EUROPEAN CENTRAL BANK

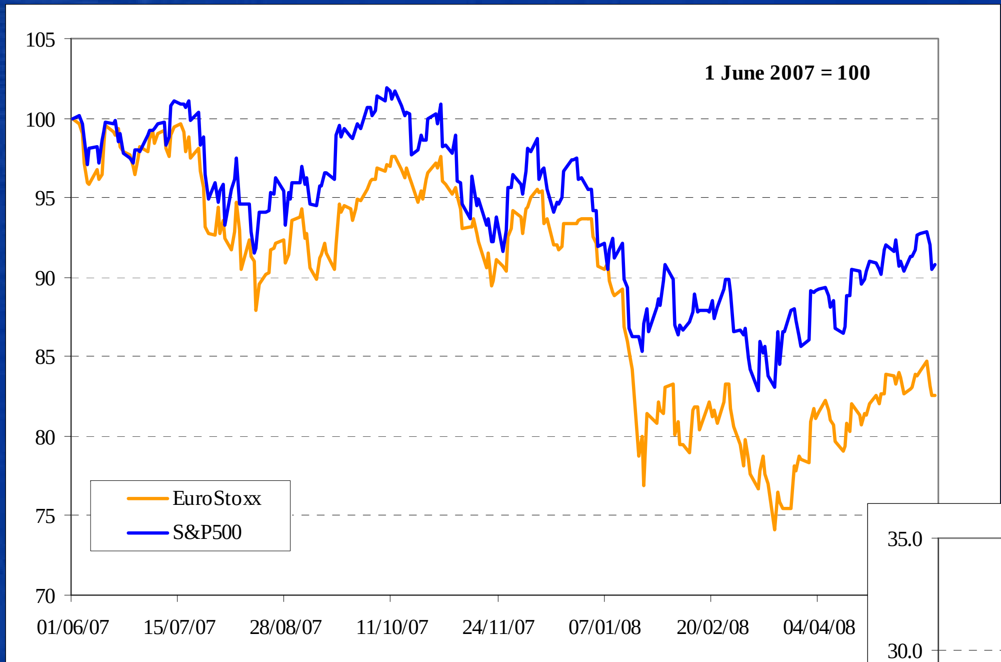
EUROSYSTEM

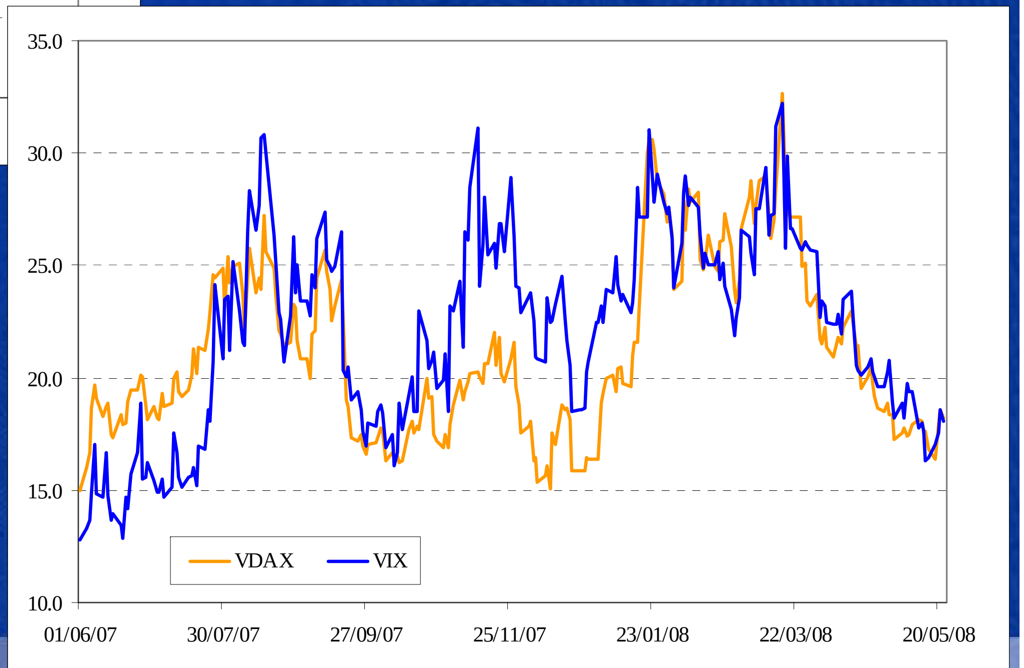
Recent Money Market Developments

Money Market Contact Group

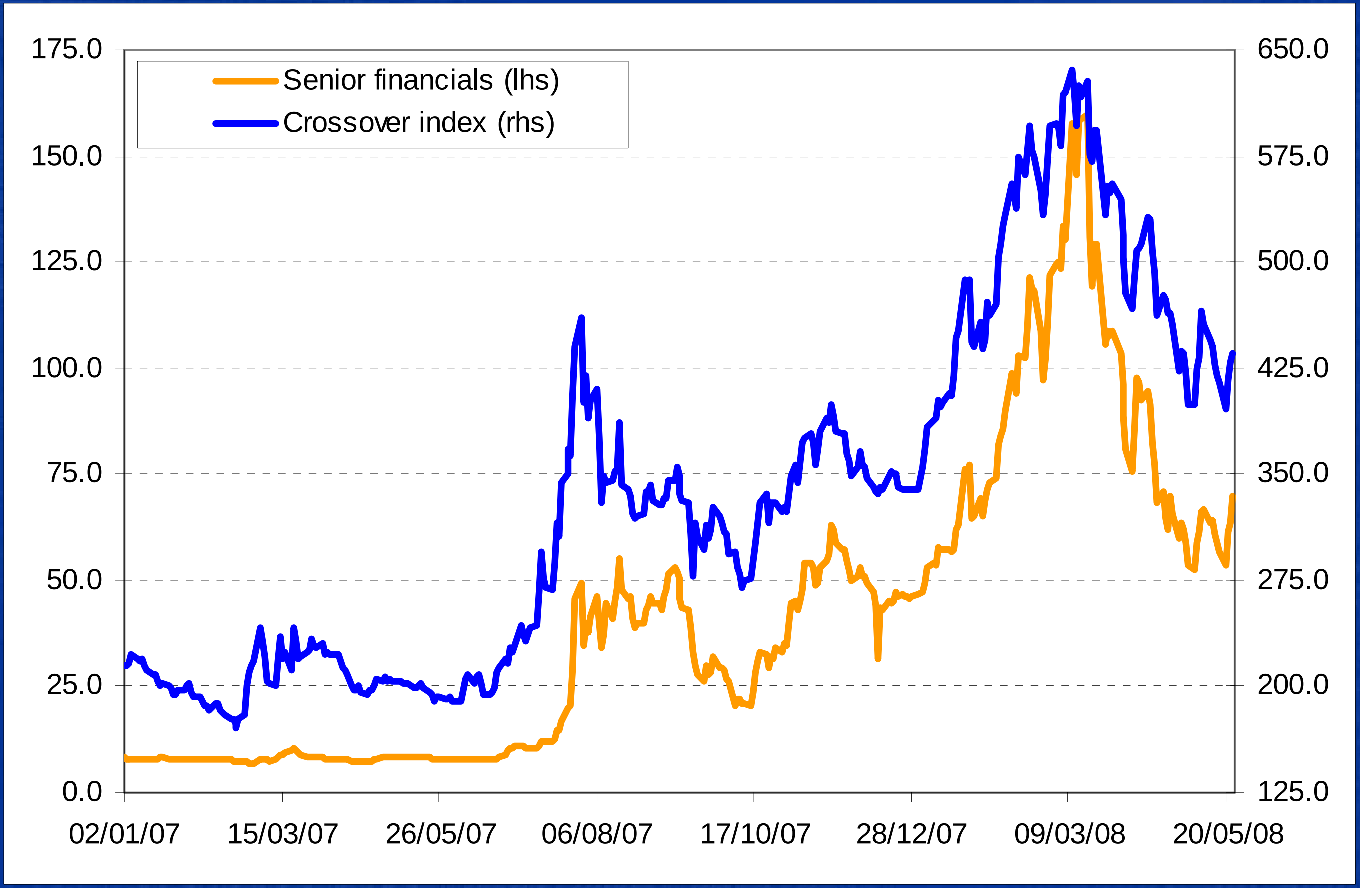
Frankfurt am Main, 27 May 2008

Stock market developments

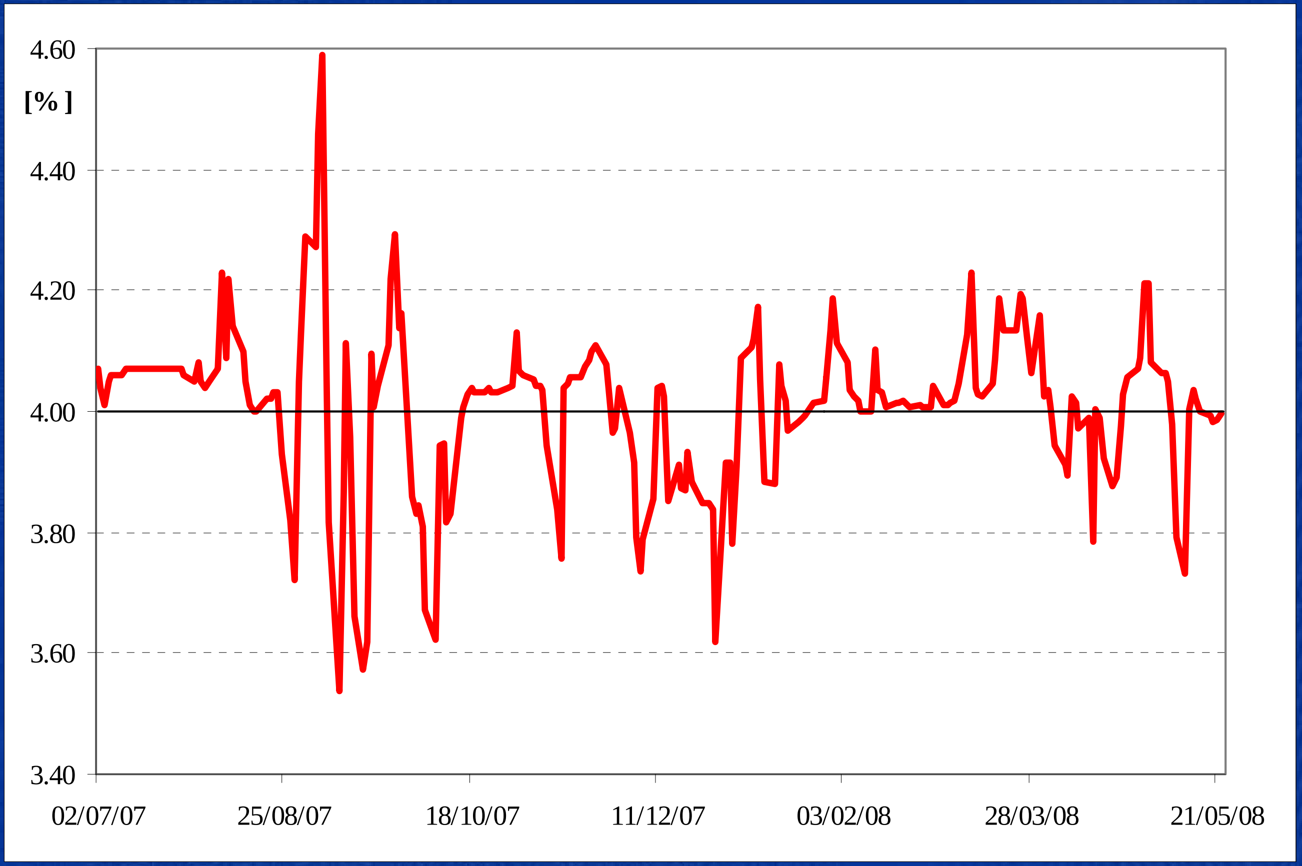




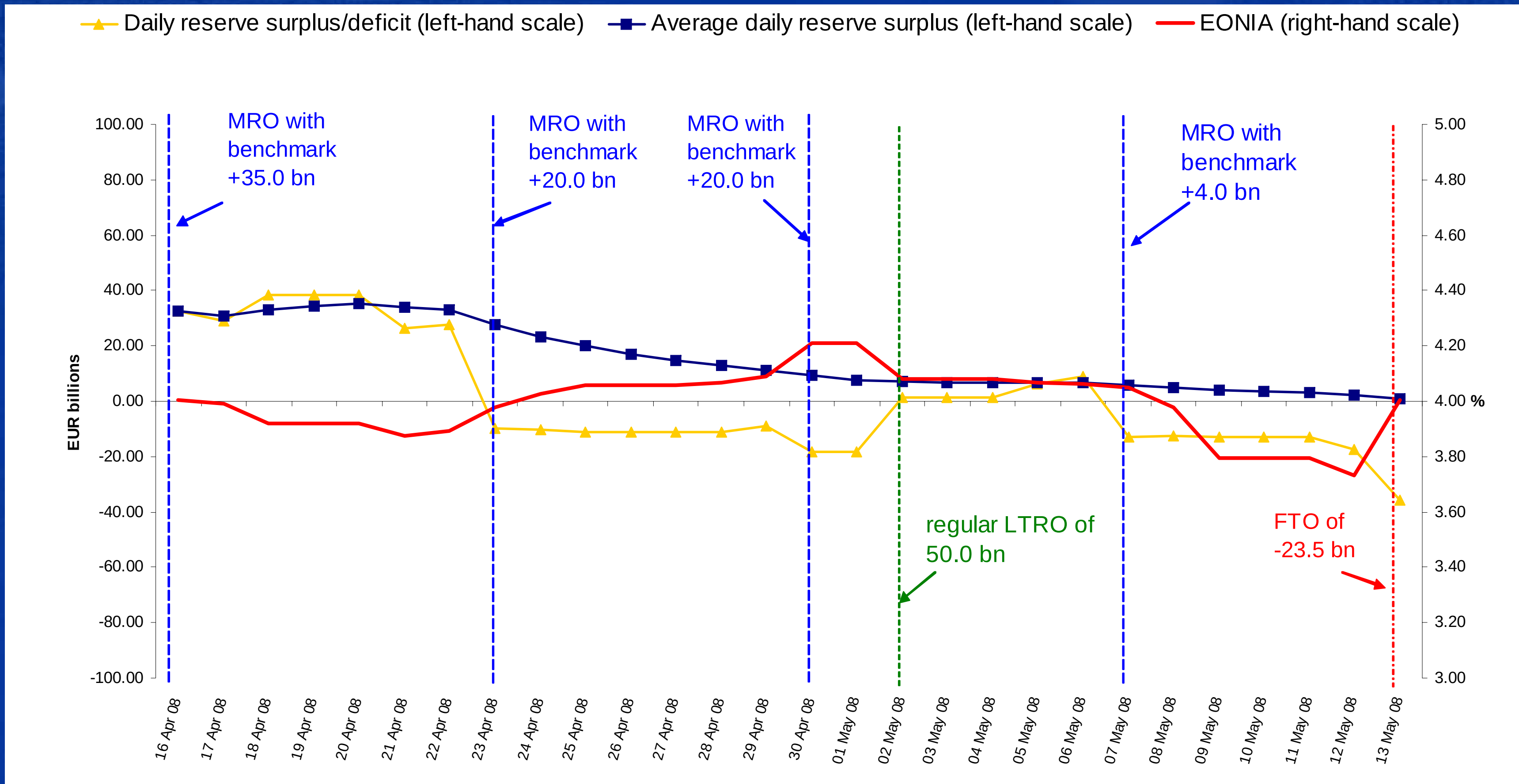
Credit markets – iTraxx indices



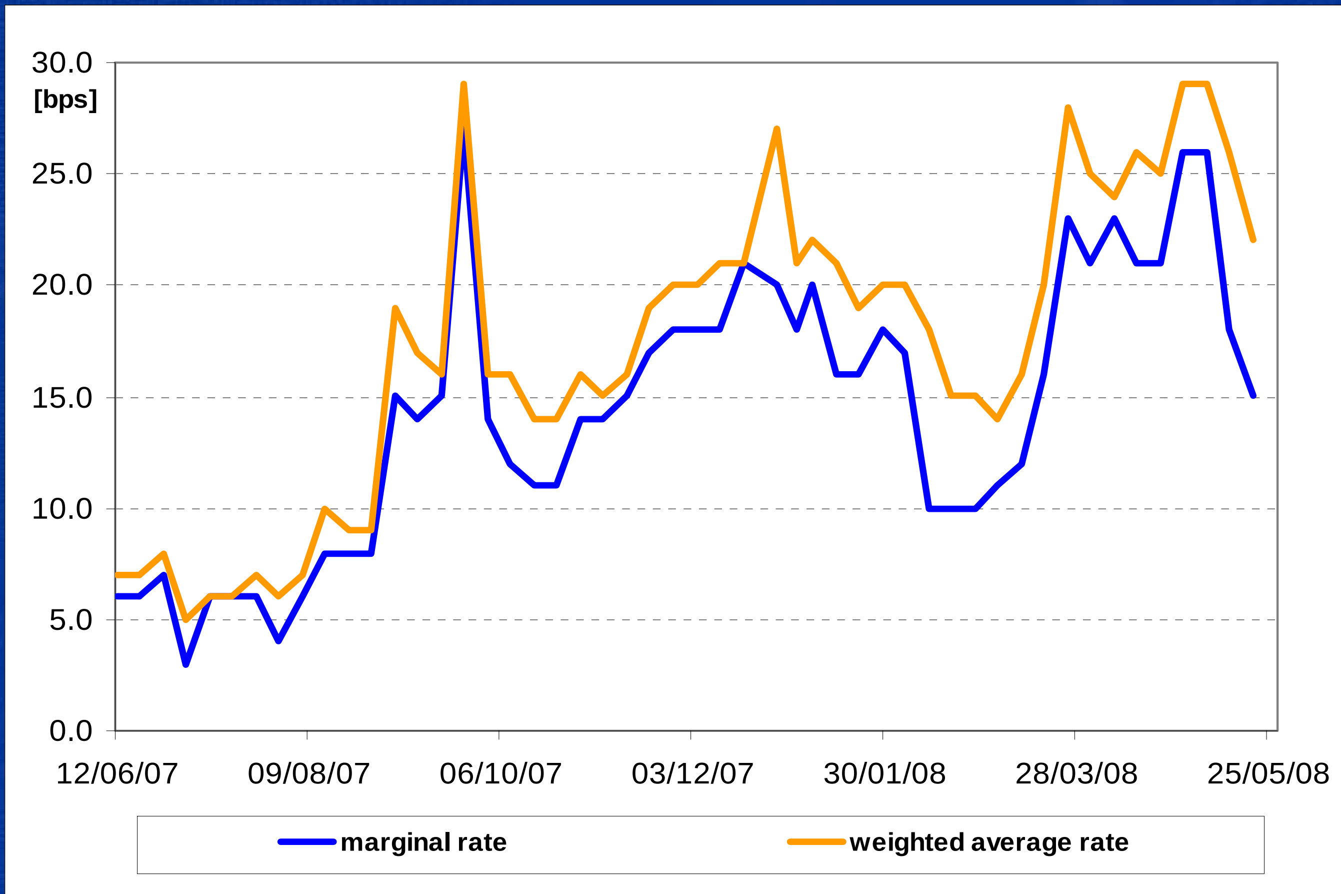
Eonia development since the beginning of the turmoil



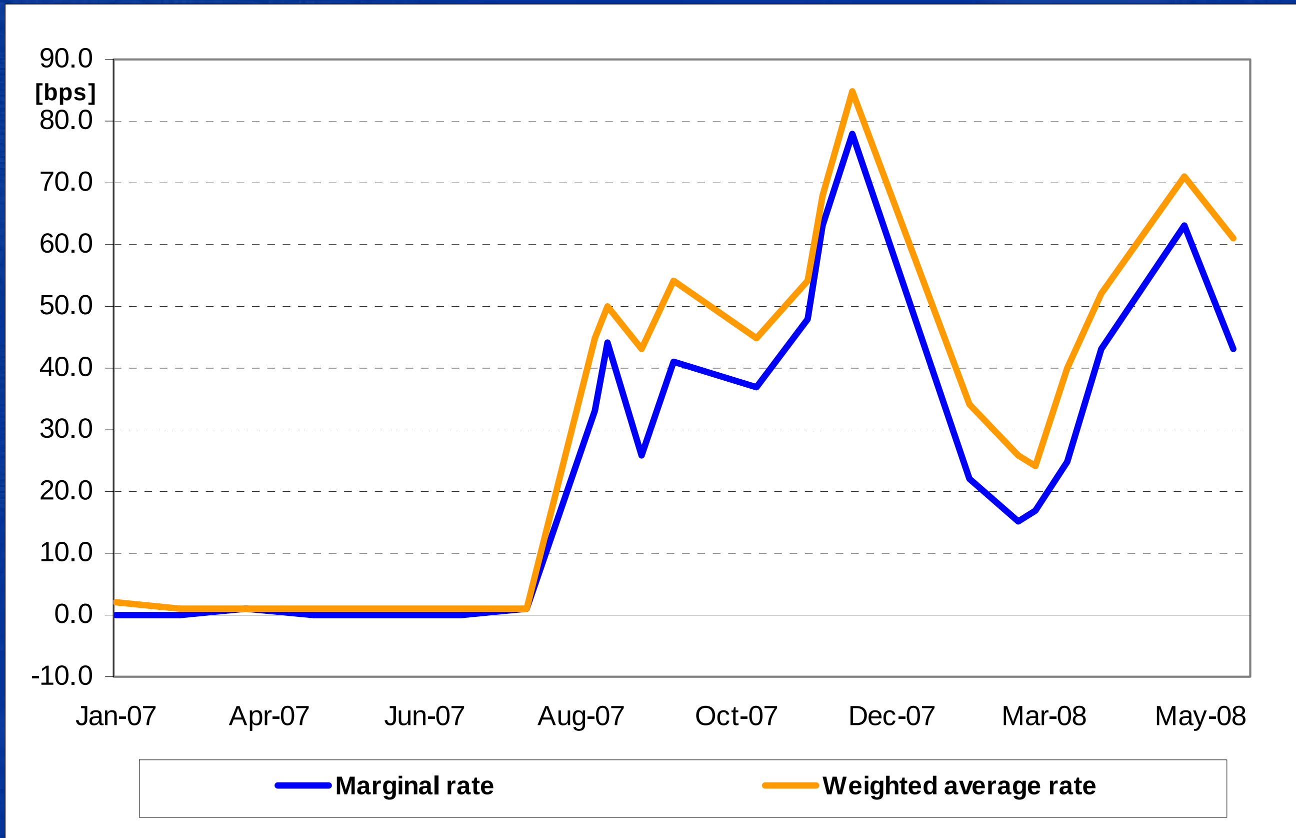
ECB operations, reserve surplus and Eonia in the Apr/May '08 maintenance period



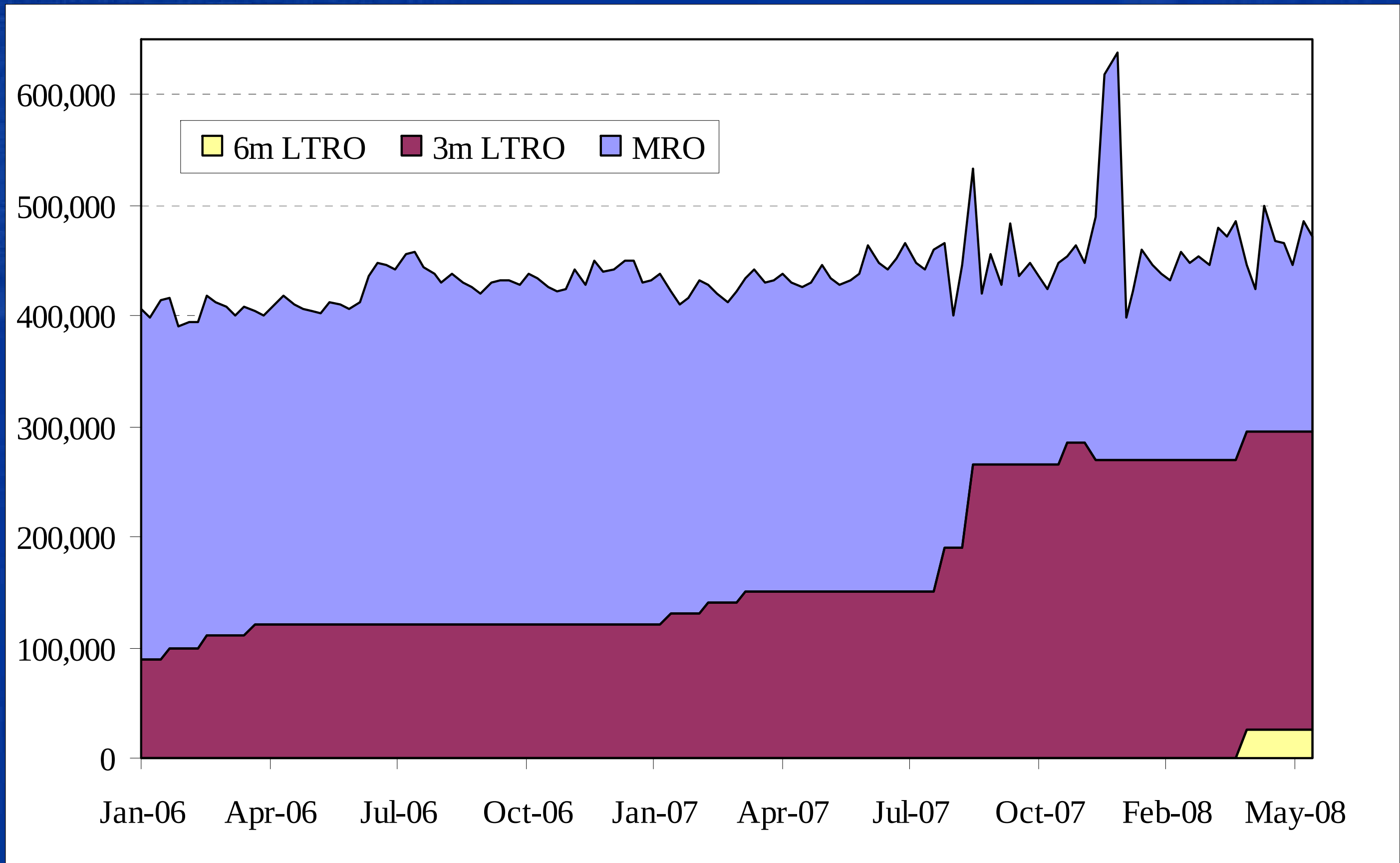
Development of spread between MRO rates and the minimum bid rate



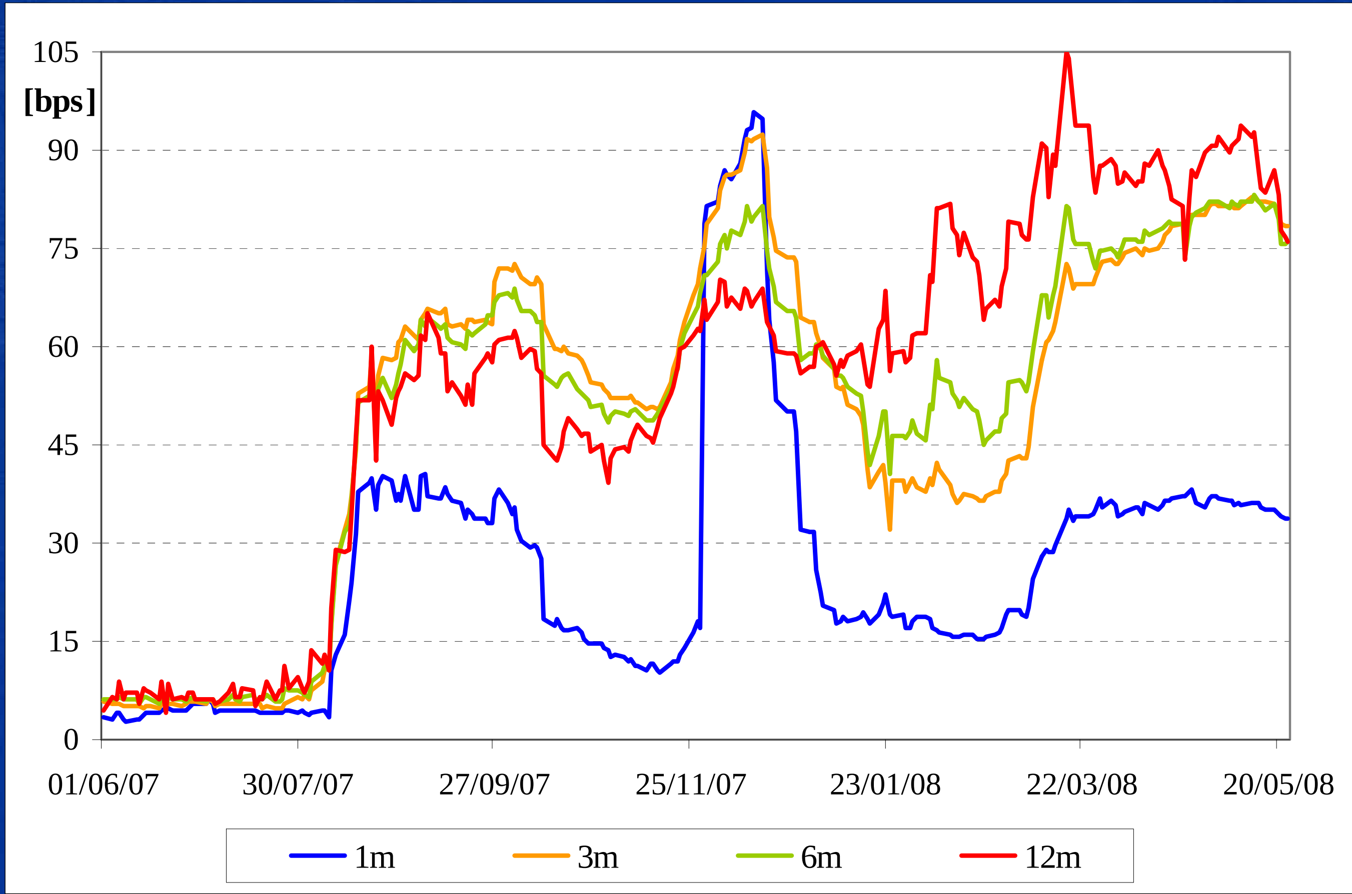
Development of spread between 3m LTRO rates and 3m Eonia swap rates



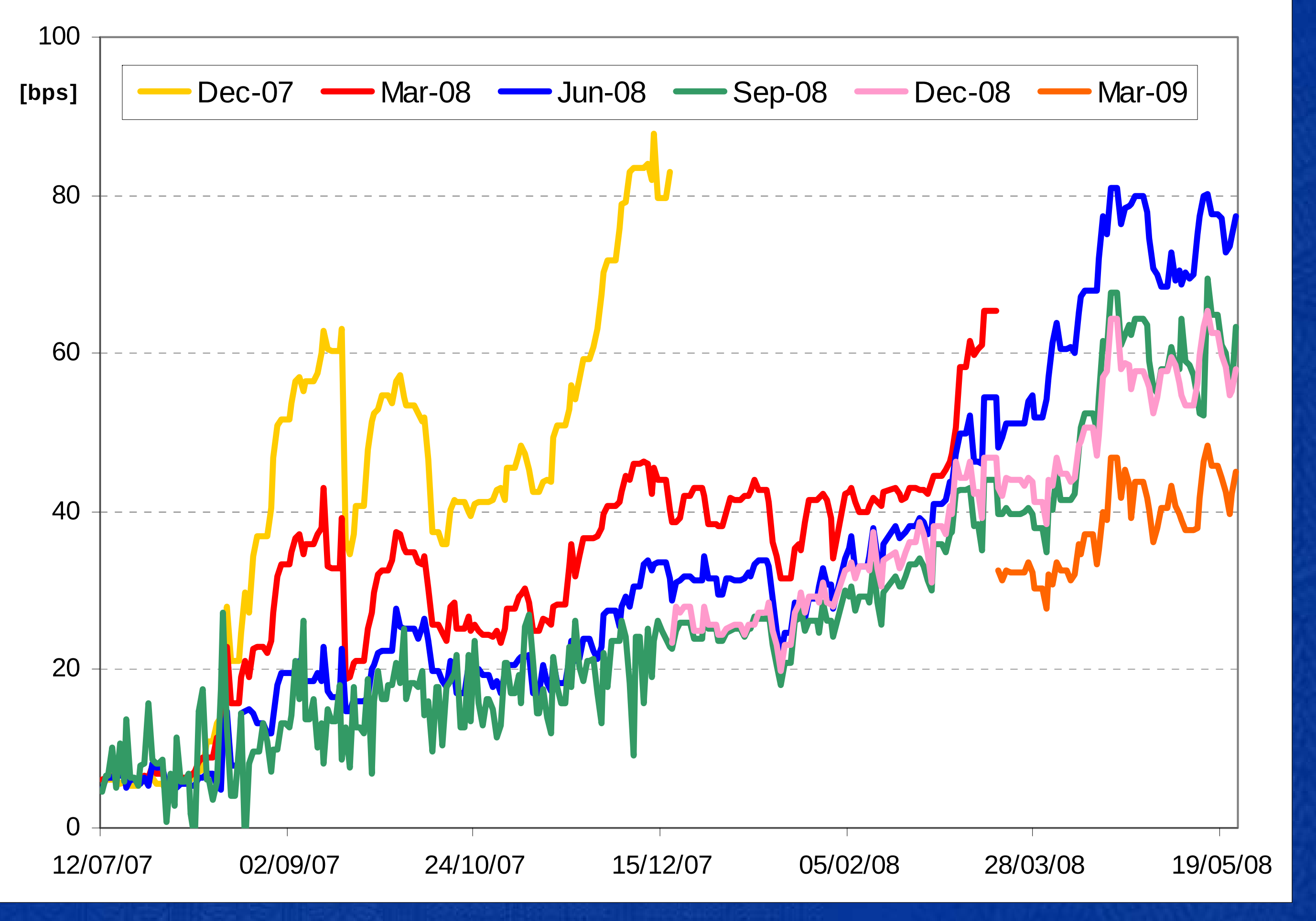
Maturity breakdown of the ECB's liquidity providing operations



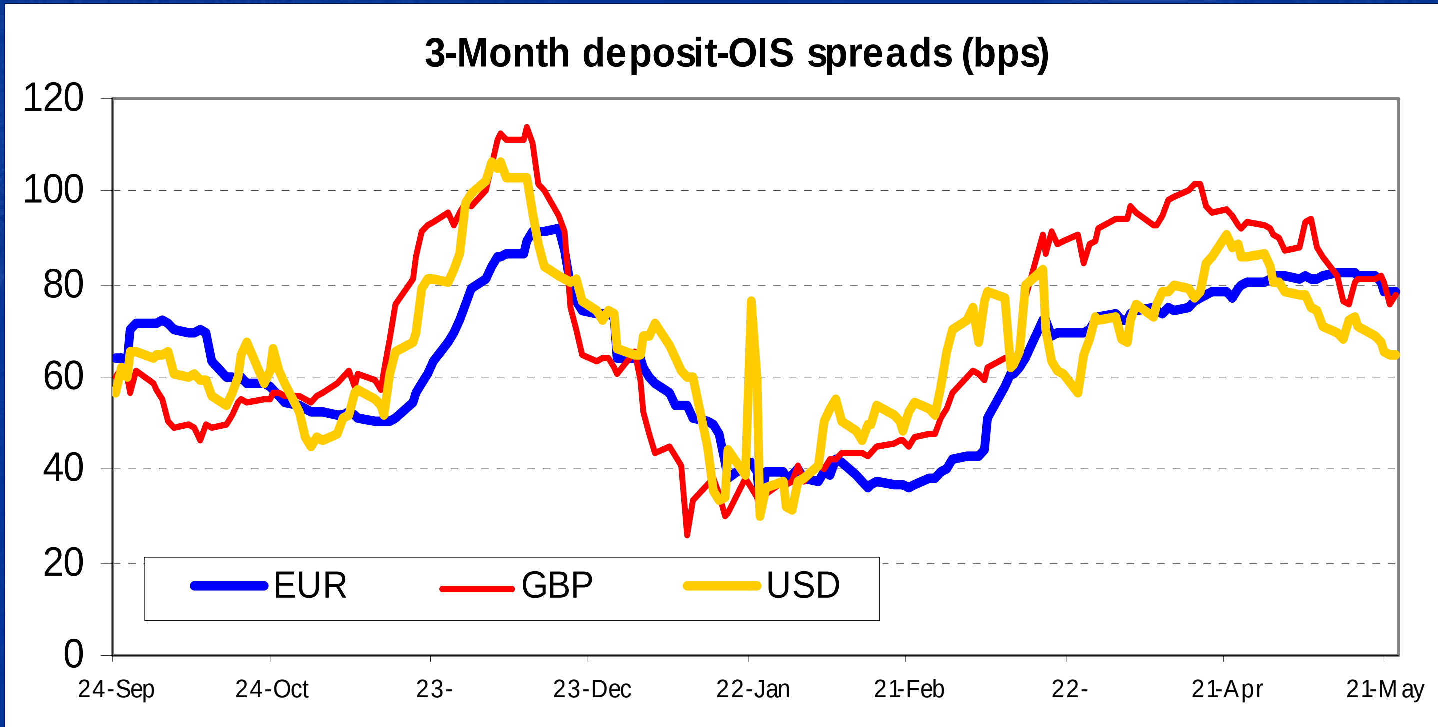
EURIBOR - OIS spreads for different maturities



3m forward EURIBOR - OIS spreads

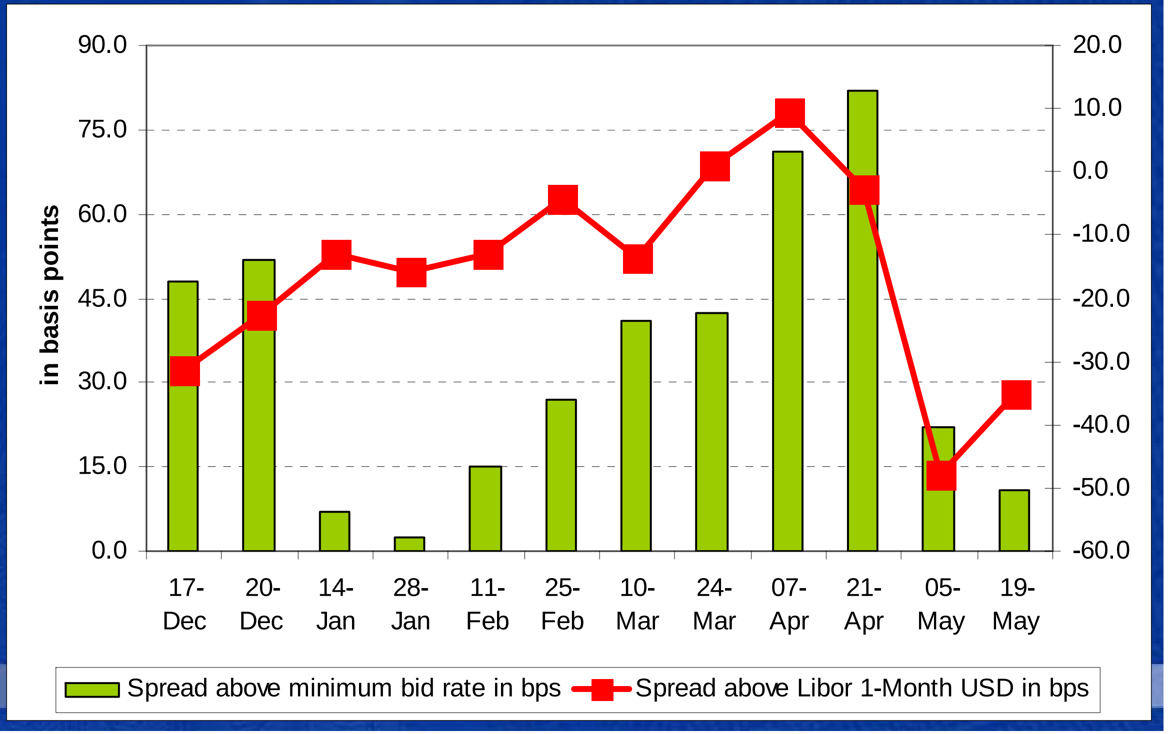


International comparison of 3-month deposit-OIS spreads

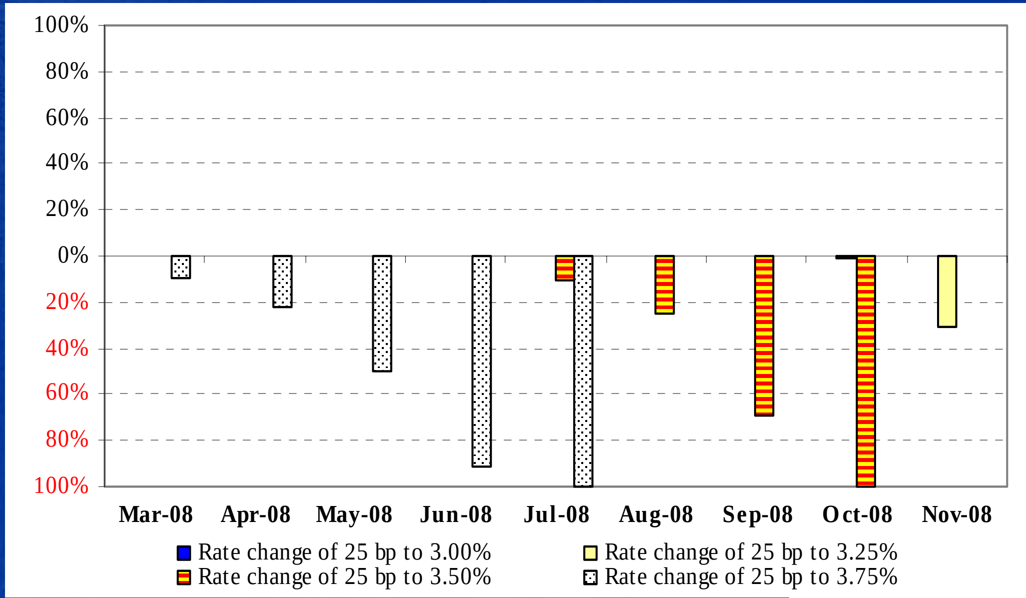


Results of the Eurosystem's USD providing operations

Allotment	Bid Amount	Bidders	Allotment	Alotment rate	Bid-to-cover
17-Dec-07	22,080	39	10,000	4.65	2.21
21-Dec-07	14,115	27	10,000	4.67	1.41
14-Jan-08	14,790	22	10,000	3.95	1.48
28-Jan-08	12,400	19	10,000	3.123	1.24
25-Mar-08	31,237	34	15,000	2.615	2.08
07-Apr-08	30,760	32	15,000	2.82	2.05
21-Apr-08	30,128	33	15,000	2.87	2.01
05-May-08	39,530	31	25,000	2.22	1.58
19-May-08	58,876	54	25,000	2.10	2.36

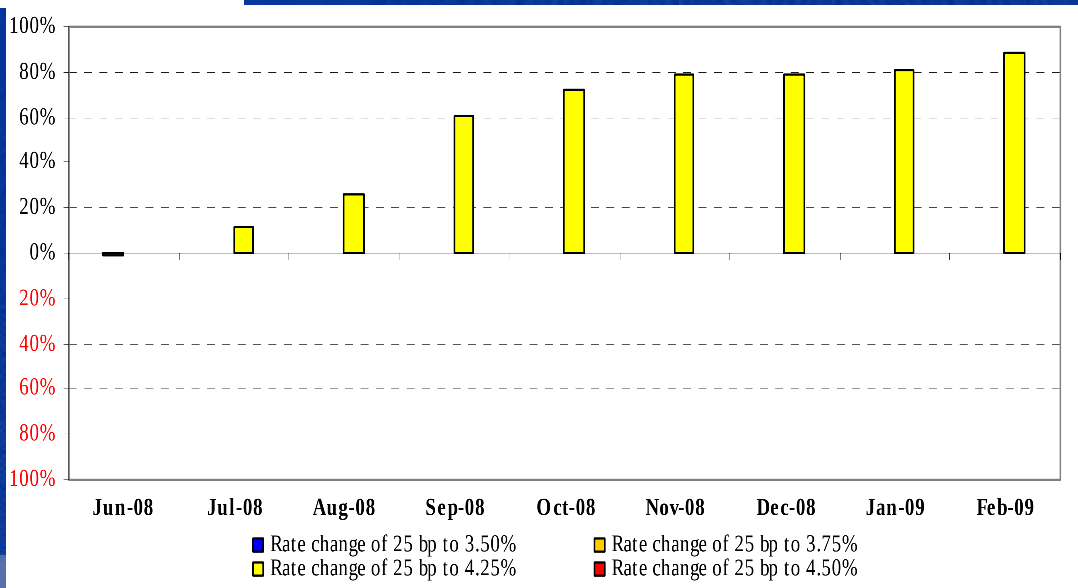


Euro area monetary policy expectations derived from Eonia swap rates



End of February 2008

23 May 2008



Issues for discussion

- What explains the diverging developments in equity/credit markets on the one hand and money markets on the other?

- Is the calibration of MRO allotment amounts fully understood? Is it clear that our main goal is still to have stable short-term rates close to the policy rate?

- What does the international development of Libor/Euribor-OIS spreads tell us?

- What is the outlook for the upcoming end-of-semester ?

- What is the assessment of banks’ funding situation / the behaviour of institutional investors?