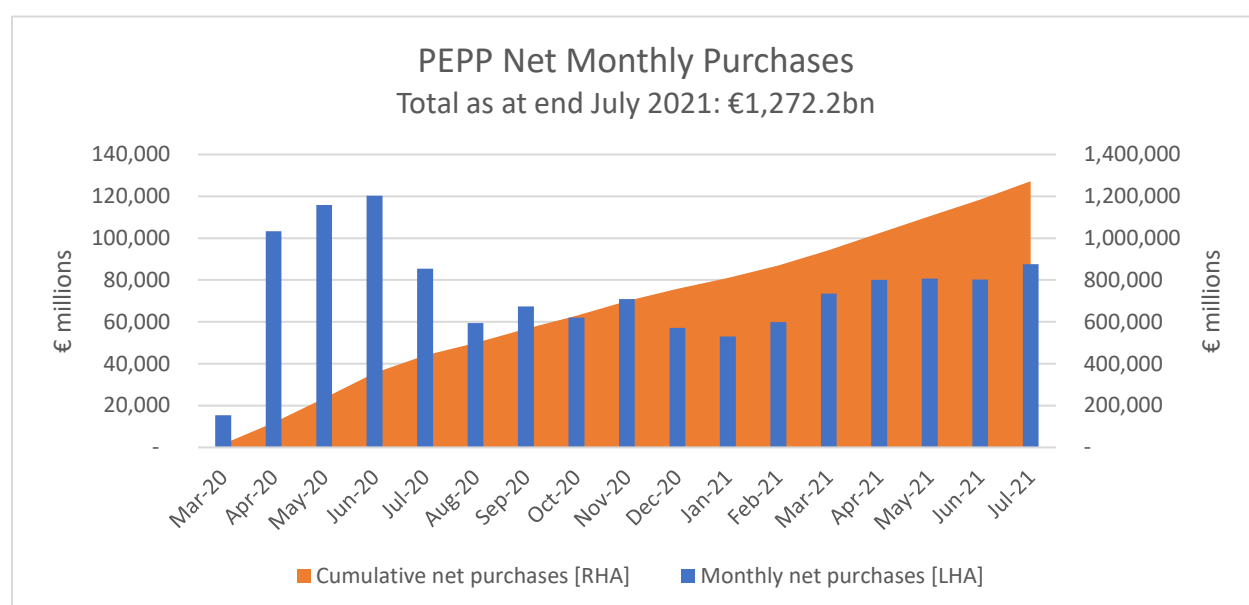


ECB publishes PEPP purchases bi-monthly data July 2021

By Andy Hill, ICMA [August 10, 2021]

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

The data shows that the ECB made net purchases of €167.7bn (book value) of bonds under the PEPP, taking total net purchases to-date to €1,272.2bn, which is 69% of the total €1,850bn of purchases targeted under the Programme. This is consistent with the recent step-up in the pace of purchases that has not eased off over the summer months (April-May 2021 net purchases totaled €160.8bn).

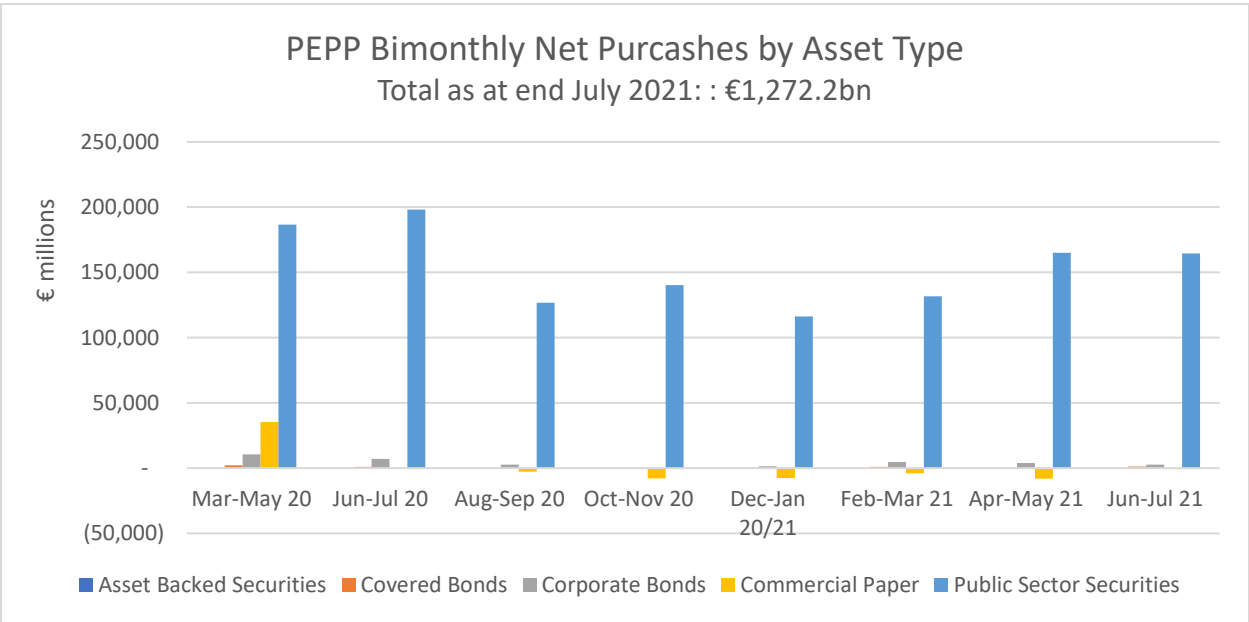


Source: ICMA analysis using ECB data

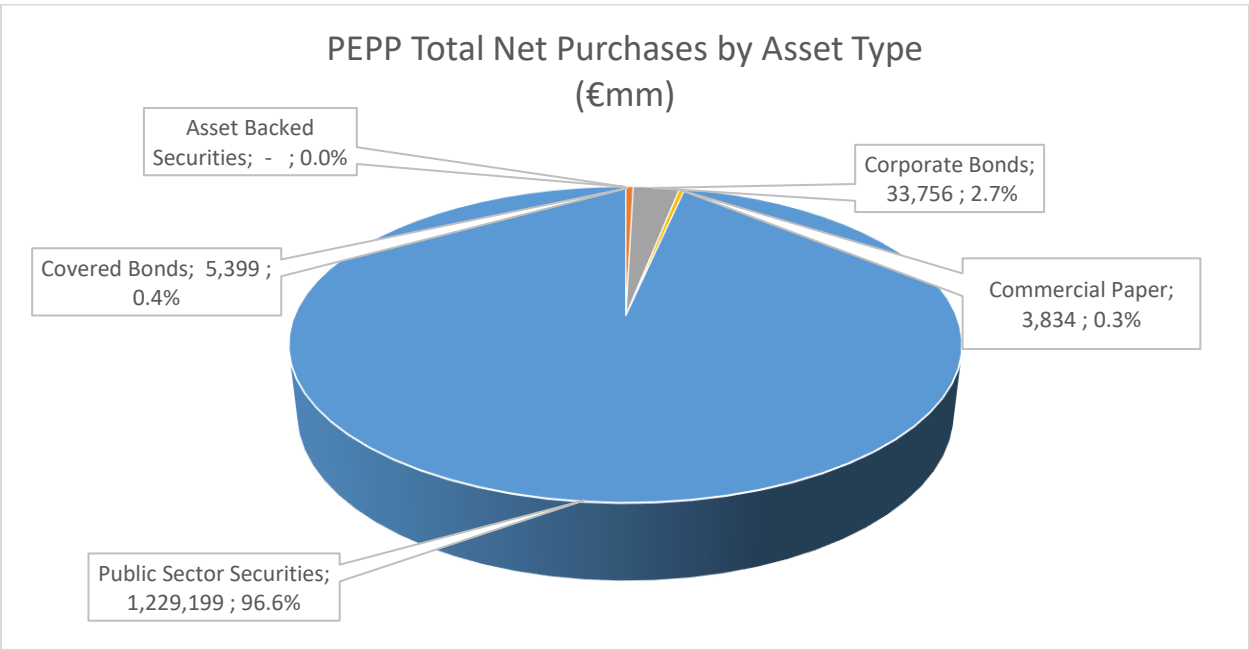
Breakdown of cumulative net purchases

Purchases remain heavily skewed to public sector bonds, which totaled €164.4bn, or 98% of purchases in June-July. Net purchases of corporate bonds were slightly lower than the previous two months (€2.7bn vs €4.0bn). There were purchases in covered bonds (€1.3bn vs nothing in the previous period). Meanwhile, net purchases of commercial paper were yet again negative (-€0.7bn) as previous purchases continue to roll-off.

As of the end of July 2021, 96.6% of total holdings are in public sector bonds, with 2.7% in corporate bonds, and 0.4% in covered bonds, and 0.3% in commercial paper. Holdings of asset backed securities under the PEPP remain at zero.



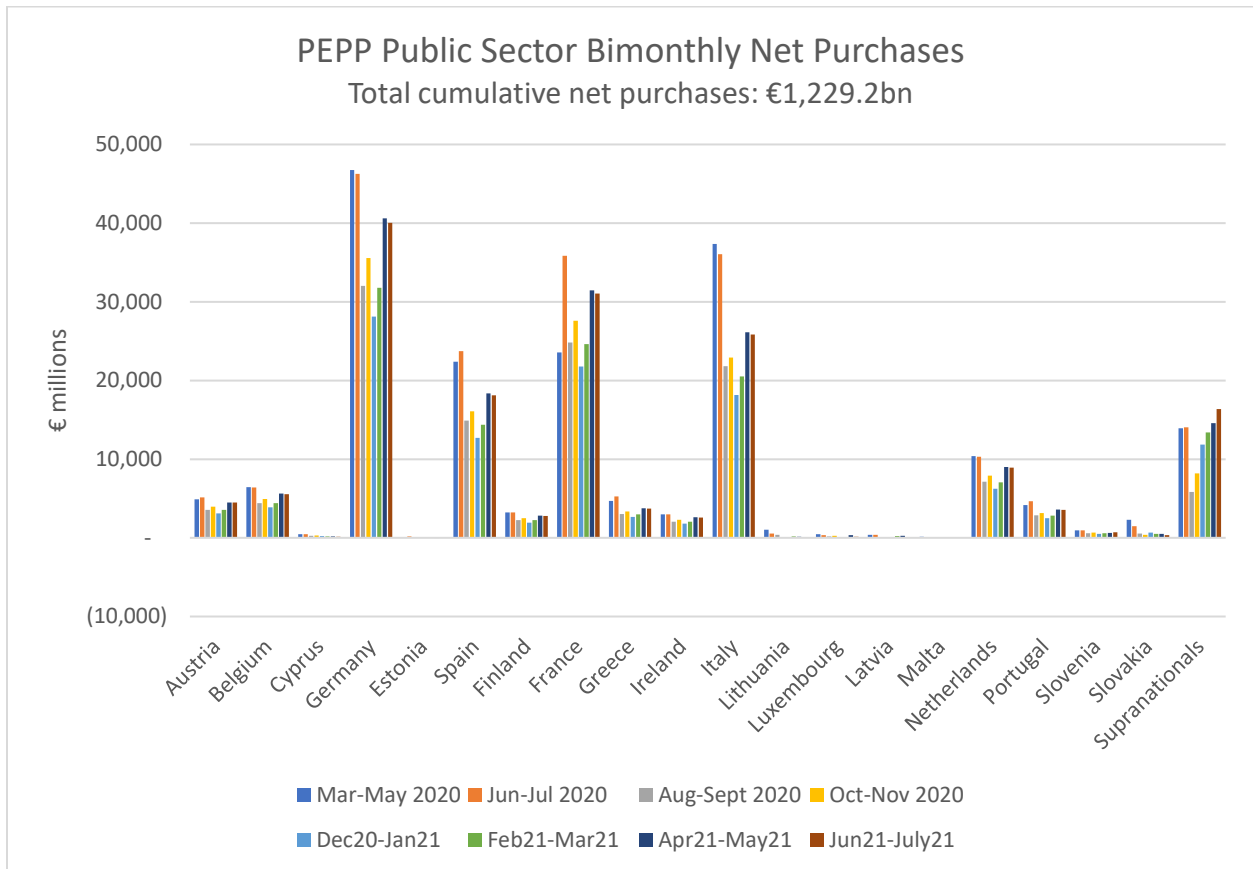
Source: ICMA analysis using ECB data



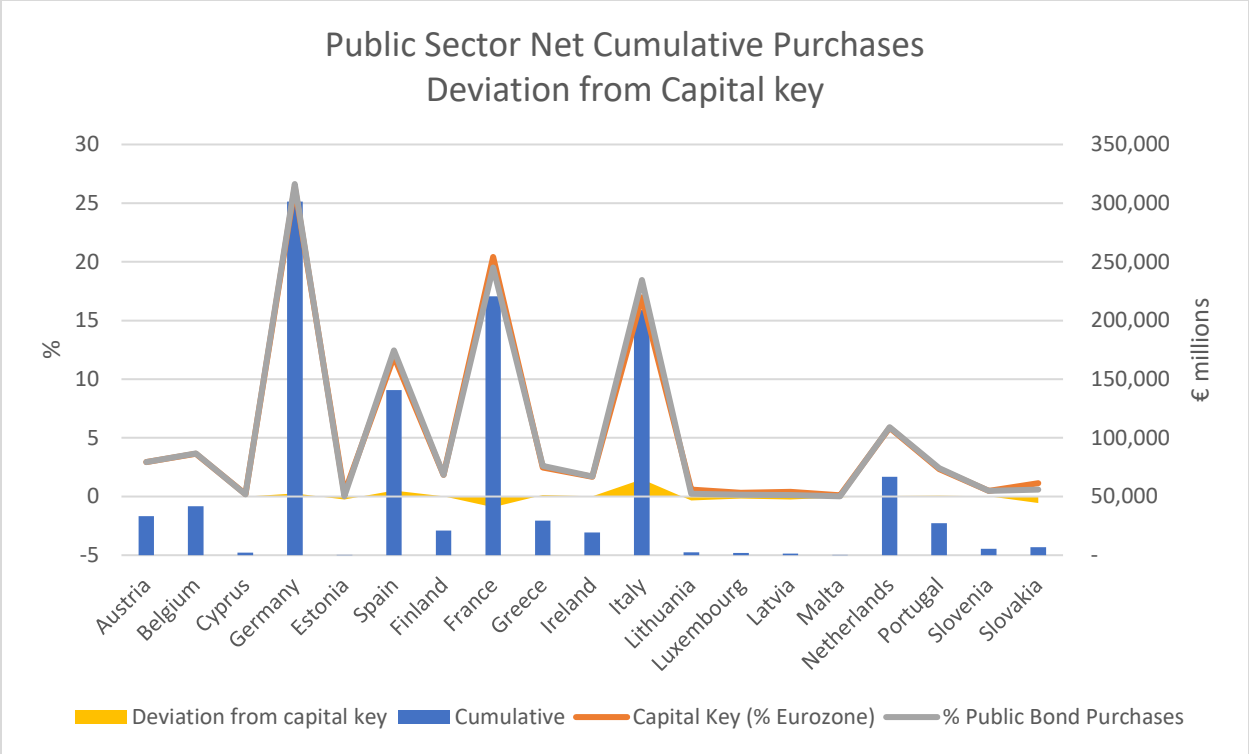
Source: ICMA analysis using ECB data

PEPP Public Bond Purchases

Purchases of public sector bonds were €164.4bn for the period, in line with the April-May period (€165.0bn), taking total cumulative net purchases to €1,229.2bn. Purchases remained heavily concentrated in bonds issued by Germany (€40.1bn), France (€31.0bn), and Italy (€25.8bn), followed by Spain (€18.1bn) and supranationals (€16.4bn).

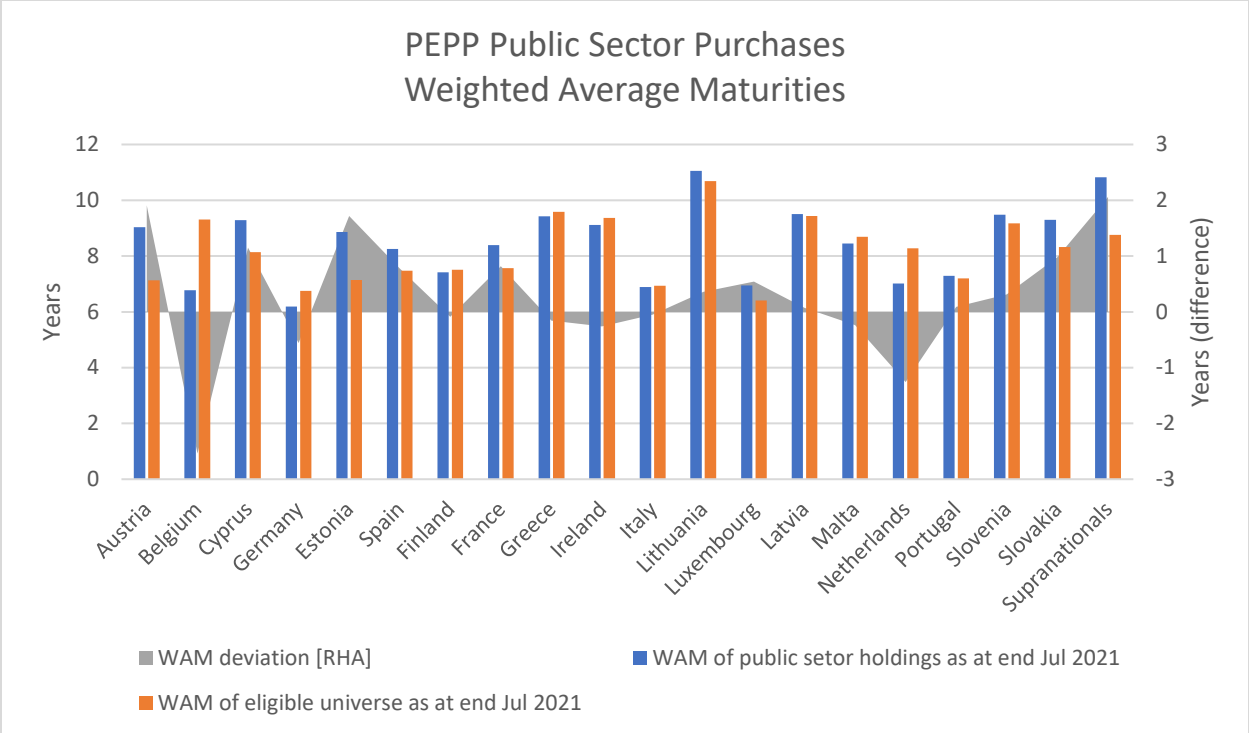


Source: ICMA analysis using ECB data



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 (-0.9%), and that of Italian bonds marginally overweight (+1.5%).

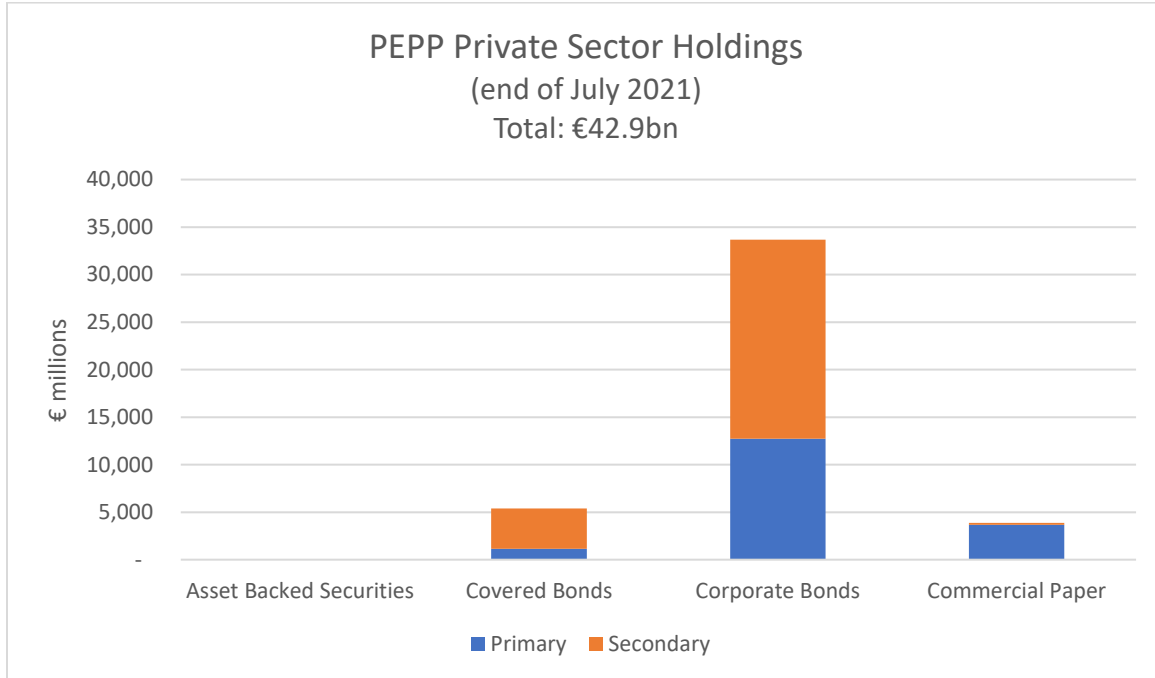


Source: ICMA analysis using ECB data

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 (7.7 years from 7.6 years at the end of May), 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 back to positive (€3.3bn), having been negative in the previous two months (-€4.2bn). Net purchases of corporate bonds were €2.7bn (down from €4.0bn in the previous period), and there were a small number of purchases of covered bonds (€1.3bn). Commercial paper holdings continue to roll-off (-€0.7bn). 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 3.4% of total PEPP holdings, down from 3.6% at the end-of May 2021.

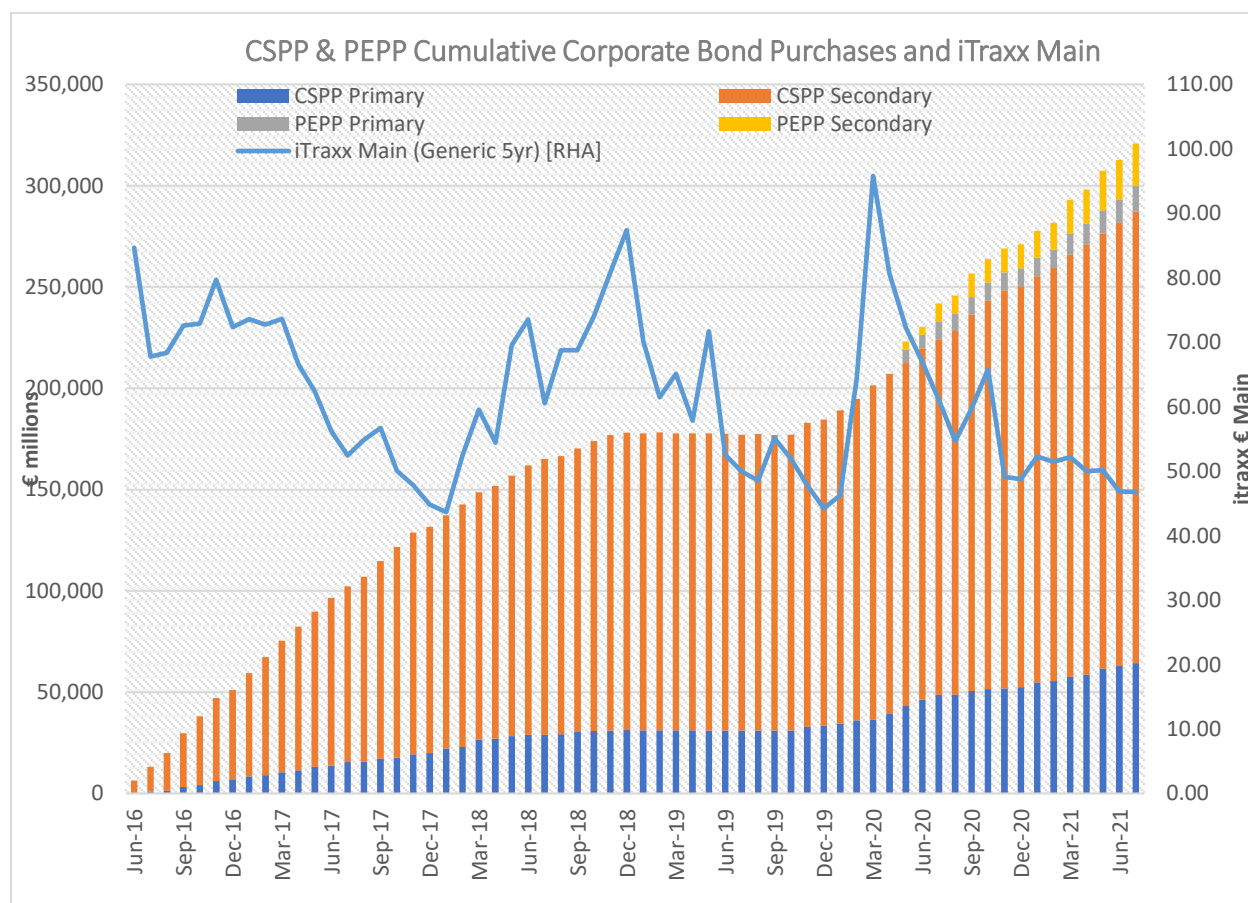


Source: ICMA analysis using ECB data

Corporate Sector Purchase Programme

Purchases under the CSPP remained steady in June and July (€5.3bn and €5.5bn respectively, which is line with an average monthly rate of €5.4bn since March 2020. This takes total net cumulative purchases under the CSPP to €287.2bn (of which €64.3bn, or 22%, are primary market purchases, and €223.0bn, or 78%, are secondary). Including the €33.7bn purchases of corporate bonds under the PEPP (of which €2.7bn were made during June-July 2021), this takes the total net cumulative purchases of corporate bonds under both programmes to €320.9bn

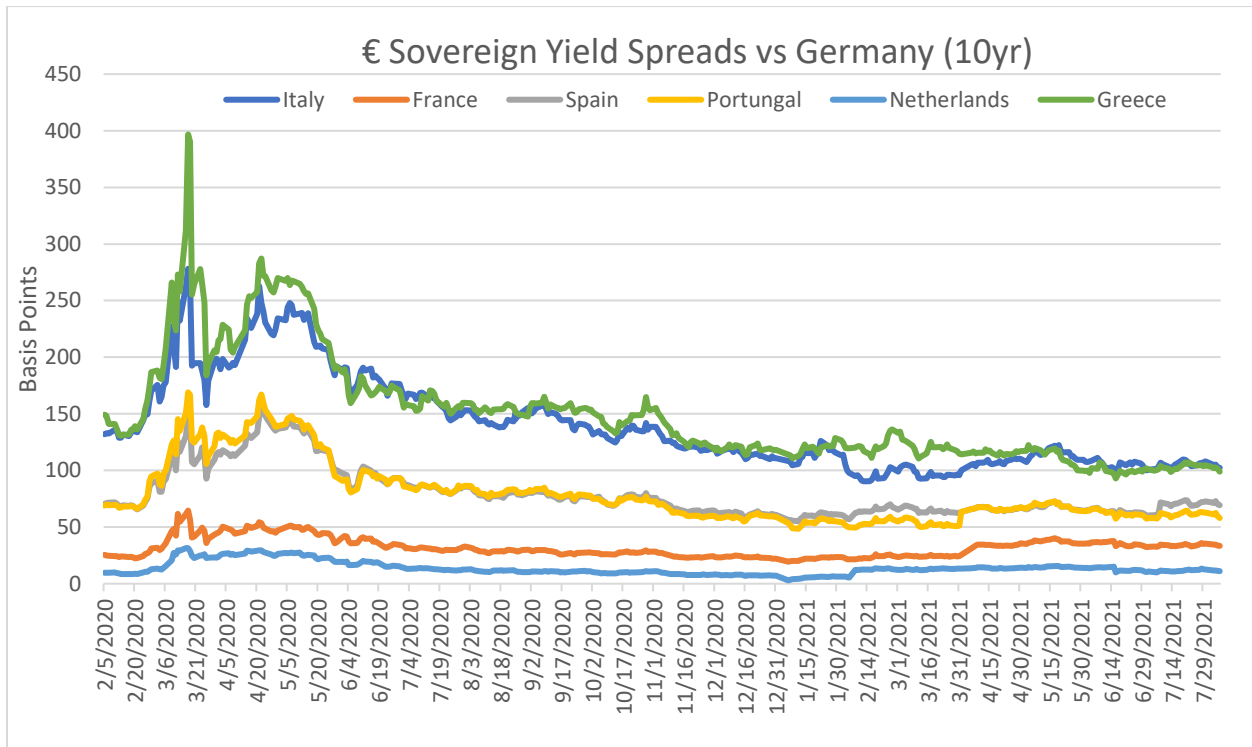
Based on Bloomberg data, ICMA estimates a universe of CSPP eligible bonds at the end of July 2021 with a nominal value of €1,160bn. This suggests that 28% of all eligible bonds are being held under the purchase programmes. Based on the 70% upper limit for purchases of individual ISINs, this implies that purchases are at 36% of capacity, leaving an estimated available pool of around €491bn for further purchases. This further suggests that, as with previous months, purchases continue to remain more or less level with net issuance of eligible bonds.



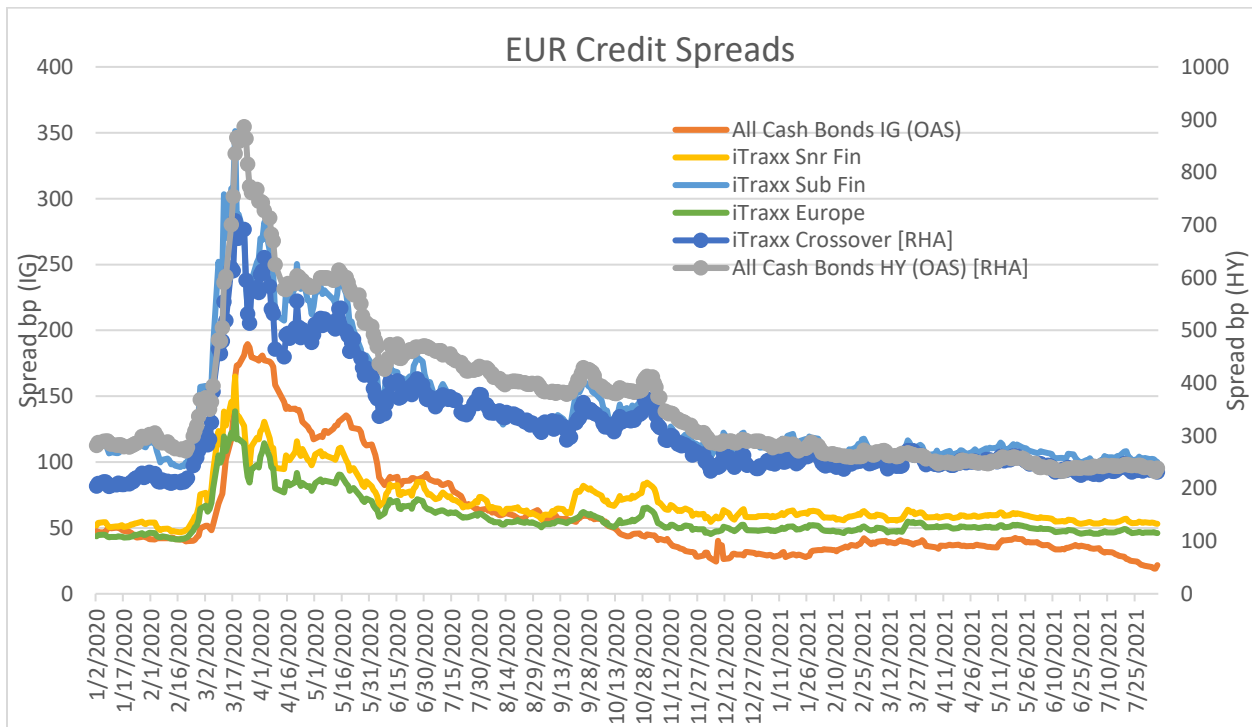
Source: ICMA analysis using ECB and Bloomberg data

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