
From: Paul Barrett <[REDACTED]
Sent: Friday, October 20, 2017 1:48 PM
To: jeffrey E.
Subject: FW: ECB QE much bigger

See the line in Yellow. That's why European HY-trades at the same level as 10yr US Treasuries. This will be a big trade for us next year.

Paul Barrett

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From: Torsten Slok [REDACTED]
Sent: Wednesday, October 18, 2017 9:54 AM
Subject: DB: ECB QE much bigger

There are various ways of measuring the impact of QE carried out by the Fed, ECB, and BoJ. One simple comparison is to look at the size of QE relative to net issuance. This reveals how much additional "firepower" each central bank brought to the market in an attempt to lower long rates and narrow credit spreads and boost stock markets.

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For the Fed, Treasury purchases never exceeded Treasury=net issuance whereas for the BoJ QE was 3 times bigger than net issuance and for the ECB QE is currently 7 times bigger than net issuance.>

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This difference in QE magnitude across the G3 is an important reason why the ECB exit is likely to be a much bigger event for markets, see also my note last week looking at the \$8trn in bonds yielding negative interest rates, chart inserted again at the bottom here.

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Let us know if you could like to add a colleague to this distribution list.<=p>

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Torsten Sløk, Ph.=-

Chief International=Economist

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