DG MARKET OPERATIONS

28 August 2025

ECB Money Market Contact Group
Wednesday, 17 September 2025, 14:00-18:00 CET, physical meeting

Agenda

A) Main developments in money markets and ECB policy outlook

René Brunner (Erste Bank) will provide an overview of key trends shaping short-term euro funding markets in the context of declining excess liquidity. Discussions will focus on notable changes in the respective market segments. Members will analyse shifts in investor risk appetite and the behaviour of short-term money market rate spreads relative to the ECB's deposit facility rate. The session will also address potential challenges around quarter-end pre-funding, the evolution of market expectations for the ECB's future policy rate path, and the key risk factors likely to influence money markets in the coming months.

B) Money market and liquidity implications from the move to T+1 settlement for transactions in transferable securities

Maria Cristina Lege (Intesa Sanpaolo) and Patrick Simeon (Amundi Asset Management) will lead the discussion on the upcoming transition to a T+1 settlement cycle for transferable securities in Europe and its implications for money markets and liquidity, with particular attention to its impact on repo markets and associated costs and risks. The session will focus on the key factors relevant for the European implementation as well as on measures which could help contain or reduce the associated costs and risks.

C) The (potential) impact of stable coins on money markets

Olivier Deutscher (DZ Bank) and Xavier Combis (Caixabank) will examine the current prominence of USD-backed stablecoins and their implications. Discussions will aim to address the possible risks and implications for European money markets, including how a potential shift in deposits from traditional banks to stablecoins could affect the effectiveness of the monetary policy transmission mechanism. It will also explore the future prospects for the euro-backed stablecoins in light of the MiCA regulation.