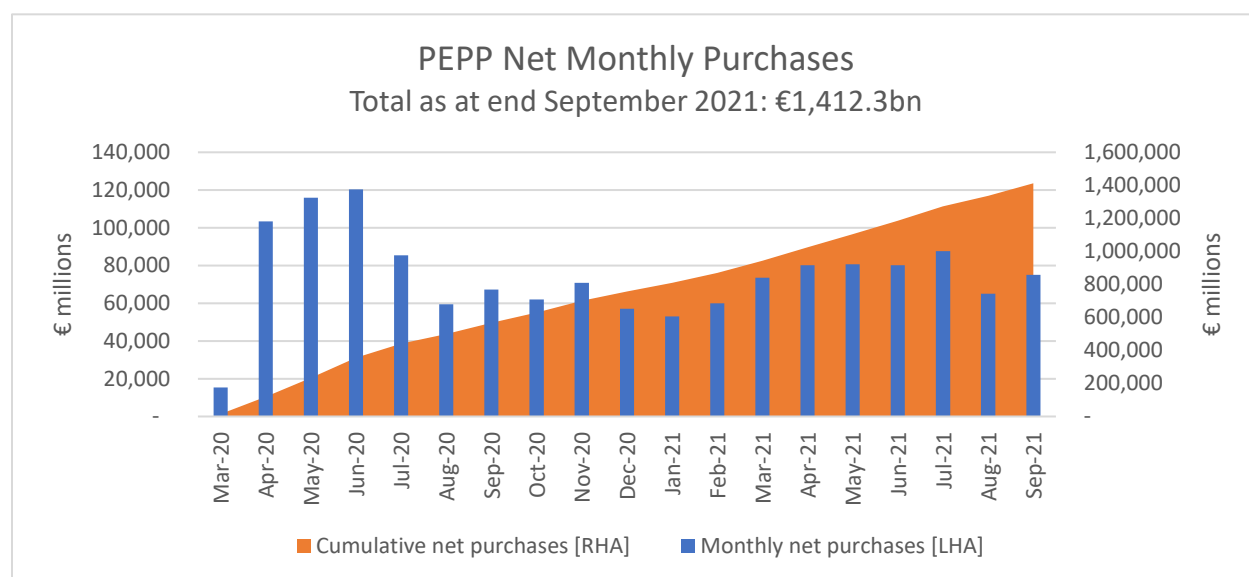


ECB publishes PEPP purchases bi-monthly data September 2021

By Andy Hill, ICMA [October 8, 2021]

The ECB has [published](#) its ninth bi-monthly breakdown of holdings under its Pandemic Emergency Purchase Programme (PEPP), covering the period from August through September 2021.

The data shows that the ECB made net purchases of €140.1bn (book value) of bonds under the PEPP in August and September, taking total net purchases to-date to €1,412.3bn, which is 76% of the total €1,850bn of purchases targeted under the Programme. This is a slower pace than purchases between March-July 2021, where average monthly purchases were €80.4bn, compared with €70.0bn for August-September.

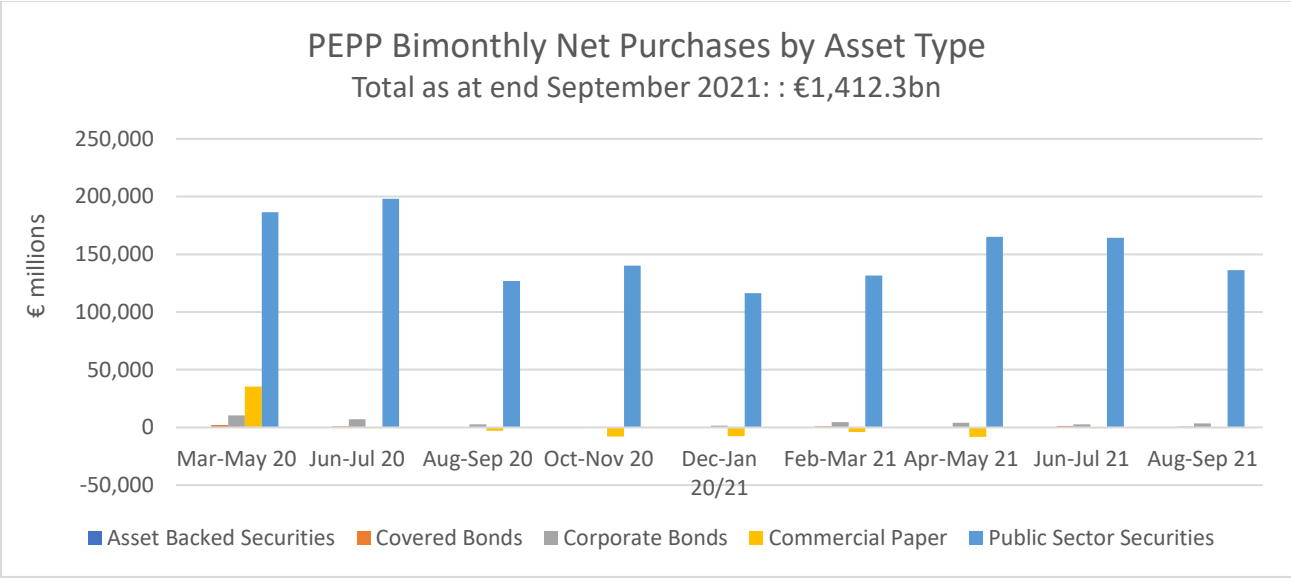


Source: ICMA analysis using ECB data

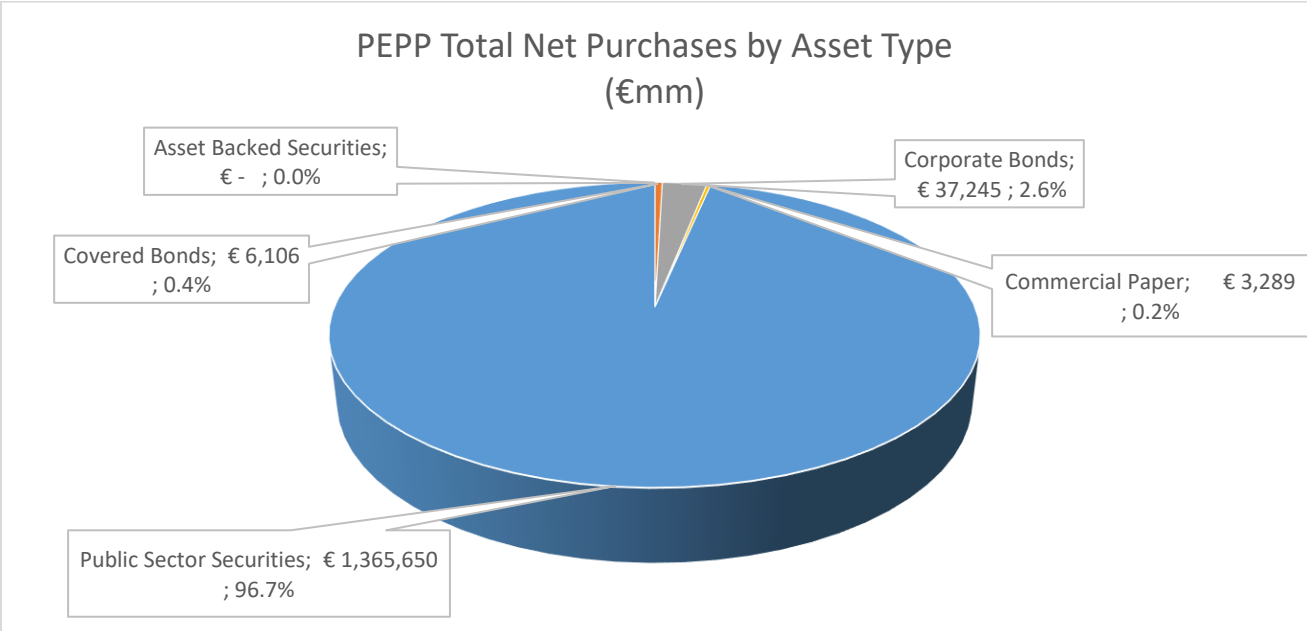
Breakdown of cumulative net purchases

As usual, purchases remain heavily concentrated in public sector bonds, totaling €136.5bn, or 97.4% of all purchases. Corporate bond purchases were up slightly on the previous two months (€3.5bn versus €2.7bn). There were some small purchases of covered bonds (€0.7bn), while net purchases of commercial paper were negative as holdings continue to roll-off (-€0.5bn). There are still no purchases of asset backed bonds.

As of the end of September 2021, 96.7% of total holdings are in public sector bonds, with 2.6% in corporate bonds, and 0.4% in covered bonds, and 0.2% in commercial paper. Holdings of asset backed securities under the PEPP remain at zero.



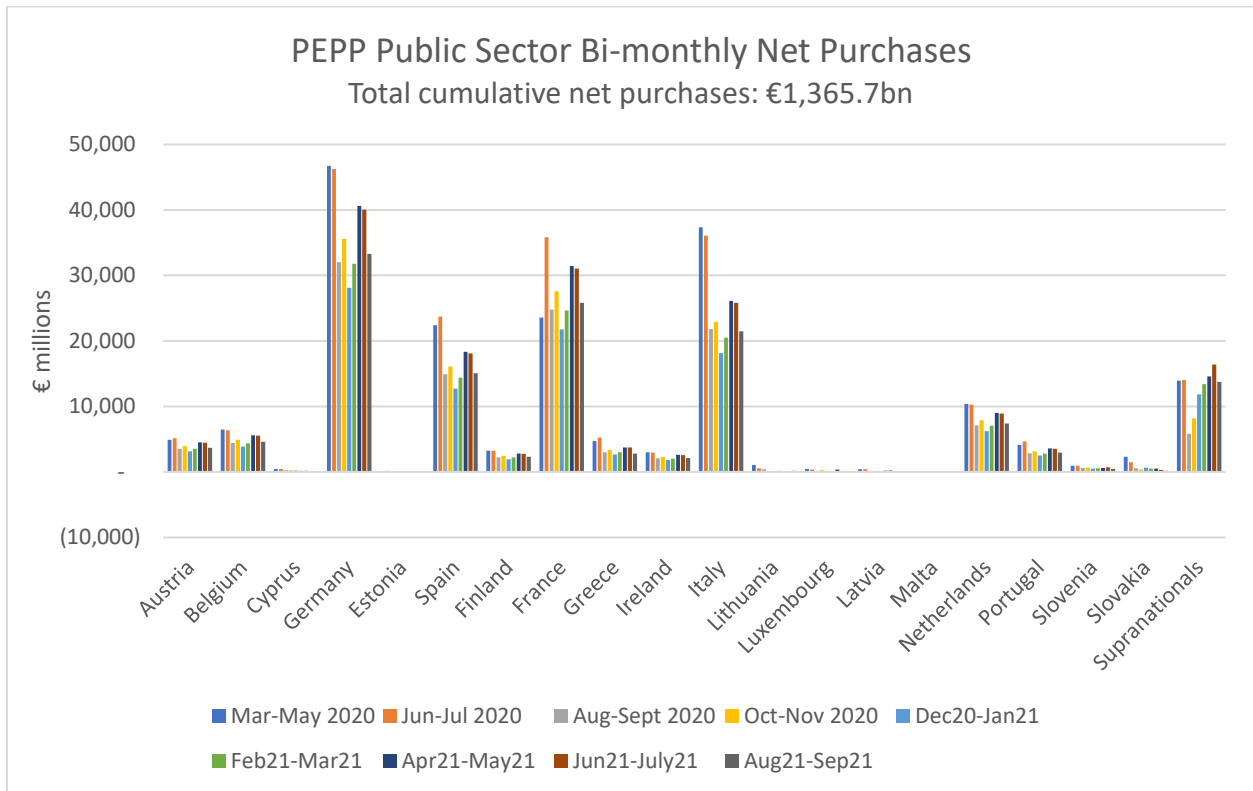
Source: ICMA analysis using ECB data



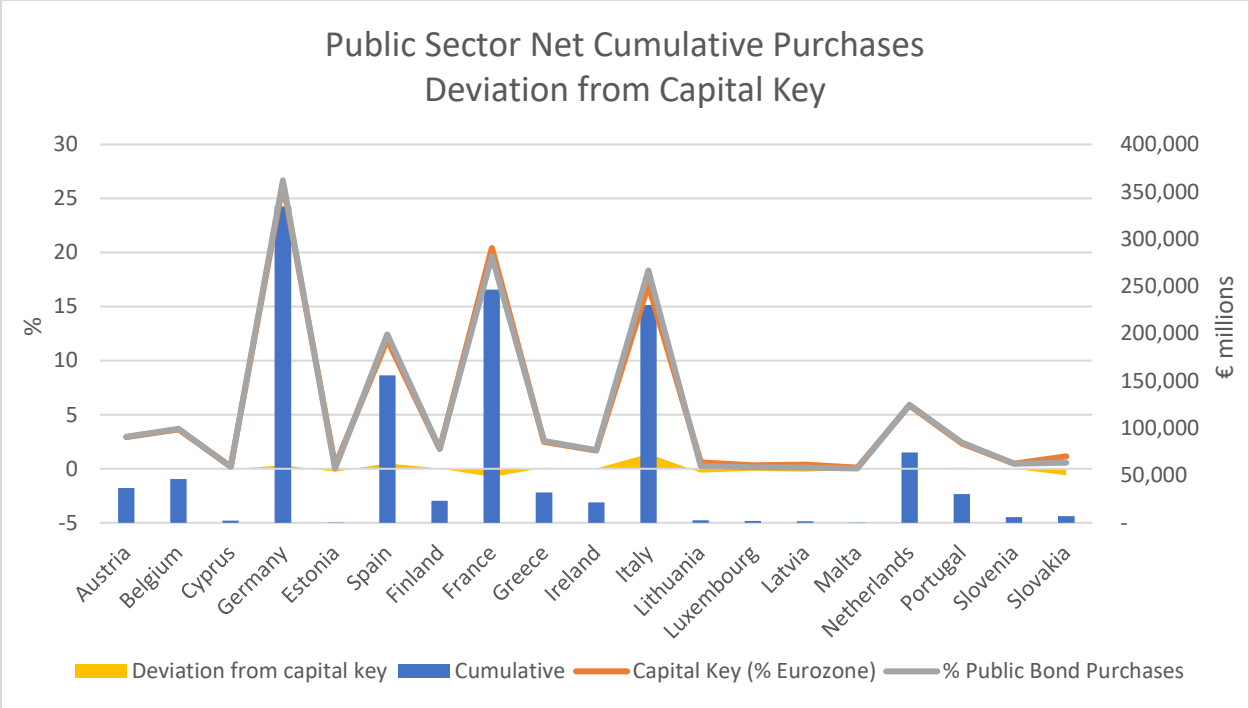
Source: ICMA analysis using ECB data

PEPP Public Bond Purchases

Purchases of public sector bonds were €136.5bn for the period, which is lower than the June-July period (€164.4bn), taking total cumulative net purchases to €1,365.7bn. In line with the respective country capital keys, purchases remained heavily concentrated in bonds issued by Germany (€33.3bn), France (€25.8bn), and Italy (€21.5bn), followed by Spain (€15.1bn) and supranationals (€13.8bn).

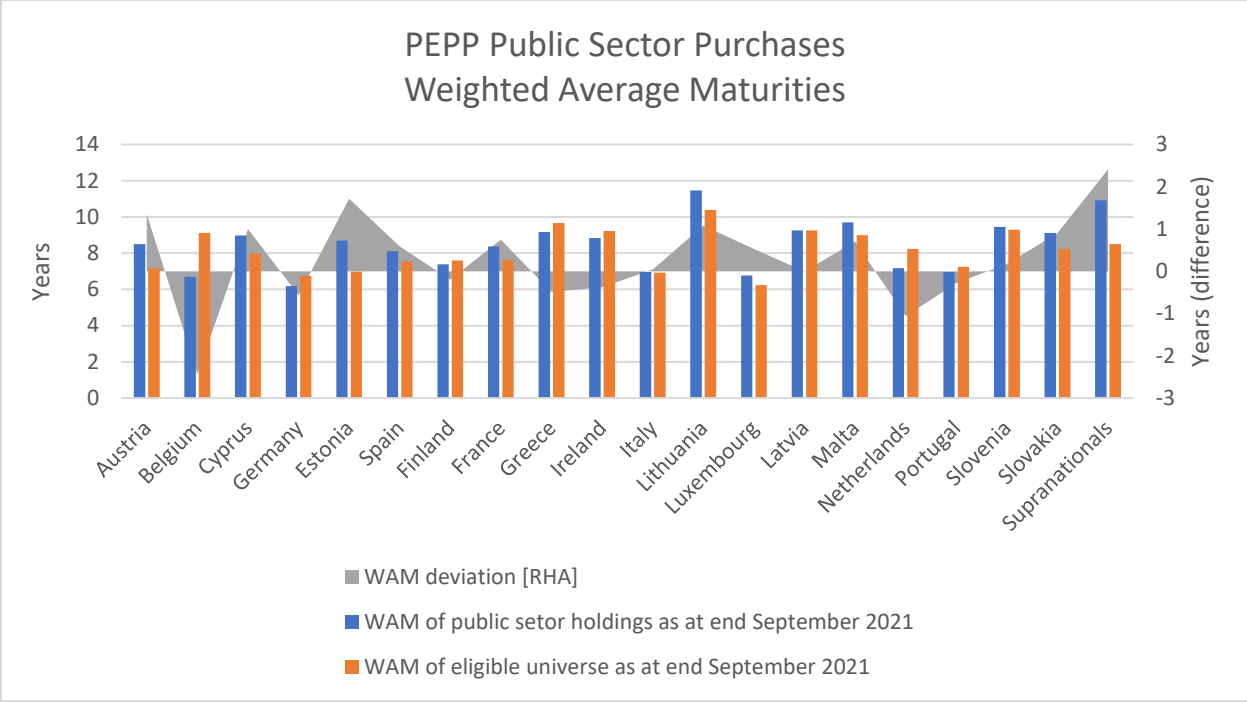


Source: ICMA analysis using ECB data



Source: ICMA analysis using ECB data

The above chart shows the cumulative total purchases by sovereign issuer, while also comparing the percentage of purchases with the respective capital key (weighted as a share of the Eurozone total sovereign capital key). What we observe is that while outright net purchases are heavily skewed to Germany, France, and Italy, total net purchases of German bonds remain flat relative to its capital key, while total net purchases of French bonds remain slightly underweight (-0.8%), and that of Italian bonds marginally overweight (+1.4%).

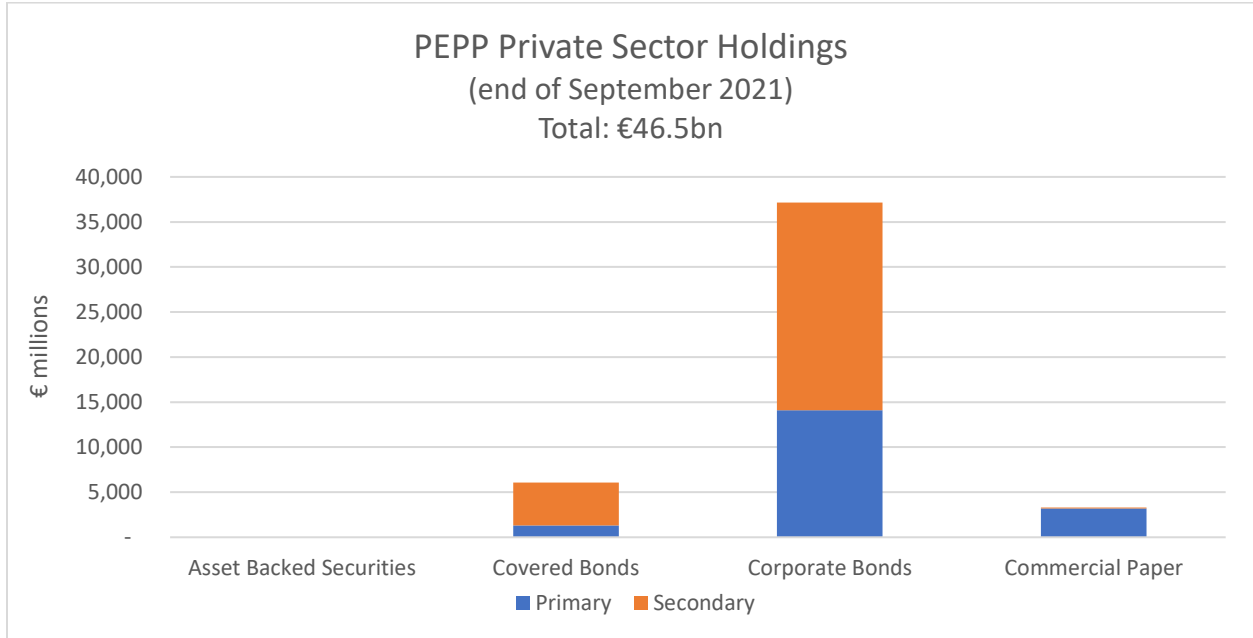


Source: ICMA analysis using ECB data

The above chart shows the weighted average maturities (WAM) of public sector debt holdings, compared with the WAM of the PEPP eligible universe of public securities, as at the end of July 2021. The WAM of total holdings has held steady at 7.7 years which is only marginally longer than the WAM of all eligible bonds (7.5 years). Purchases remain skewed to shorter maturities for Belgium and Netherlands, and to longer maturities for Austria and supranationals.

PEPP Private Sector Purchases

Purchases of private sector securities were €3.6bn, largely similar to the previous two months (€3.3bn). Net purchases of corporate bonds were €3.5bn (up from €2.7bn in the previous period), and there were a small number of purchases of covered bonds (€0.7bn). Commercial paper holdings continue to roll-off (-€0.5bn). There still has not been a single purchase of asset backed securities since the PEPP was launched. As at the end of July 2021, private sector securities form 3.3% of total PEPP holdings, down from 3.4% at the end-of July 2021.

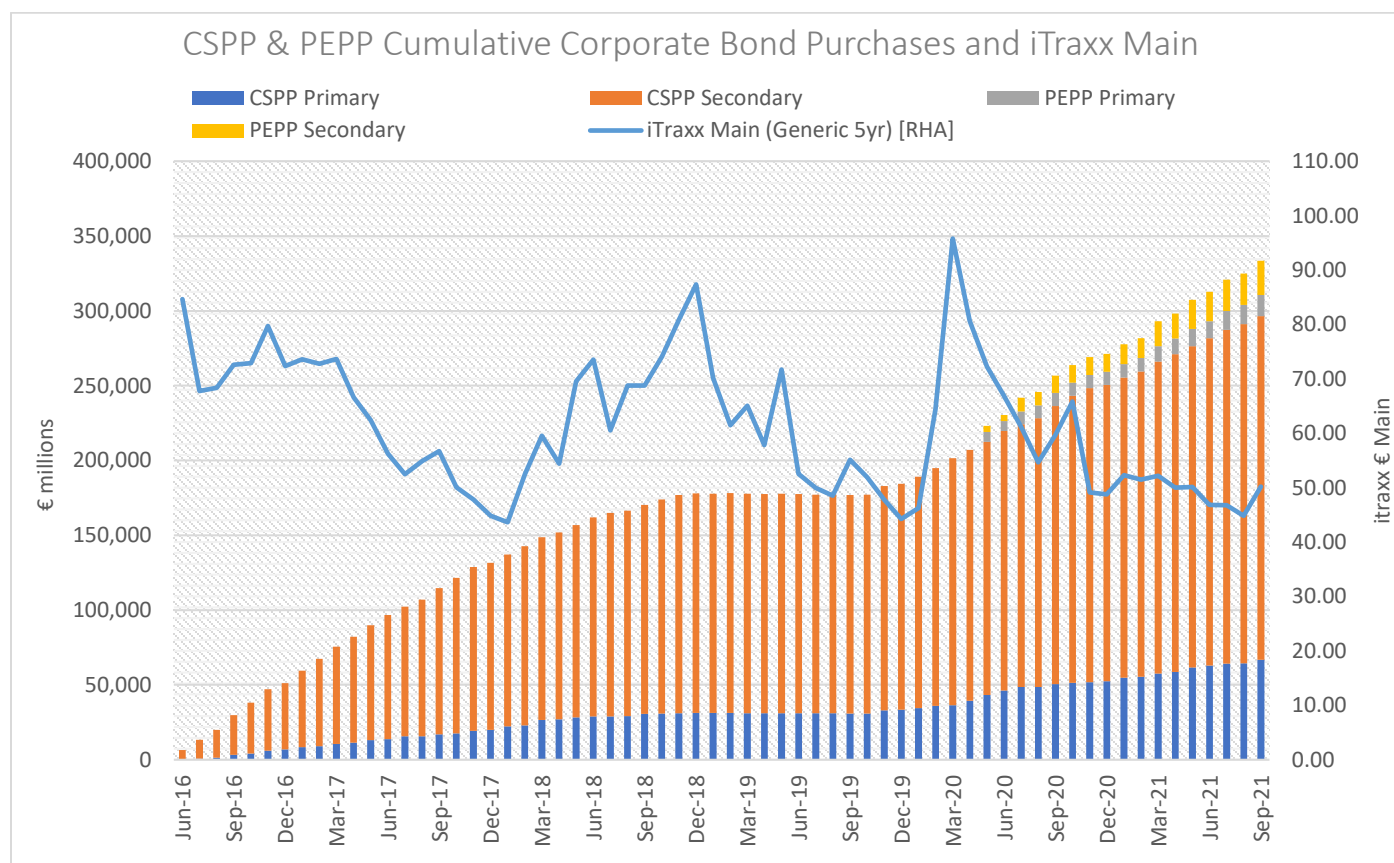


Source: ICMA analysis using ECB data

Corporate Sector Purchase Programme

Purchases under the CSPP dropped slightly in August (€3.9bn), before returning to €5.2bn in September, broadly in line with previous months. (Average monthly purchases since March 2020 are €5.3bn.) This takes total net cumulative purchases under the CSPP to €296.4bn (of which €66.8bn, or 23%, are primary market purchases, and €229.6bn, or 77%, are secondary). Including the €37.1bn purchases of corporate bonds under the PEPP (of which €3.5bn were made during August-September 2021), this takes the total net cumulative purchases of corporate bonds under both programmes to €333.5bn

Based on Bloomberg data, ICMA estimates a universe of CSPP eligible bonds at the end of September 2021 with a nominal value of €1,180bn. This suggests that 27% of all eligible bonds are being held under the purchase programmes. Based on the 70% upper limit for purchases of individual ISINs, this implies that purchases are at 35% of capacity, leaving an estimated available pool of around €493bn for further purchases. This further suggests that, as with previous months, purchases continue to remain level with, or even slightly behind, net eligible issuance.

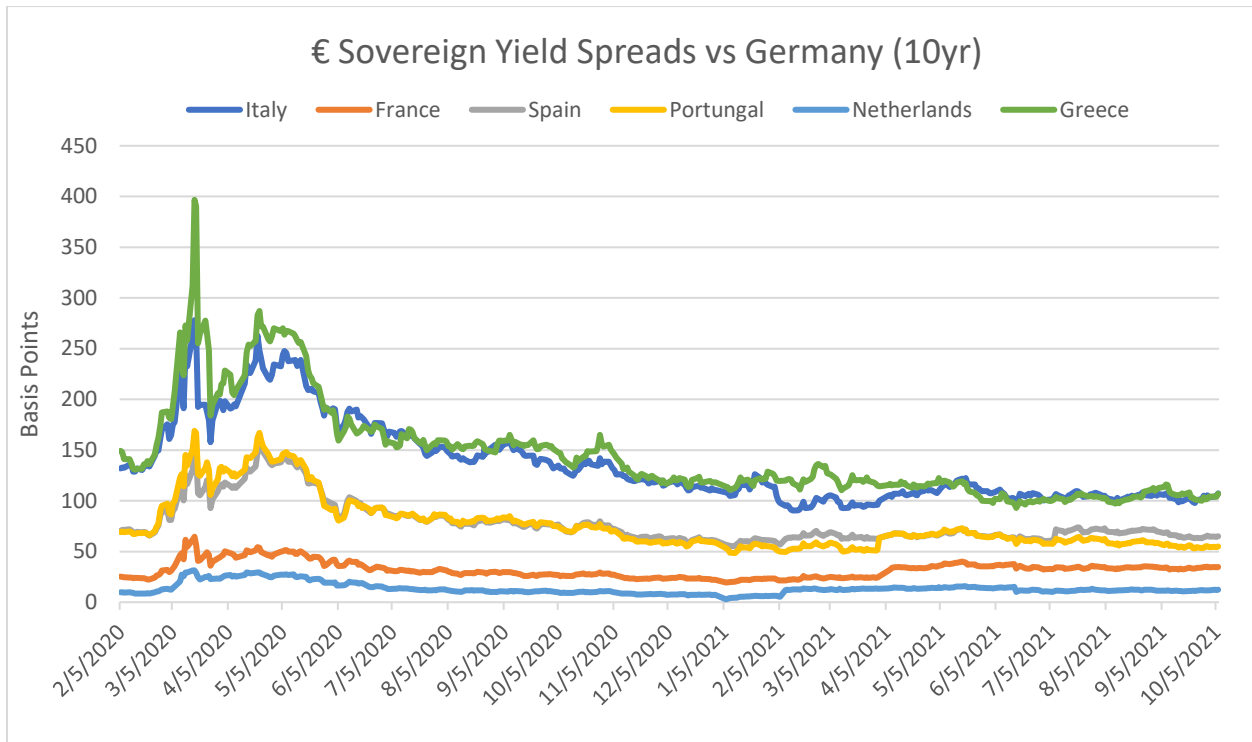


Source: ICMA analysis using ECB and Bloomberg data

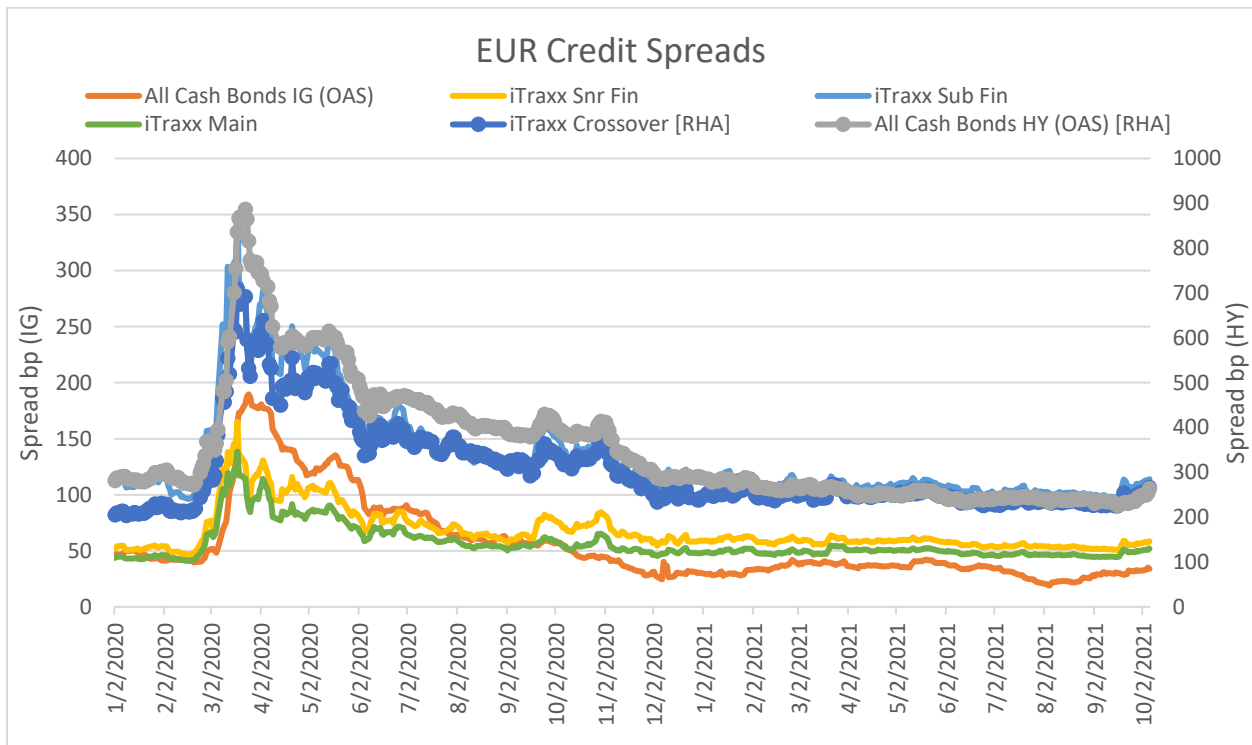
More details of the ECB's Asset Purchase Programmes can be found on its [website](#).

Historical updates and relevant resources can be found on ICMA's [Central bank corporate purchases webpage](#).

Annex



Source: ICMA analysis using Bloomberg data



Source: ICMA analysis using Bloomberg data