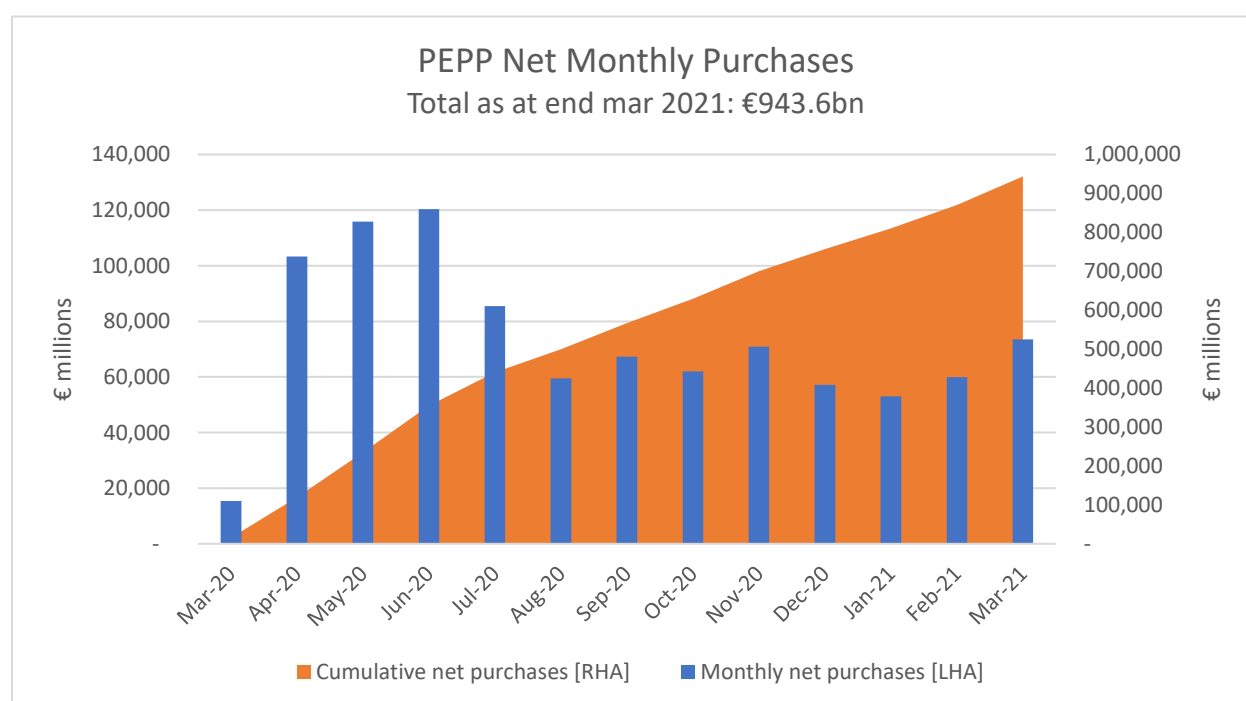


ECB publishes PEPP purchases bimonthly data April 2021

By Andy Hill, ICMA [Apr 8, 2021]

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

The data shows that the ECB made net purchases of €133.4 (book value) of bonds under the PEPP, taking total net purchases to-date to €943.6bn, which is 52% of the total €1,850bn of purchases targeted under the Programme. Purchases in March (€73.5bn) were the highest monthly rate since July 2020.

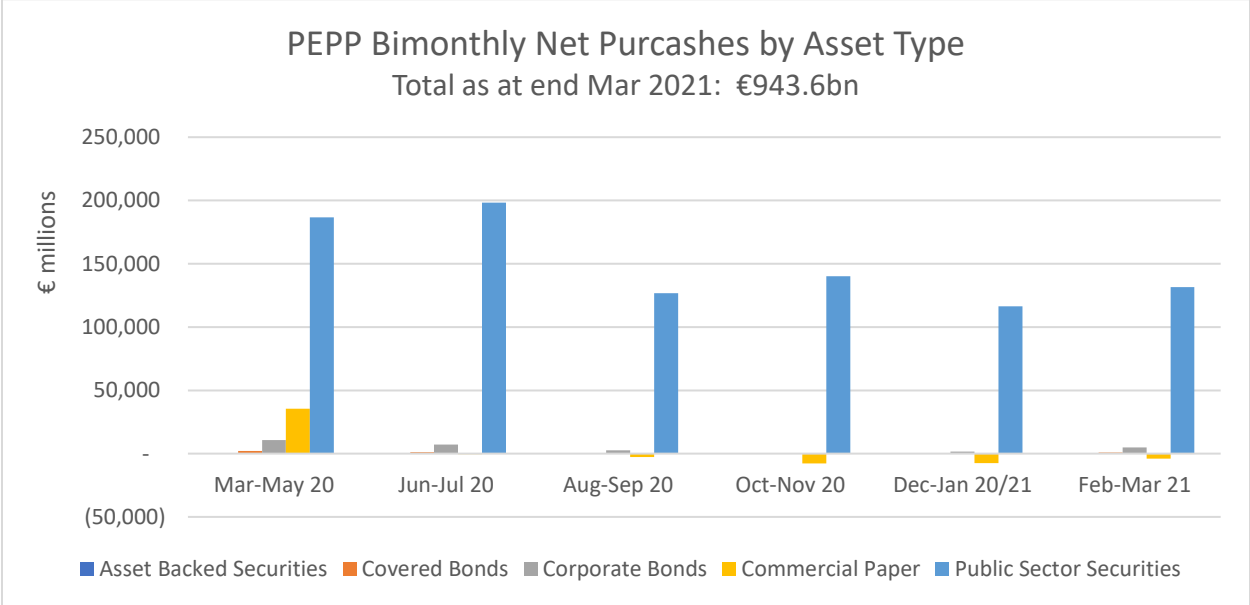


Source: ICMA analysis using ECB data

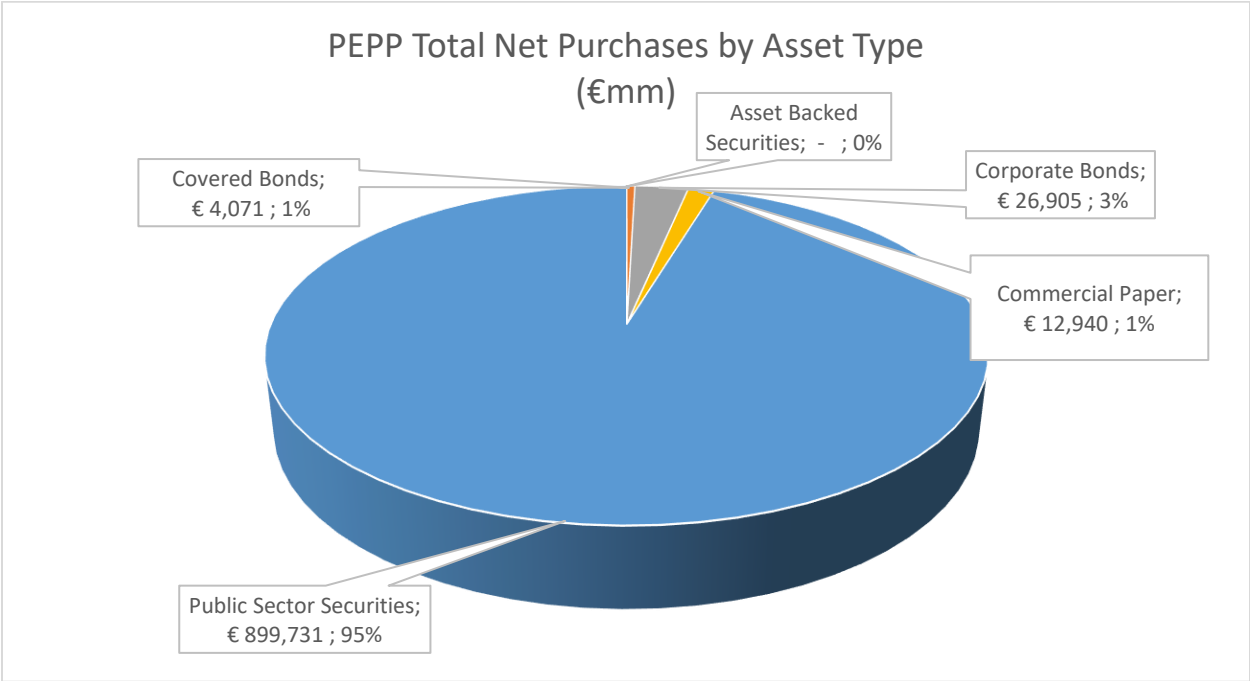
Breakdown of cumulative net purchases

Purchases remained heavily skewed to public sector bonds in the February-March period (€131.5bn), making up 98.6% of total bond purchases. Net purchases of corporate bonds were higher than the previous period (€4.8bn vs €1.5bn in the previous two months). There were also a small number of purchases made in covered bonds (€0.9bn), the first since June-July 2020. Net purchases of commercial paper were yet again negative (-€3.9bn) as earlier purchases continue to roll-off.

As of the end of March 2021, 95% of total net purchases are in public sector bonds, with 3% in corporate bonds, 1% in commercial paper, and 1% in covered bonds. Holdings of asset backed securities remain at zero.



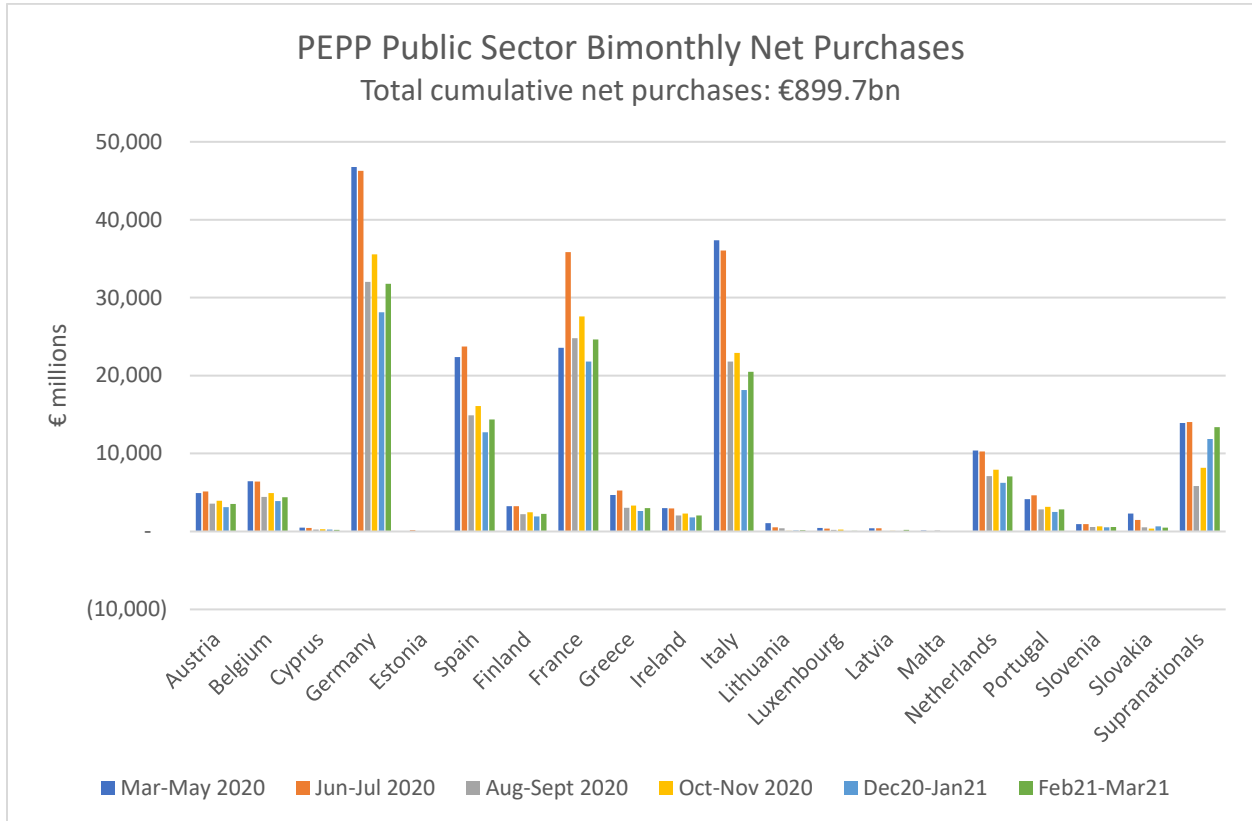
Source: ICMA analysis using ECB data



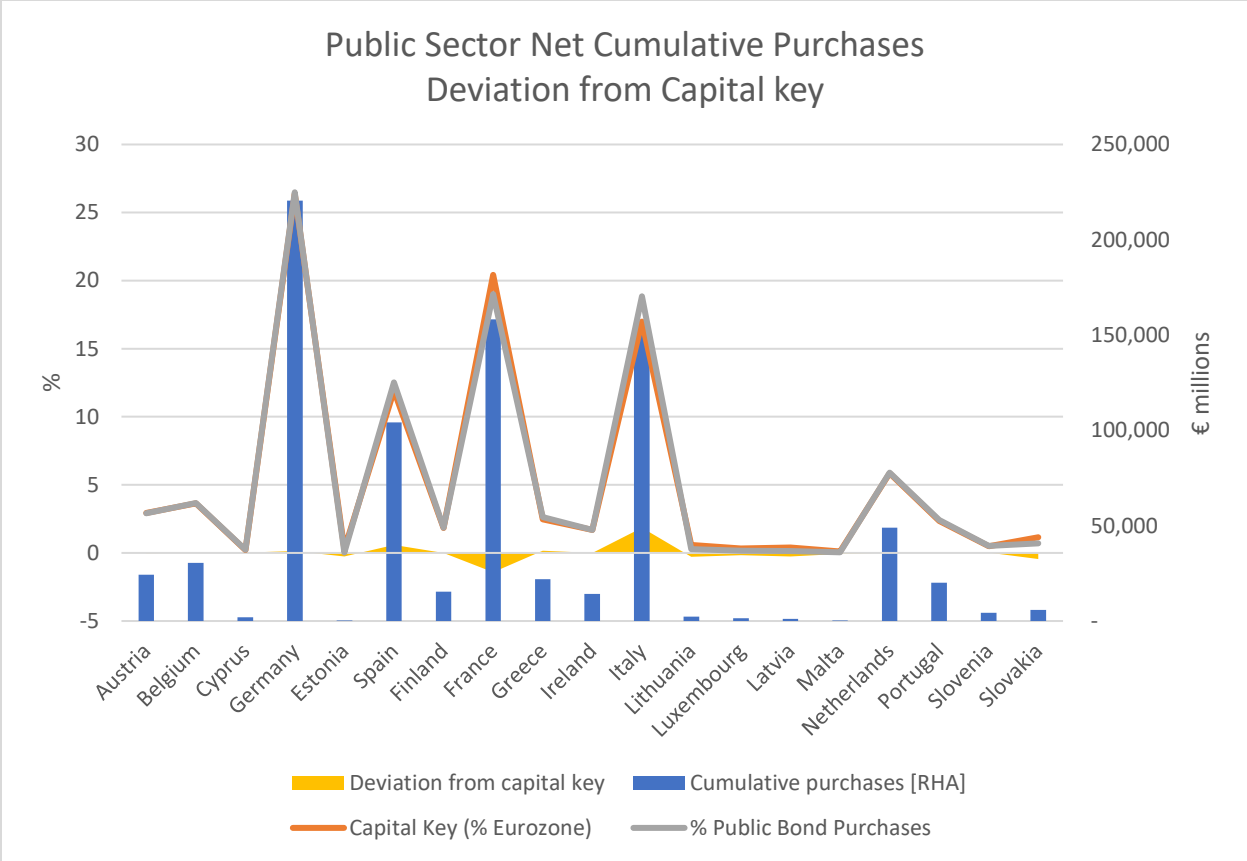
Source: ICMA analysis using ECB data

PEPP Public Bond Purchases

Purchases of public sector bonds were €131.6bn for the period, compared with €116.3bn for December 2020-January 2021, taking total cumulative net purchases to €899.7bn. Purchases remained heavily concentrated in bonds issued by Germany (€31.8bn), France (€24.6bn), and Italy (€20.5bn).

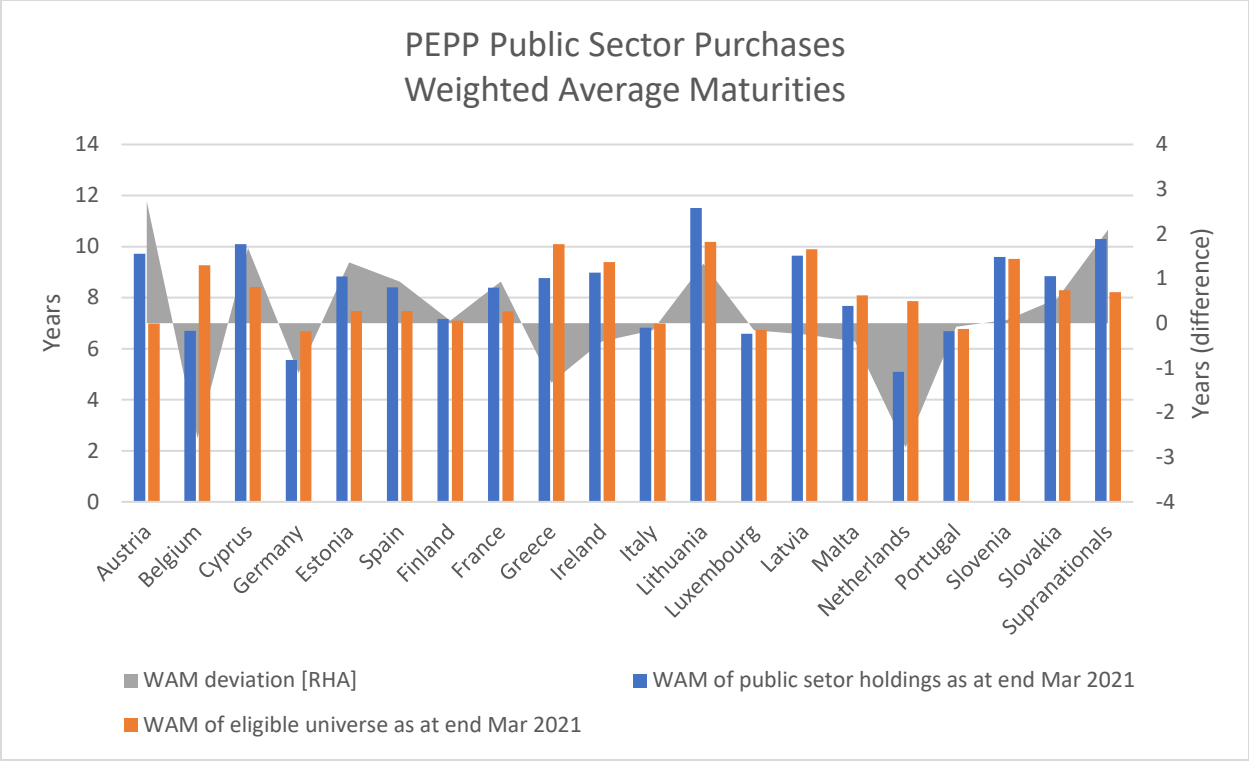


Source: ICMA analysis using ECB data



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 and France, total net purchases of German bonds remain flat relative to its capital key, with total net purchases of French bonds slightly underweight (-1.4%). Total net purchases of Italian bonds remain slightly overweight (+1.8%).

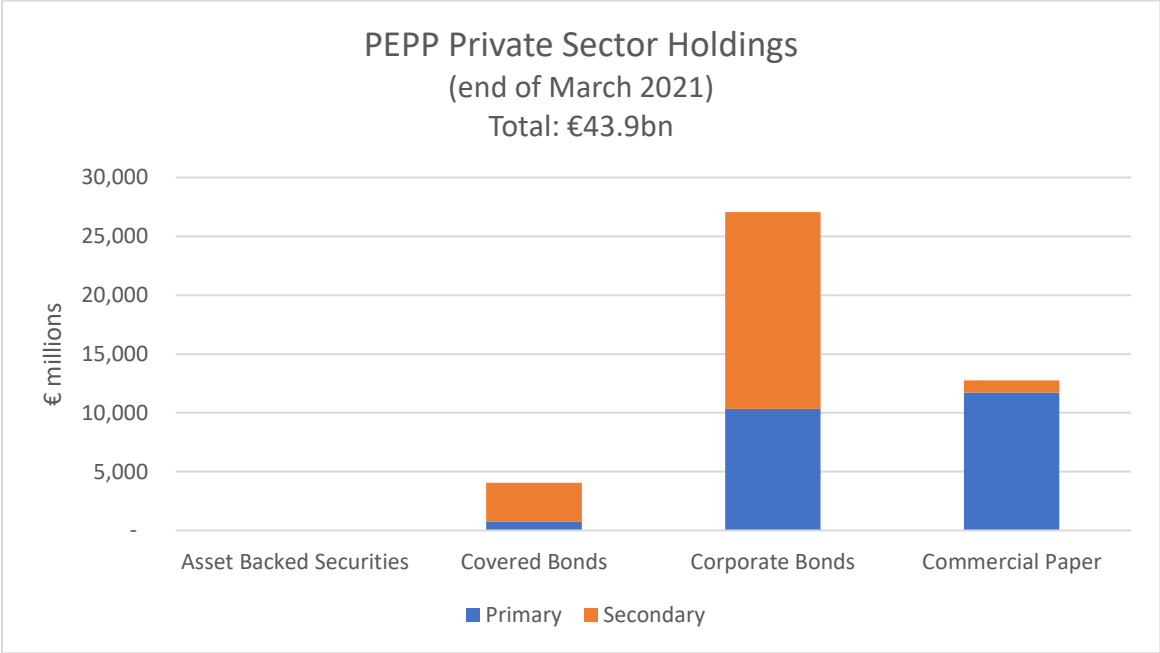


Source: ICMA analysis using ECB data

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 March 2021. The WAM of total holdings continues to extend (to 7.3 years from 7.1 years at the end of January), and is now close to the WAM of all eligible bonds (7.4 years). Purchases remains skewed to shorter maturities for Belgium, Germany, and notably the Netherlands, and to longer maturities for Austria, Spain, and France.

PEPP Private Sector Purchases

Purchases of private sector securities were small positive for February-March (+€1.9bn), having been negative for the previous two periods (€-6.1bn Dec/Jan and -€7.3bn Oct/Nov). These consisted of €4.8bn corporate bonds and €0.9bn covered bonds, with net -€3.9bn of commercial paper rolling off. There still has not been a single purchase of asset backed securities. As at the end of March 2021, private sector securities form 5% of total PEPP holdings, unchanged from end-of January 2021.

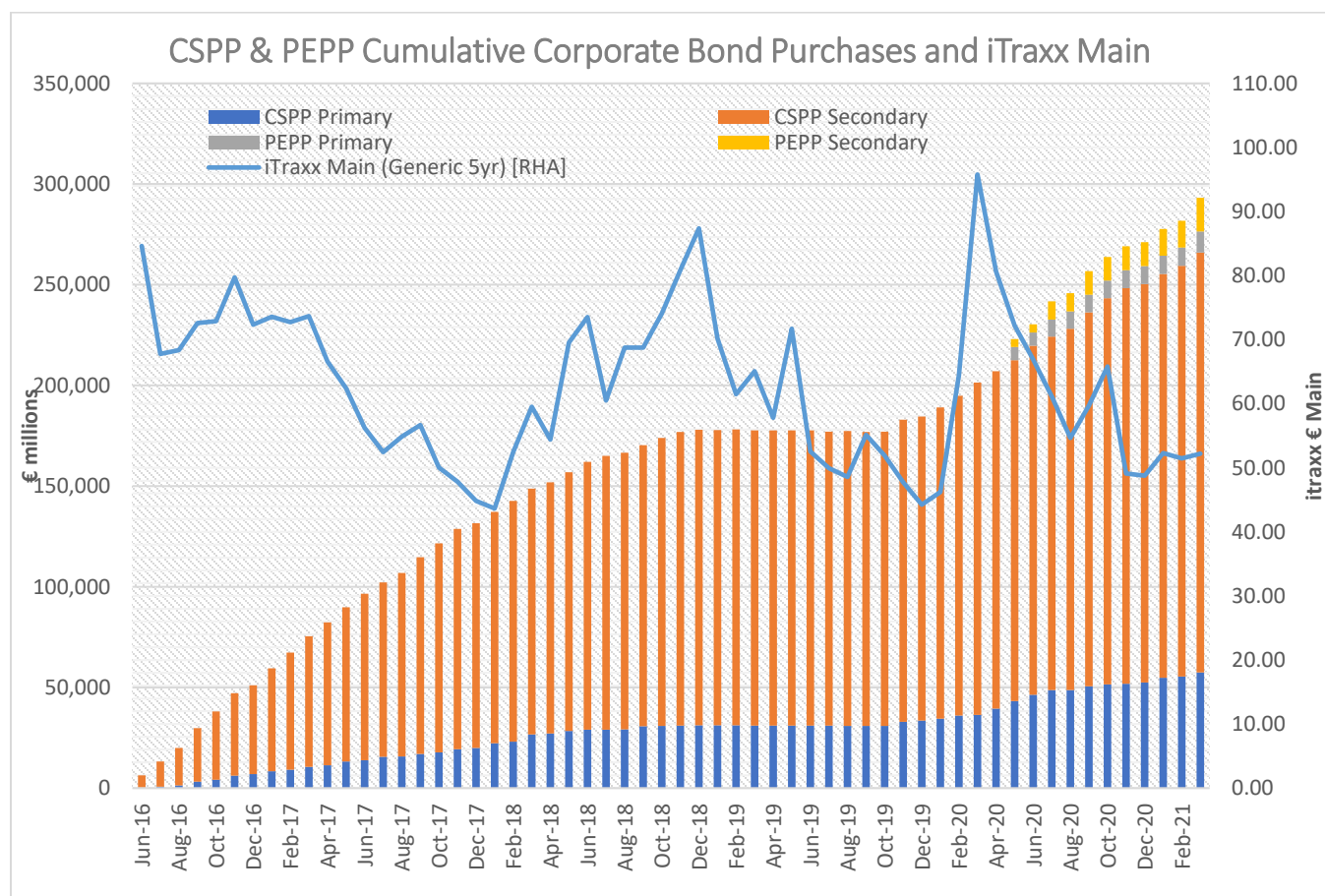


Source: ICMA analysis using ECB data

Corporate Sector Purchase Programme

Purchases under the CSPP stepped up in March 2021, with €11.4bn net purchases (versus an average monthly rate of €5.4bn since April 2020). This takes total net cumulative purchases under the CSPP to €266.1bn (of which €57.5bn, or 22%, are primary market purchases, and €208.5bn, or 78%, are secondary). Including the €27.1bn purchases of corporate bonds under the PEPP, this takes the total net cumulative purchases of corporate bonds to €293.1bn

Based on Bloomberg data, ICMA estimates a universe of CSPP eligible bonds at the end of March 2021 with a nominal value of €1,106bn. This suggests that 26% 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 38% of capacity, leaving an estimated available pool of around €480bn for further purchases.

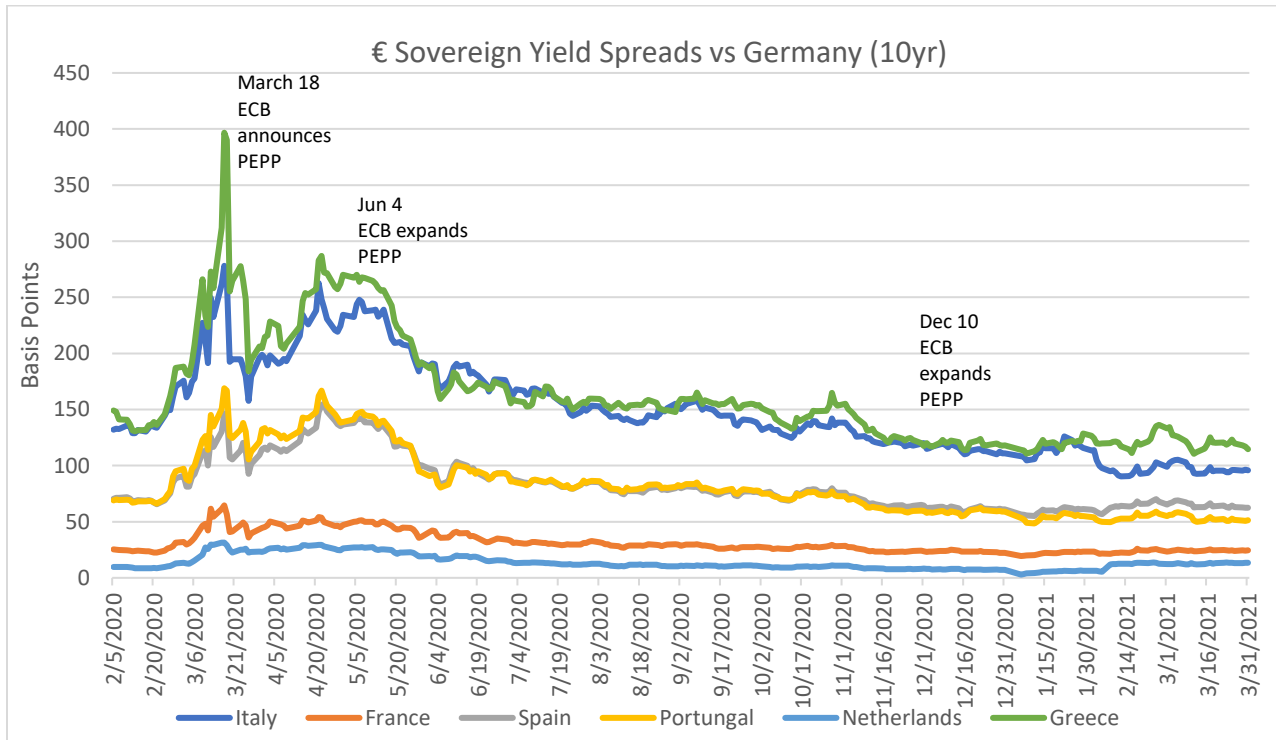


Source: ICMA analysis using ECB and Bloomberg data

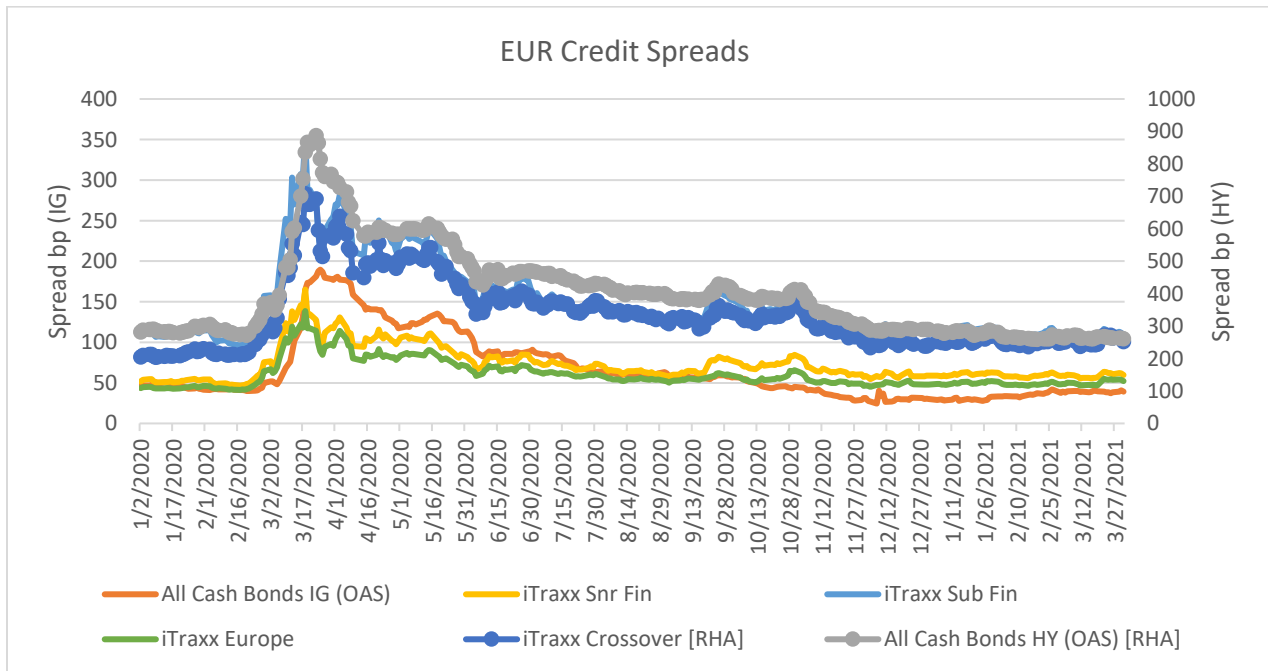
More details of the ECB's Asset Purchase Programmes can be found on its [website](#).

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

Annex



Source: ICMA analysis using Bloomberg data



Source: ICMA analysis using Bloomberg data