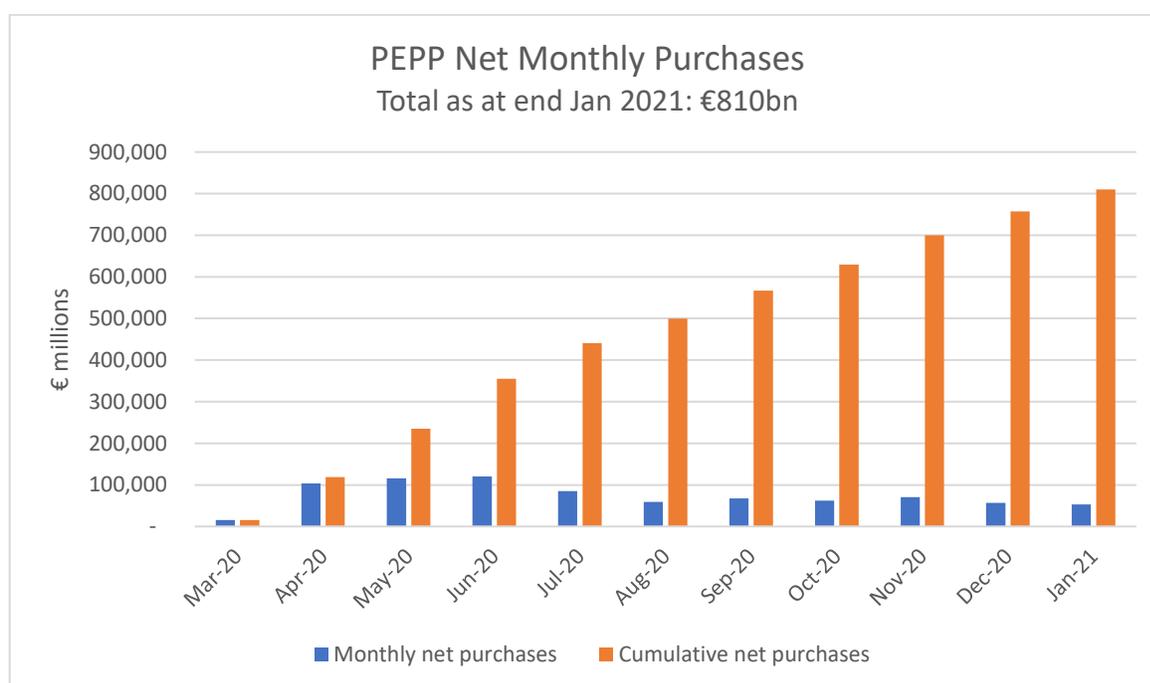


ECB publishes PEPP purchases bimonthly data February 2021

By Andy Hill, ICMA [Feb 8, 2021]

The ECB has [published](#) its fifth bi-monthly breakdown of holdings under its Pandemic Emergency Purchase Programme (PEPP), covering the period from December 2020 through January 2021.

The data shows that the ECB made net purchases of €110.2bn (book value) of bonds under the PEPP, taking the total to-date to €810bn, which is 60% of the total €1,350bn of purchases targeted under the Programme. This is a slower pace than previous bi-monthly purchases, with January (€53bn) being the lowest full-monthly purchase rate since the PEPP was launched

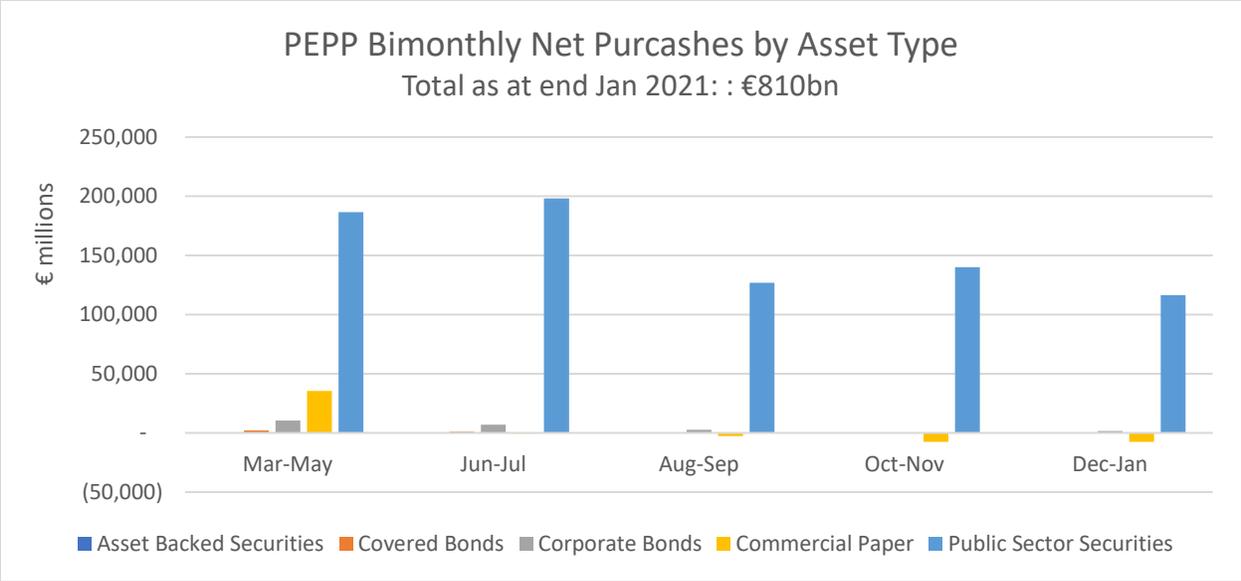


Source: ICMA analysis using ECB data

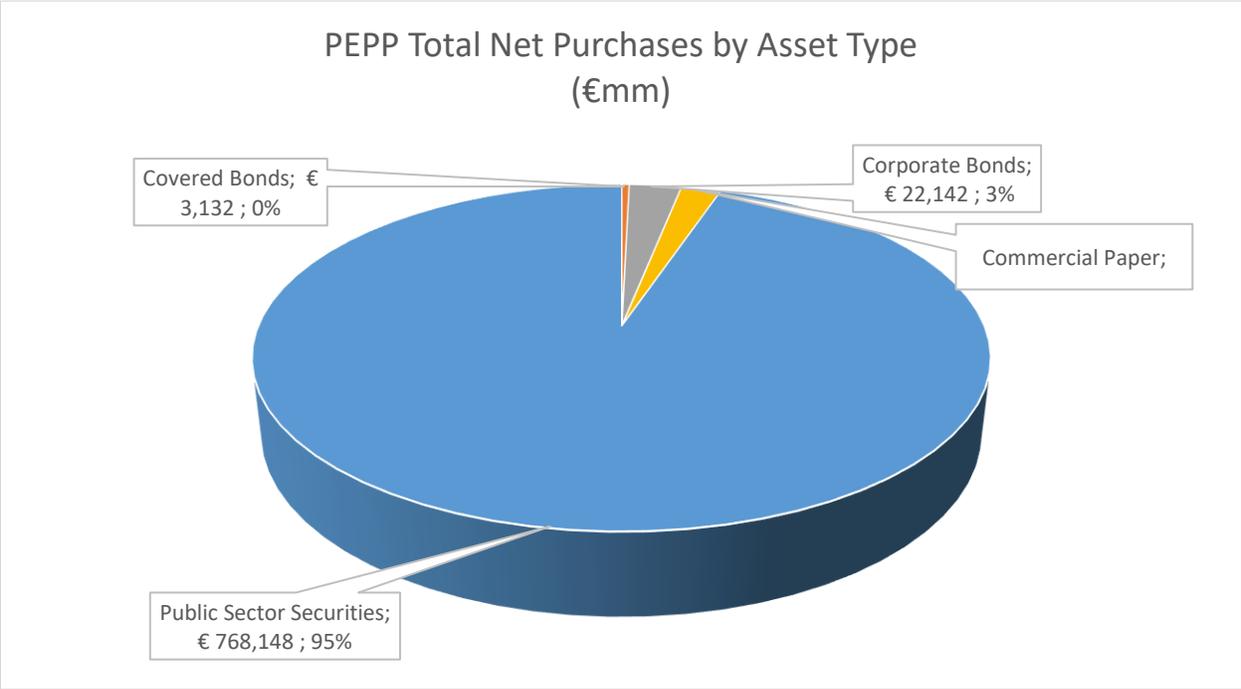
Breakdown of cumulative net purchases

Purchases remain heavily skewed to public sector bonds, with net purchases in the December-January period again almost exclusively made up of public sector bonds (€116.3bn). Net purchases of corporate bonds were higher than the previous period, but again relatively marginal (€1.5bn), while net purchases of commercial paper were once again negative (-€7.6bn) as earlier purchases continue to roll-off.

As of the end of January 2021, 95% of total net purchases are in public sector bonds (up from 93%), with 3% in corporate bonds, and 2% in commercial paper.



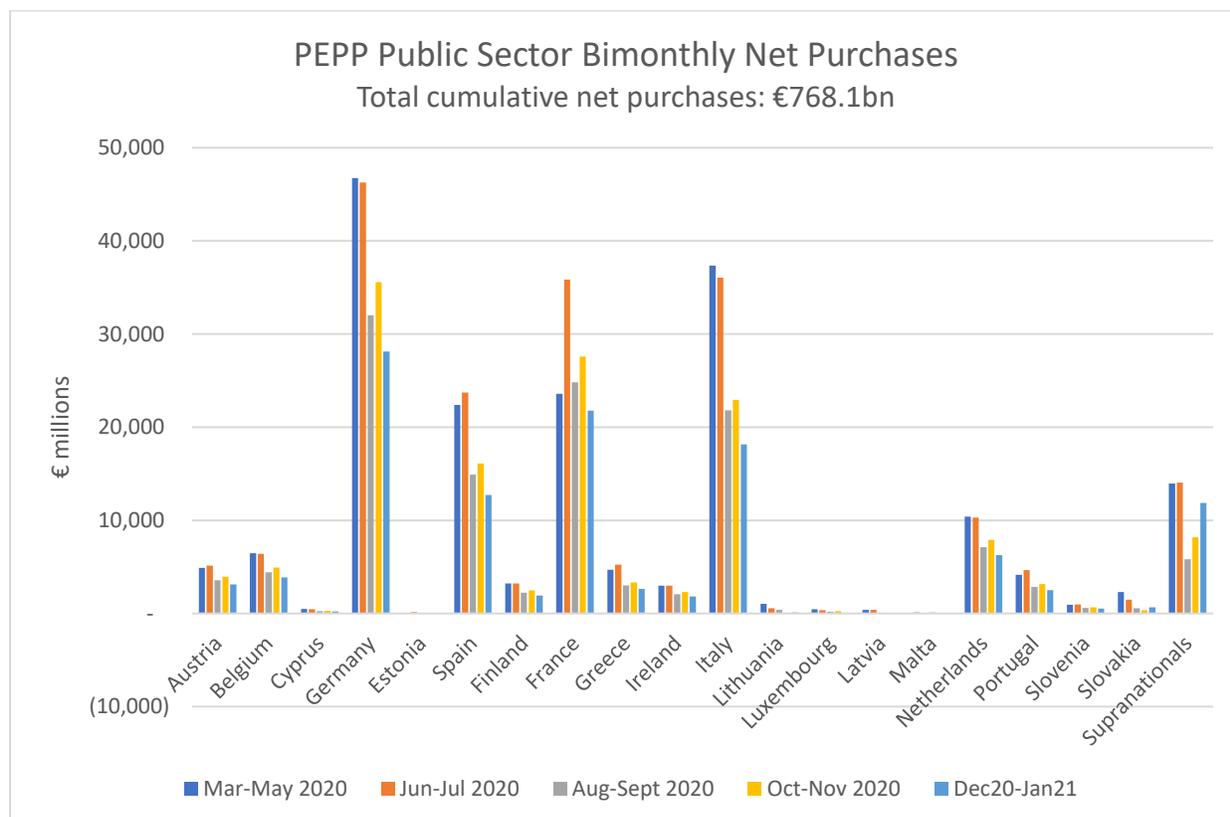
Source: ICMA analysis using ECB data



Source: ICMA analysis using ECB data

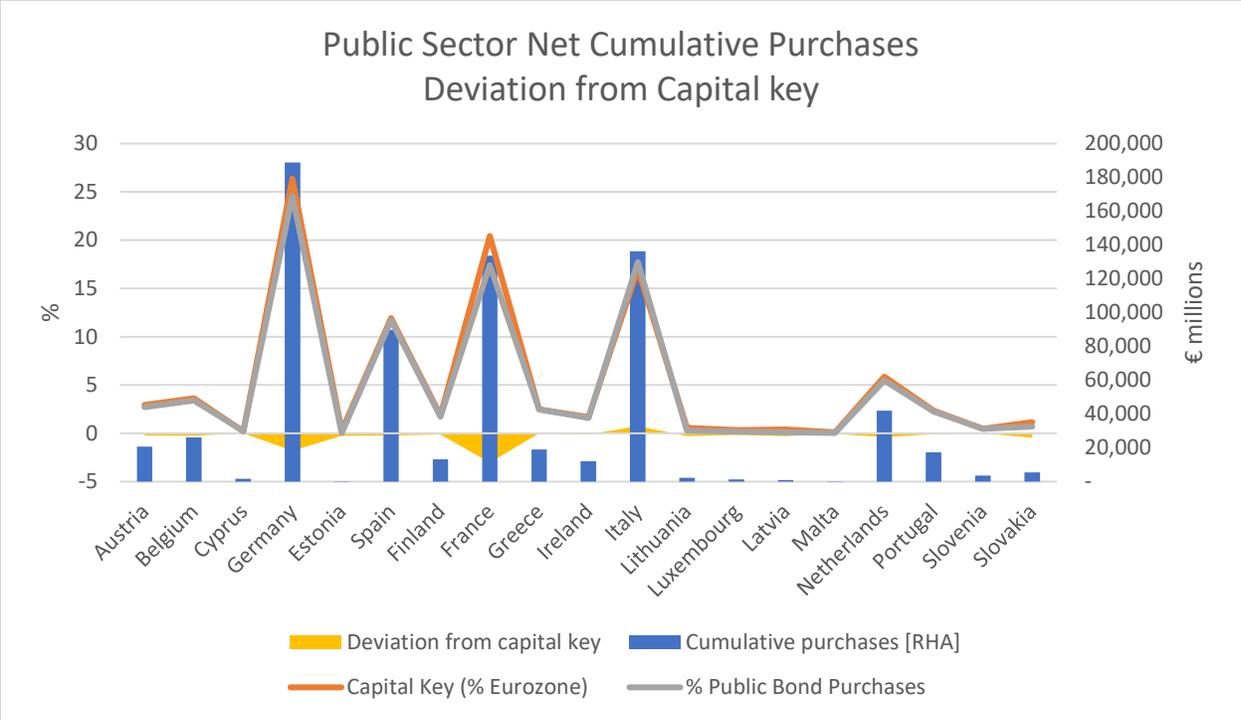
PEPP Public Bond Purchases

Purchases of public sector bonds were €116.3bn for the period, compared with €140.2bn for October-November, €126.8bn for August-September, €198.2bn for June-July, and €186.6bn for March-May, taking total cumulative net purchases to €768.1bn. Purchases remained heavily concentrated in bonds issued by Germany (€28.1bn), France (€21.8bn), and Italy (€18.1bn).



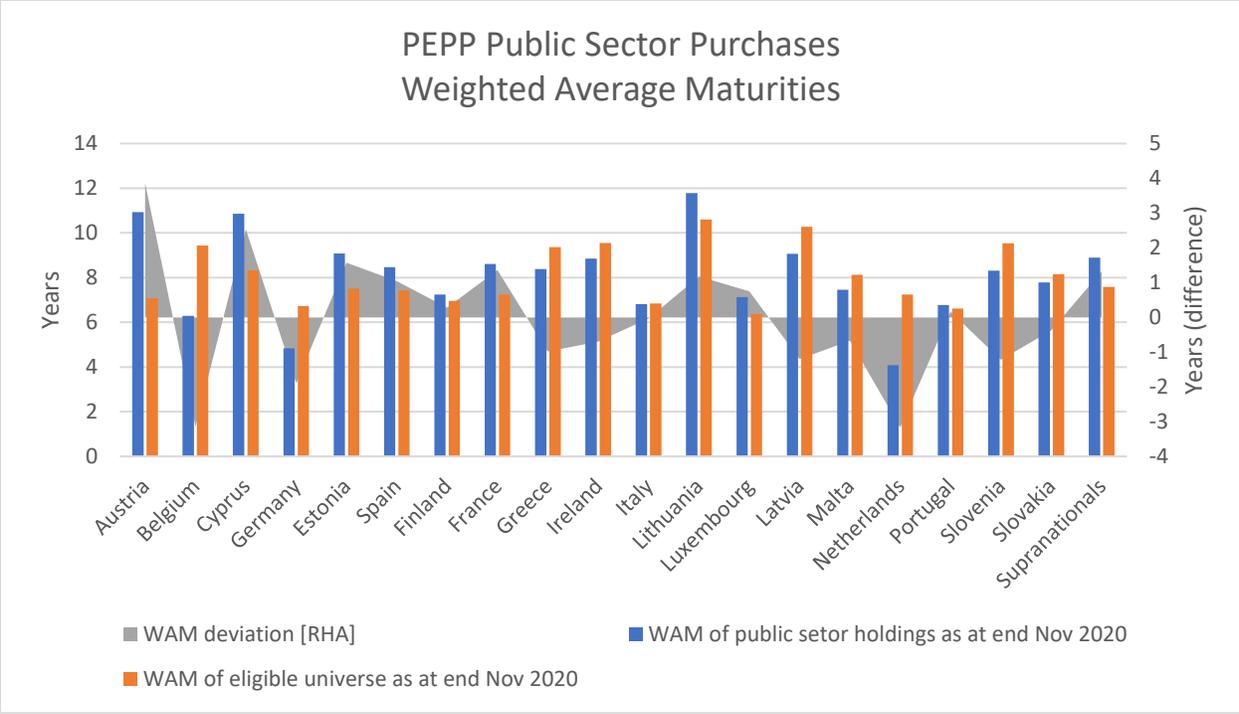
Source: ICMA analysis using ECB data

The below 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 and France, with respect to their capital key weightings these purchases remain underweight, particularly in the case of France, with a small overweight bias to Italy.



Source: ICMA analysis using ECB data

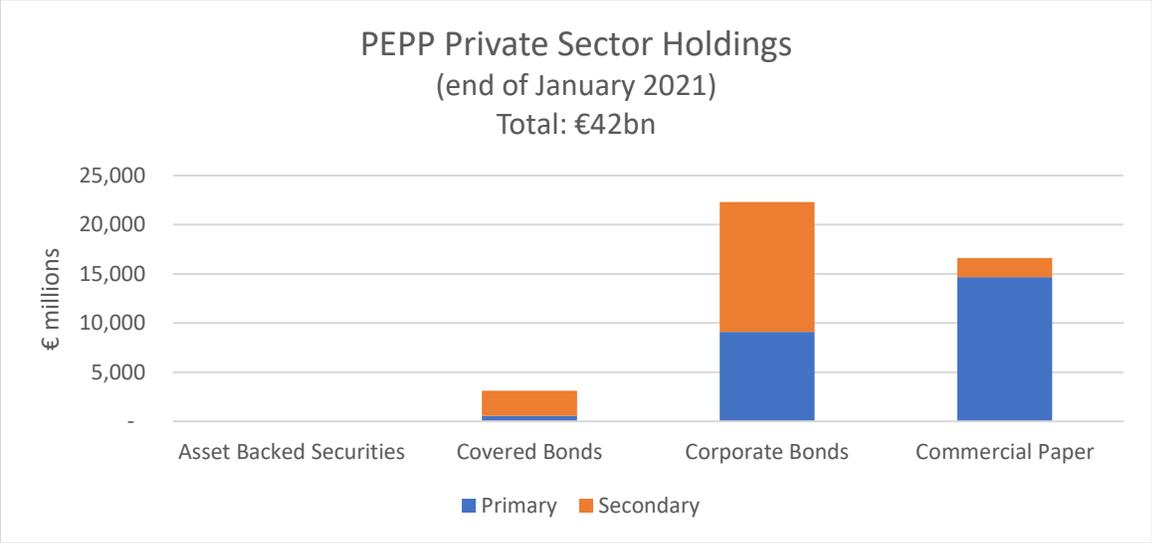
The following chart shows the weighted average maturities (WAM) of public sector debt holdings, compared with the WAM of the PEPP eligible universe of public securities, as at the end of January 2021. The WAM of total holdings continues to extend (to 7.1 years from 7.0 years at the end of November), but remains slightly short of the 7.3 years WAM of eligible bonds). Purchases remains skewed to shorter maturities for Belgium, Germany, and notably the Netherlands, and to longer maturities for Austria, Spain, and France.



Source: ICMA analysis using ECB data

PEPP Private Sector Purchases

Purchases of private sector securities were net negative once again the period December-January, with only an addition of €1.3bn corporate bonds, a net roll-off of -€7.6bn of commercial paper, and a mere €2mm net purchases of covered bonds (and still not a single purchase of asset backed securities). As at the end of January 2021, private sector securities form just 5% of total PEPP holdings.

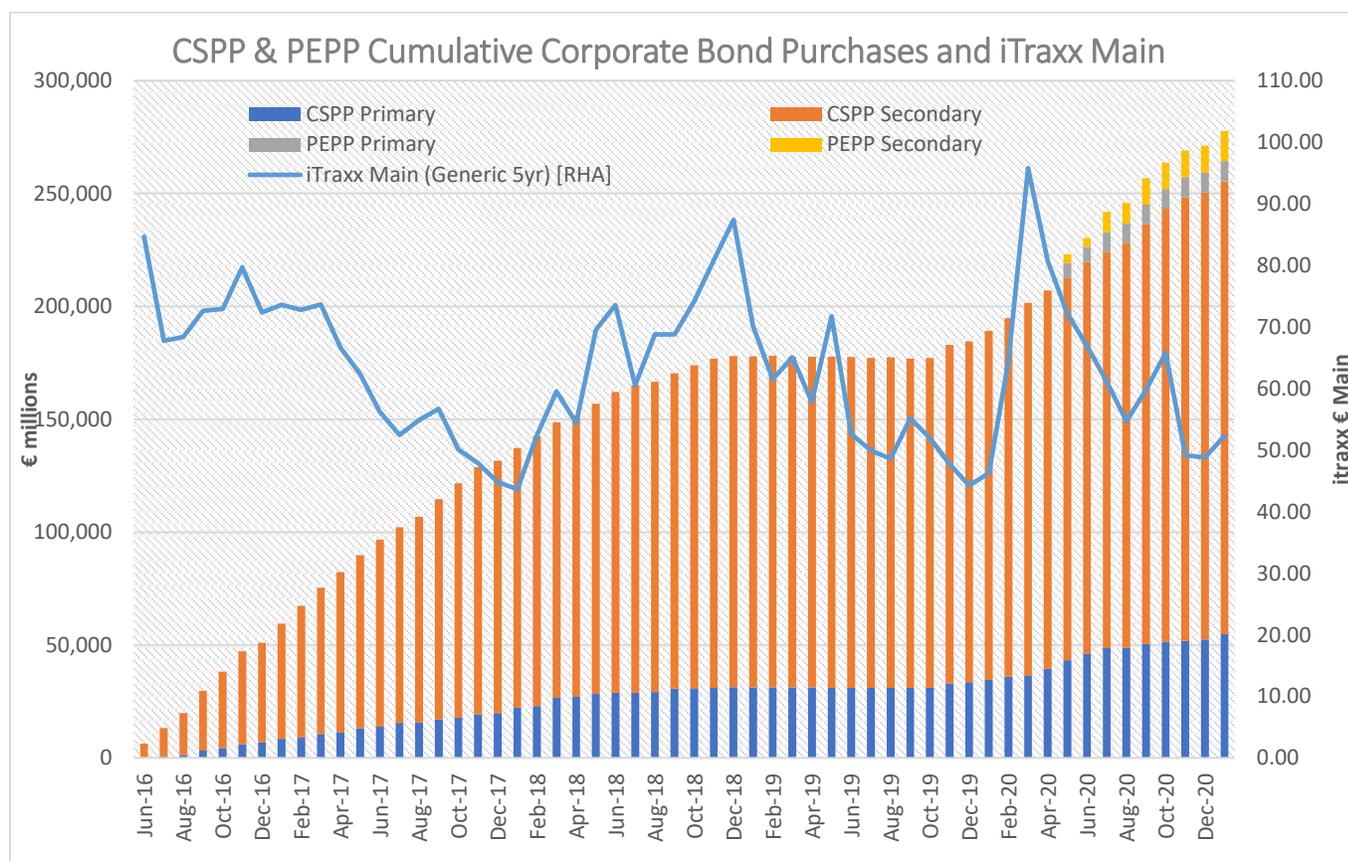


Source: ICMA analysis using ECB data

Corporate Sector Purchase Programme

Purchases under the CSPP dropped off in December 2020 (€2bn) before resuming their usual pace in January 2021 (€4.9bn) ¹ This takes total net cumulative purchases under the CSPP to €255.3bn (of which €54.8bn, or 21%, are primary market purchases, and €200.6bn, or 79%, are secondary). Including the €22.3bn purchases of corporate bonds under the PEPP, this takes the total net cumulative purchases of corporate bonds to €277.6bn

Based on Bloomberg data, ICMA estimates a universe of CSPP eligible bonds at the end of January 2021 with a nominal value of €1,091bn. This suggests that 25% 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 36% of capacity, leaving an available pool of slightly less than €500bn for further purchases.



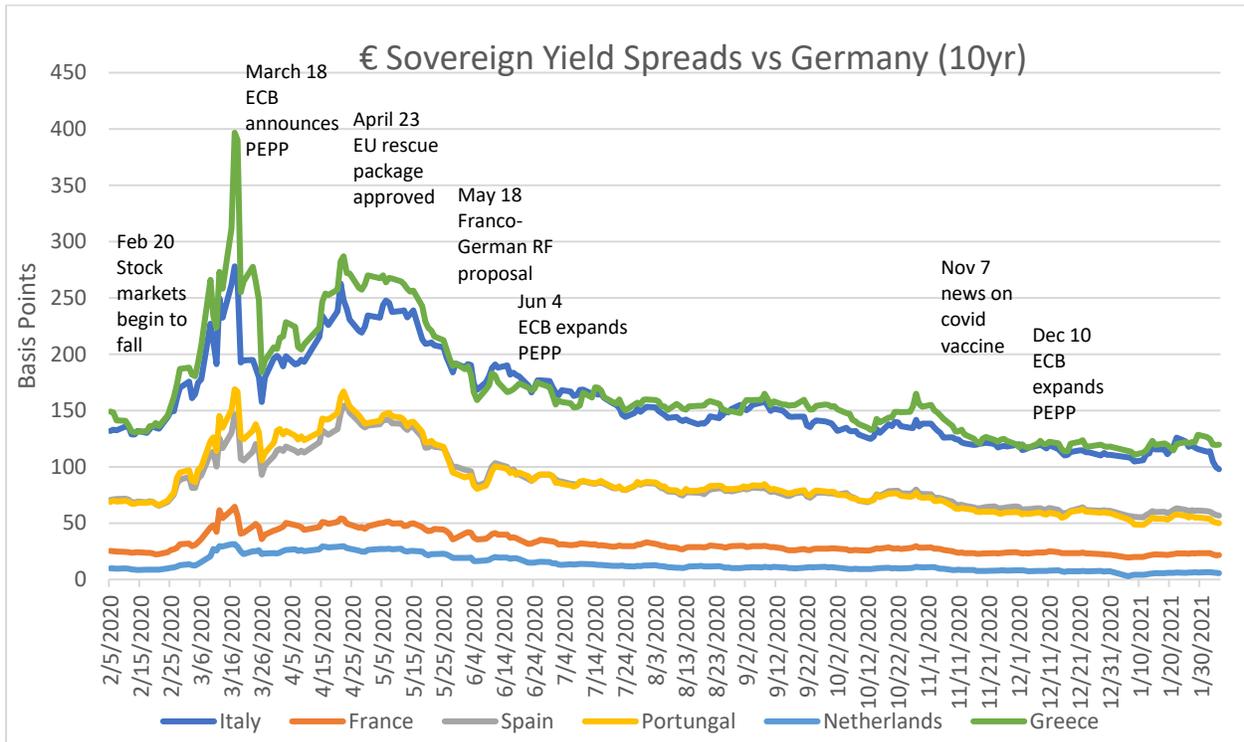
Source: ICMA analysis using ECB and Bloomberg data

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

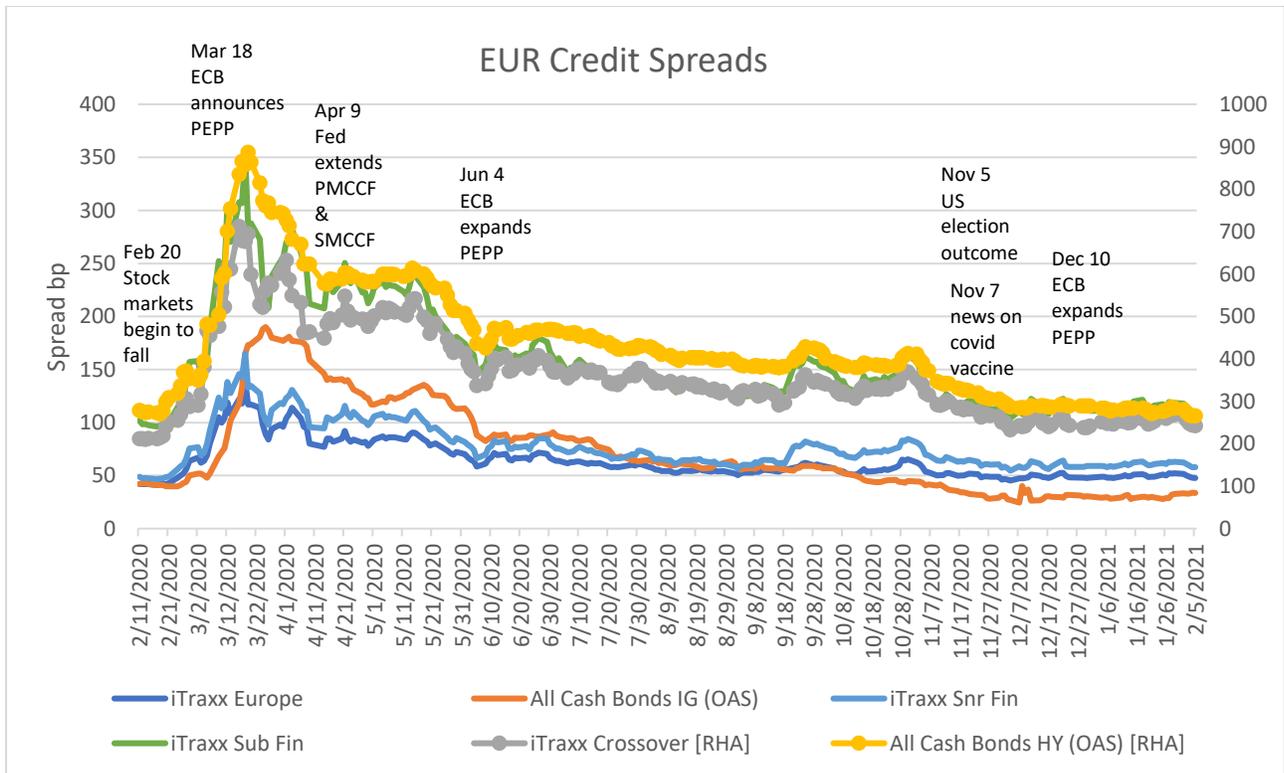
Historical updates and relevant resources can be found on ICMA's [Central bank corporate purchases webpage](#).

¹ CSPP purchases have totaled €70.8bn from January 2020-January 2021, an average of €5.4bn per month

Annex



Source: ICMA analysis using Bloomberg data



Source: ICMA analysis using Bloomberg data