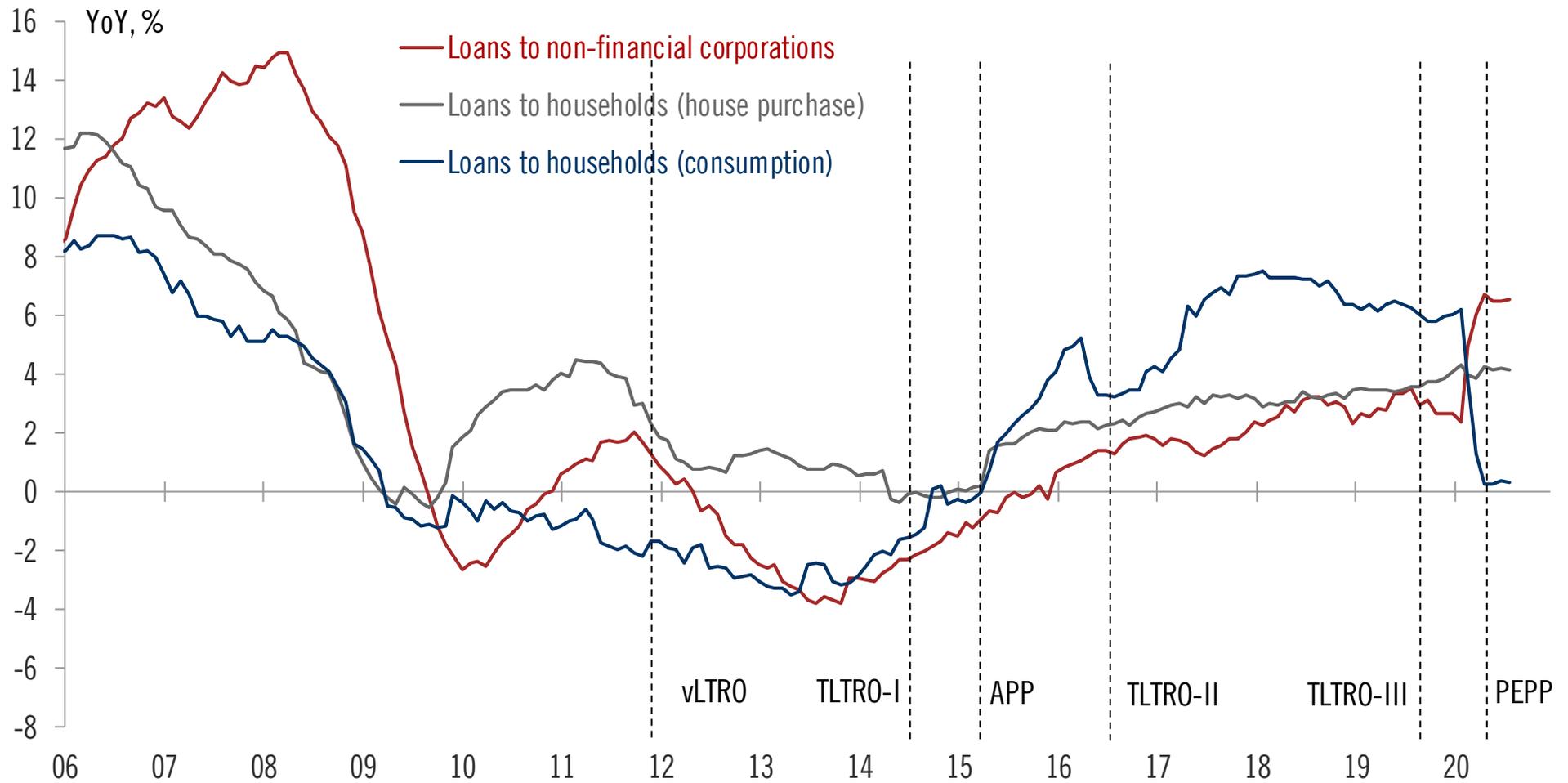


Source: Pictet WM – CIO Office, ECB



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

## Euro area: bank loans to the private sector

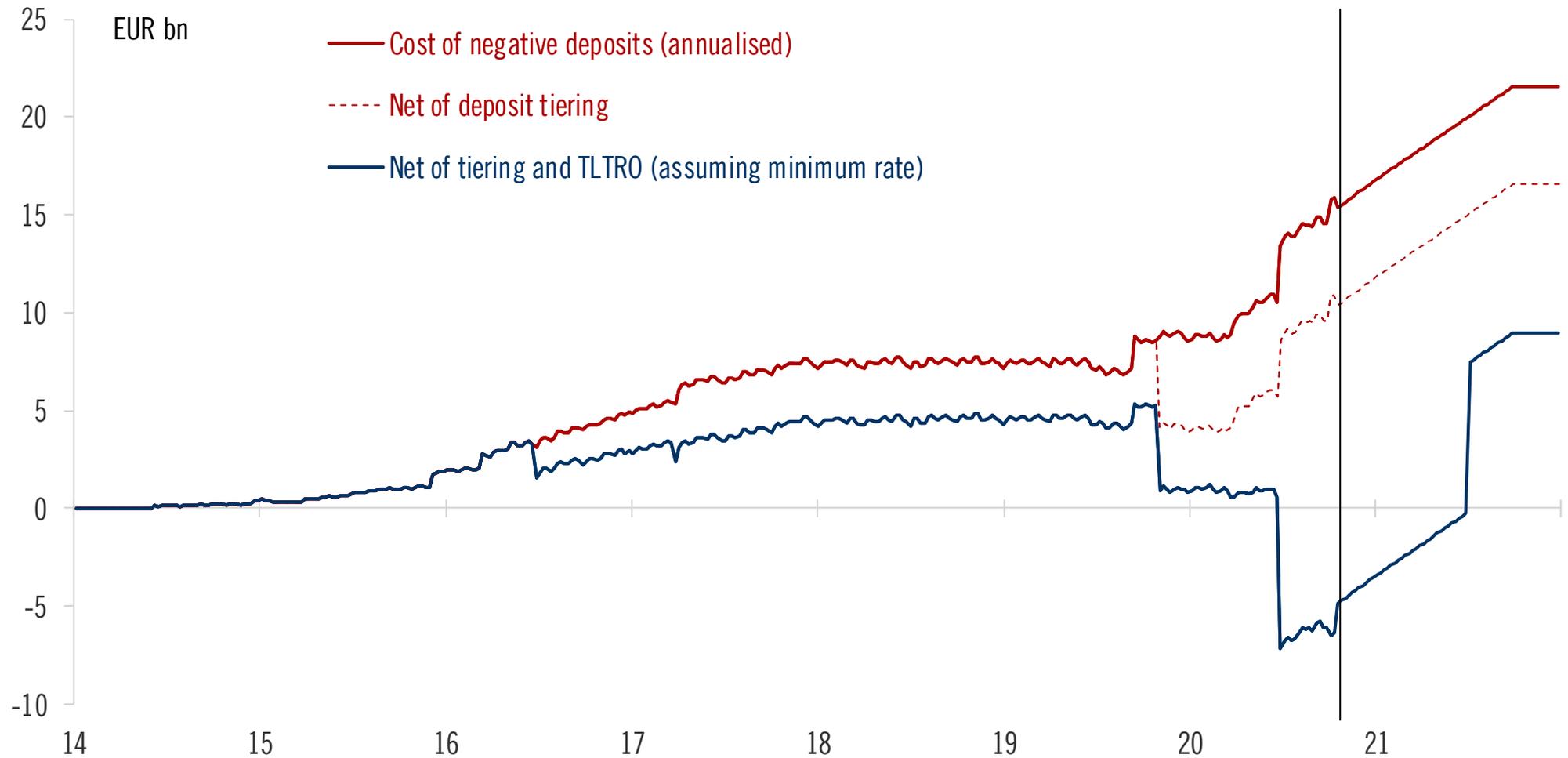


Source: Pictet WM – CIO Office, ECB



# TLTROs and potential trade-offs

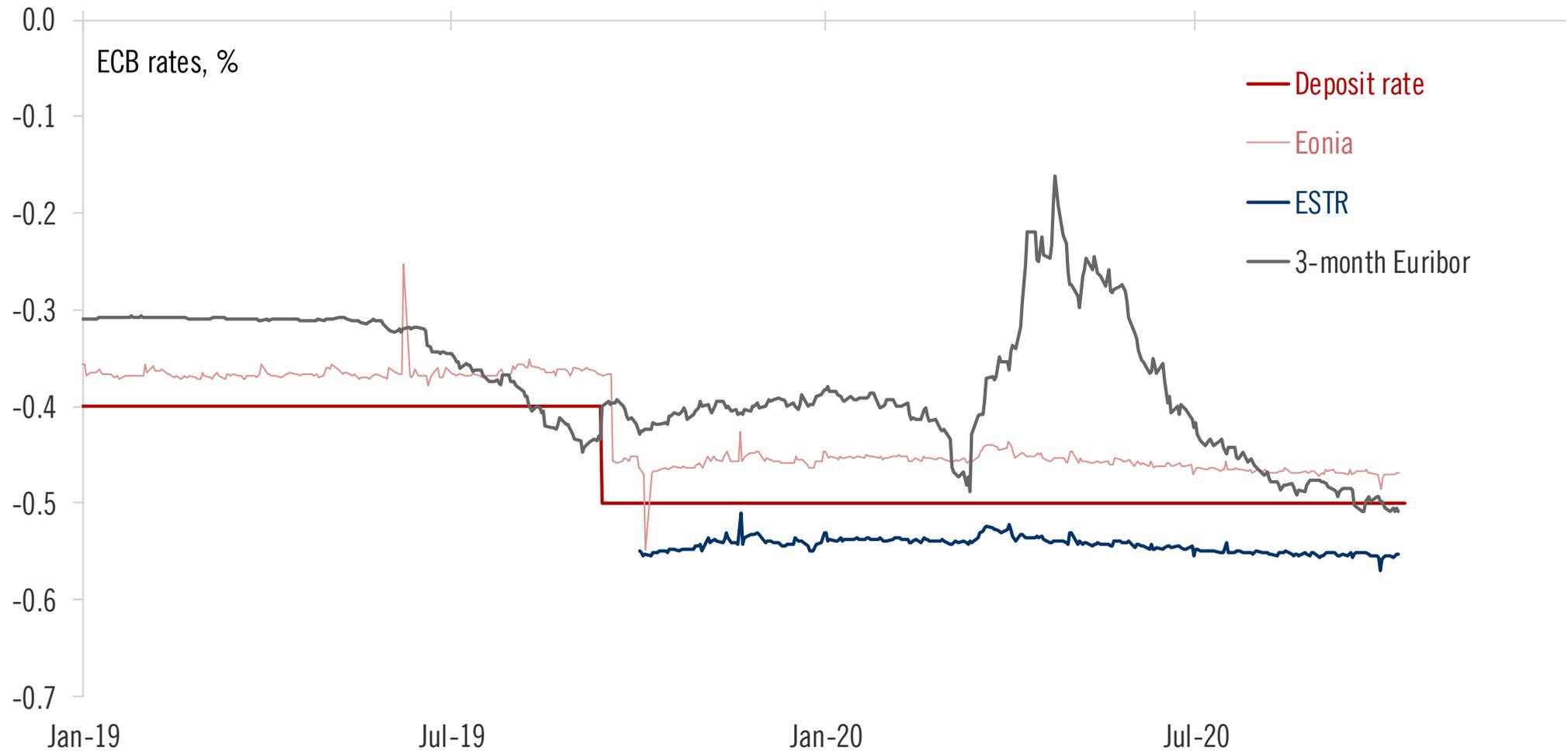
Euro area: direct cost of Negative Interest Rate Policy for the banking sector, before and after tiering and TLTROs



Source: Pictet WM – CIO Office, ECB

# TLTROs and potential trade-offs

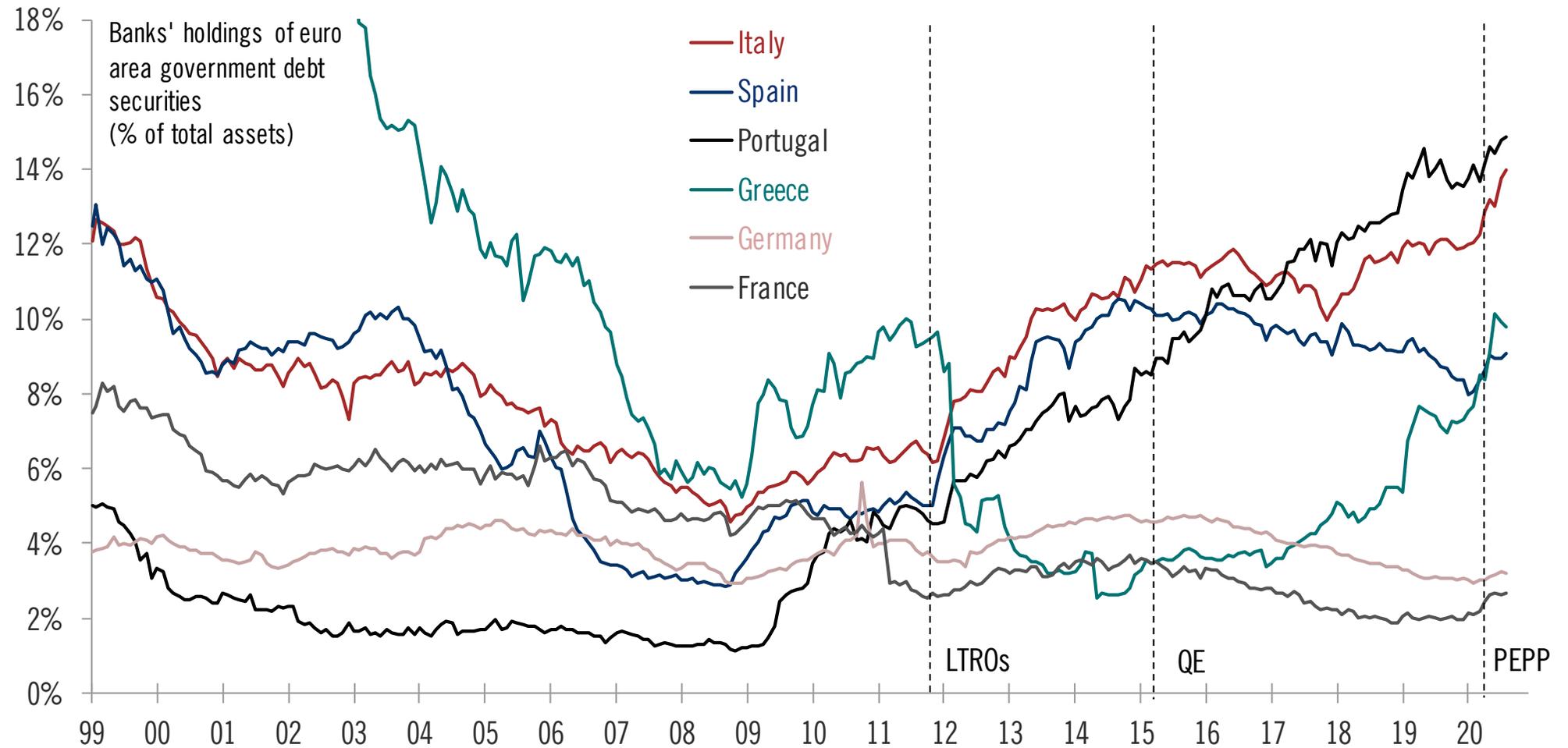
Euro area: ECB policy rates and money market rates



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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