



EUROPEAN CENTRAL BANK

EUROSYSTEM

ECB-PUBLIC

Mario DRAGHI

President

Ms Molly Scott Cato

Mr Ernest Urtasun

Members of the European Parliament

European Parliament

60, rue Wiertz

B-1047 Brussels

Frankfurt, 3 February 2017

L/MD/17/52

**Re: Your letter (QZ-125)**

Honourable Members of the European Parliament, dear Ms Scott Cato, dear Mr Urtasun,

Thank you for your letter, which was passed on to me by Mr Roberto Gualtieri, Chairman of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 21 December 2016.

The ECB is aware of the potential for public information on its purchases to be used by market participants speculating on bonds the Eurosystem may purchase as part of its asset purchase programme (APP). In this regard, please note that the ECB does not publish the Eurosystem's holdings of individual bonds that are eligible for purchase under the APP. The Eurosystem does however publish its holdings under the public sector purchase programme – but only on an aggregated basis by country of issuer. The only information the Eurosystem publishes at the individual bond level is the identifier<sup>1</sup> of a bond which it has purchased under the APP and that is also available for securities lending. However, this does not include any information on amounts.

Therefore, this information as well as other public information on the general programme parameters (e.g. the applicable issue limits) are insufficient to discern, with certainty, the current Eurosystem holdings at the individual bond level – knowledge that would be required to systematically speculate in bonds by predicting ECB purchases.

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<sup>1</sup> International Securities Identification Number (ISIN) which uniquely identifies securities.

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One reason why the ECB does not publish detailed information on bond limits and holdings at the individual bond level is precisely because the ECB wishes to minimise the possibility of market participants engaging in such speculation.

Having said that, please also note that it is normal market practice, contributing to proper market functioning, for market participants to position themselves according to their general view on the future evolution of interest rates in the euro area economy, and to take account of the APP when doing so.

Yours sincerely,

[signed]

Mario Draghi

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