

# **“Globalisation and central bank policies”**

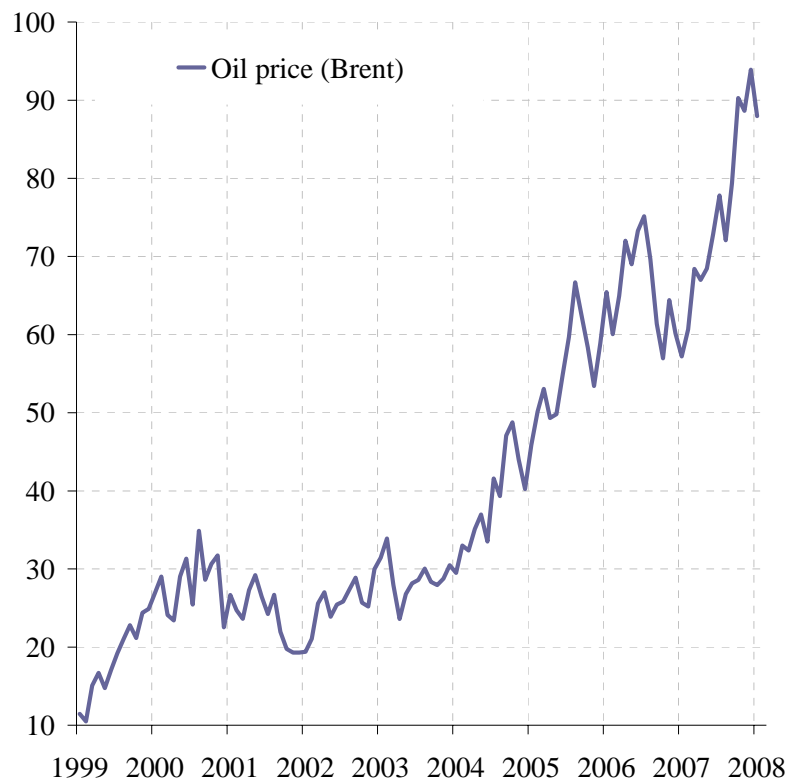
**Lucas Papademos**  
**European Central Bank**

**Bridge Forum Dialogue**

**22 January 2008, Luxembourg**

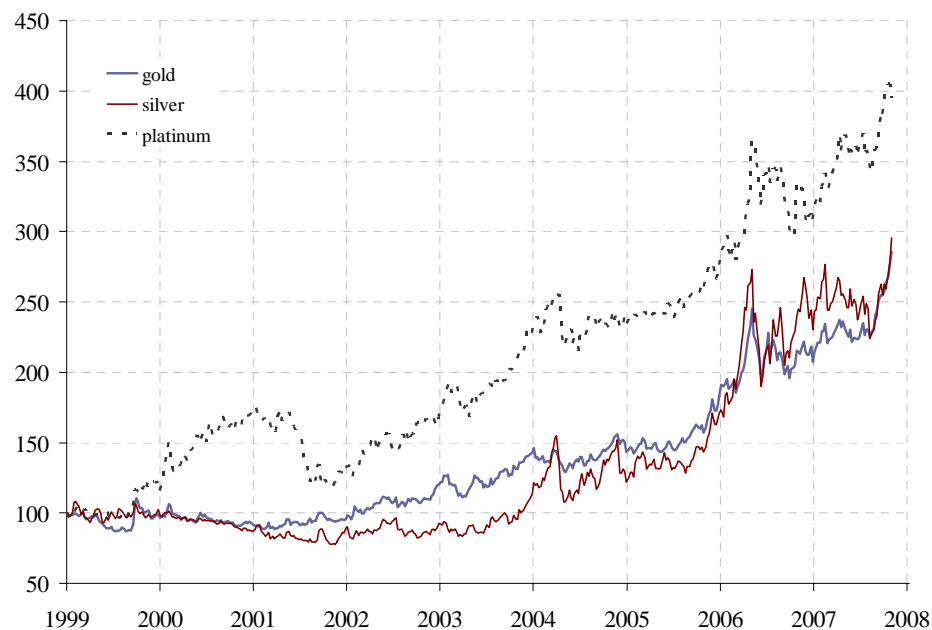
# Chart I: Oil and other commodity prices

## Brent crude oil price (USD per barrel)



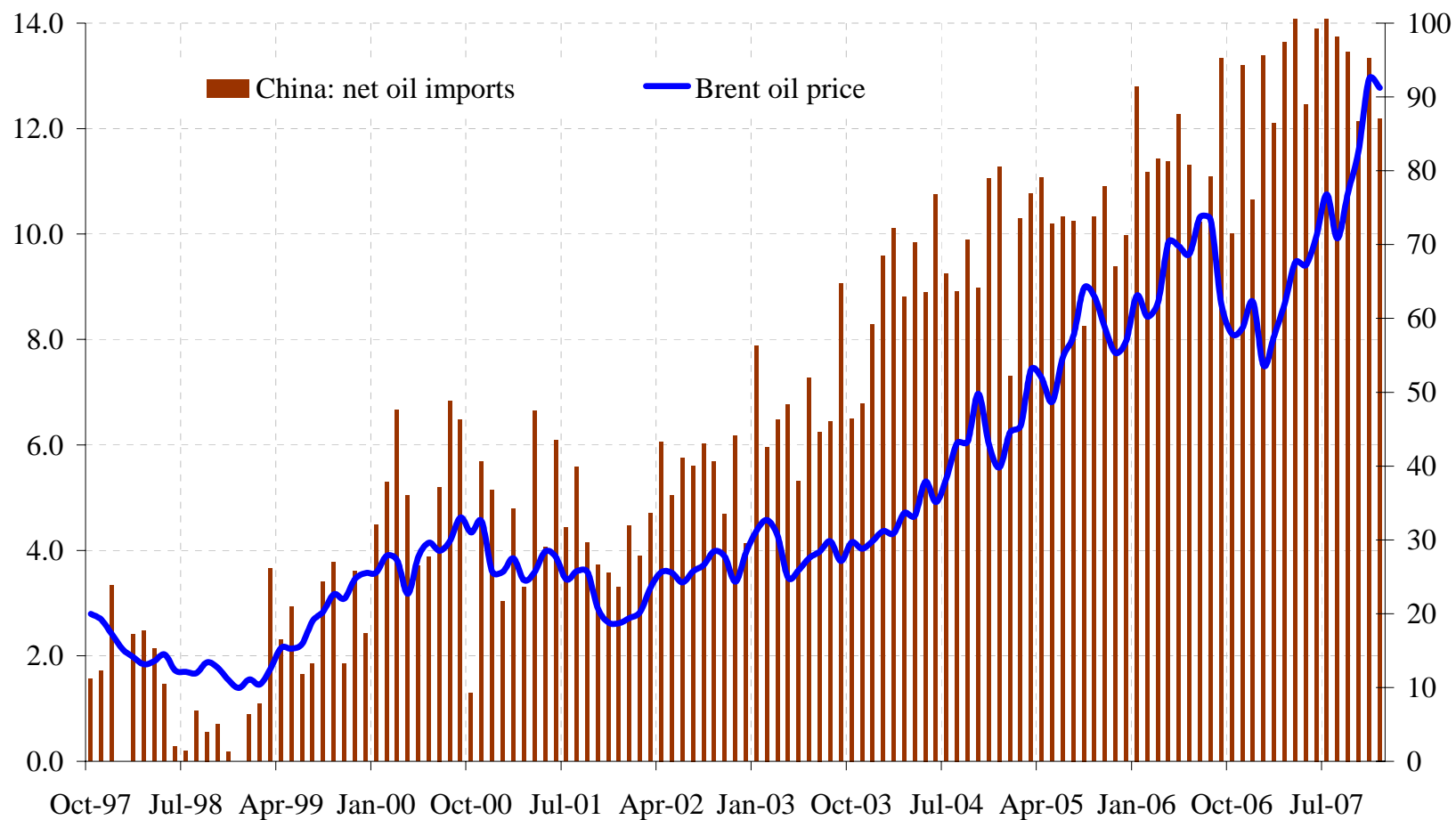
Source: Bloomberg  
Note: Last observation refers to 21 January 2008

## Precious metal prices (Indices, Jan 1999 = 100)



Source: Bloomberg

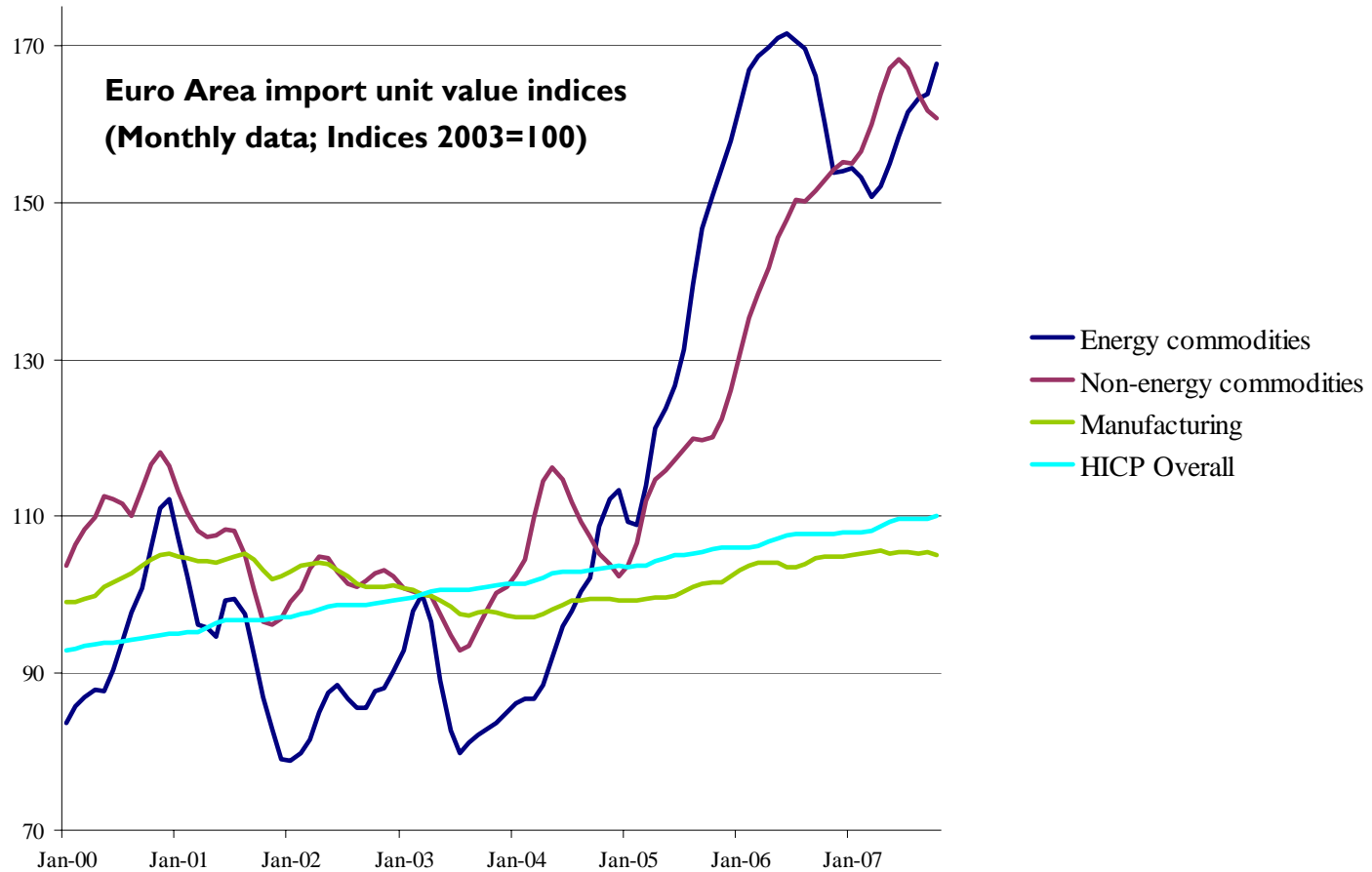
## Chart 2: China's net oil imports and Brent oil price



Note: China's net oil imports left-hand scale, monthly data, millions of tons. Brent oil price: right-hand scale, US dollars per barrel, monthly averages. Latest observation December 2007.

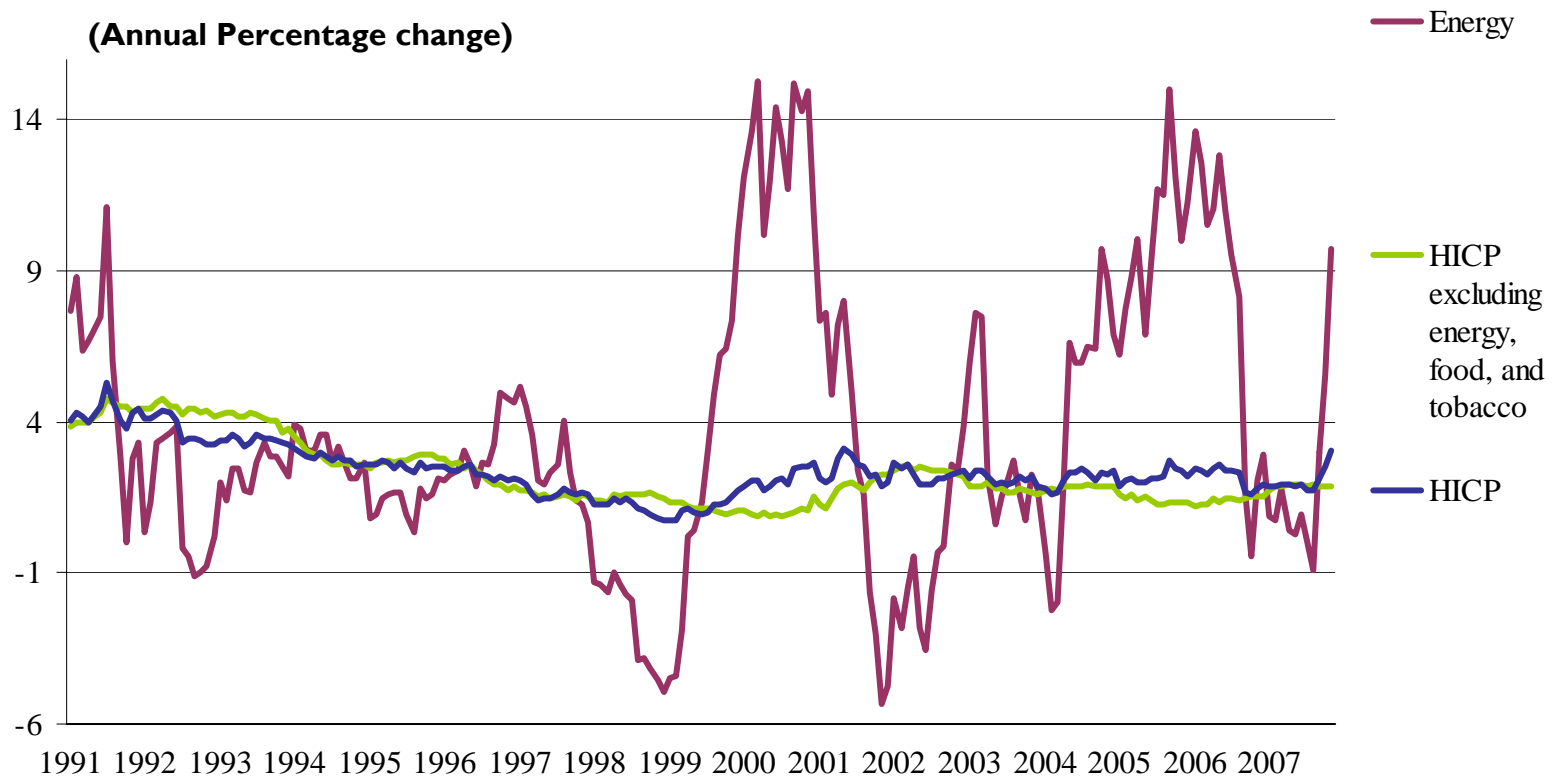
Source: CEIC

# Chart 3: Consumer prices and import prices in the euro area: dynamics and trends



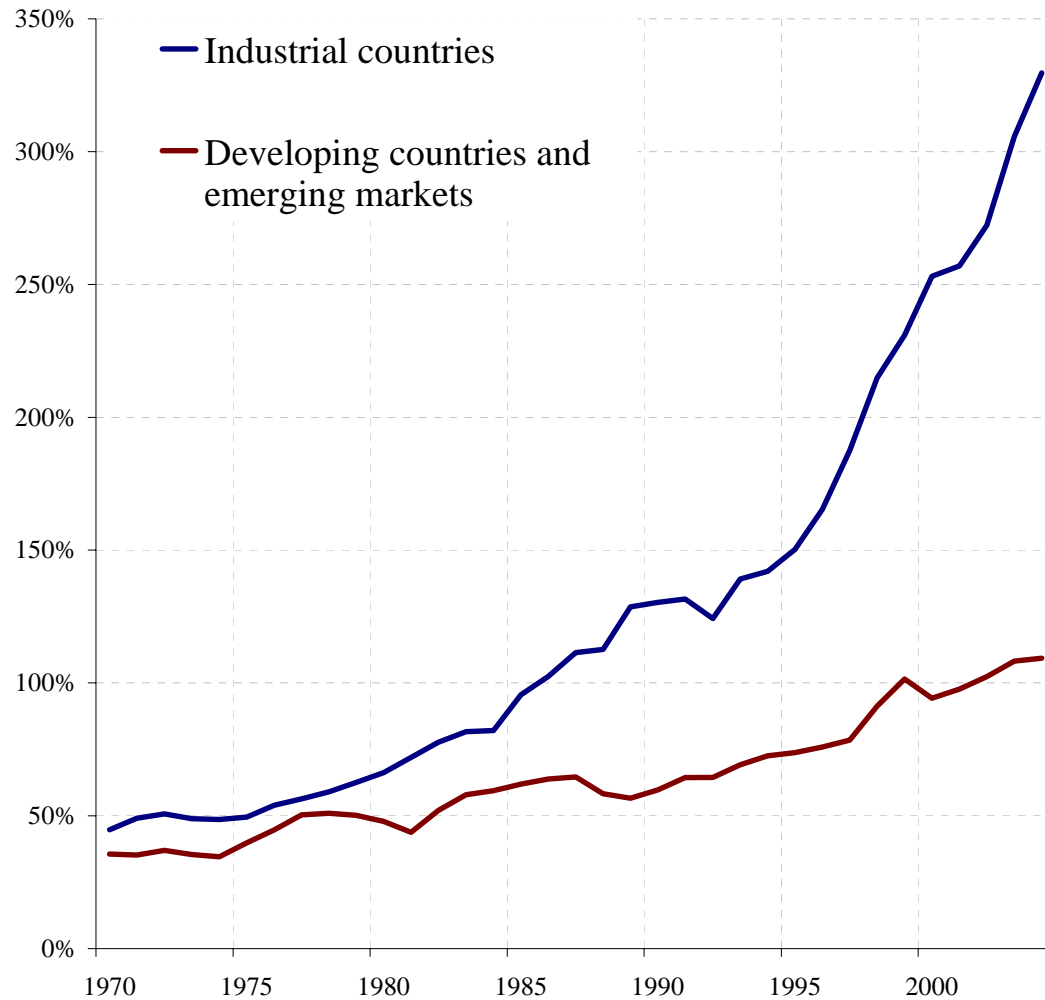
Source: Eurostat, OECD  
Note: Latest observation refers to October 2007

# Chart 4: Euro area HICP inflation and components



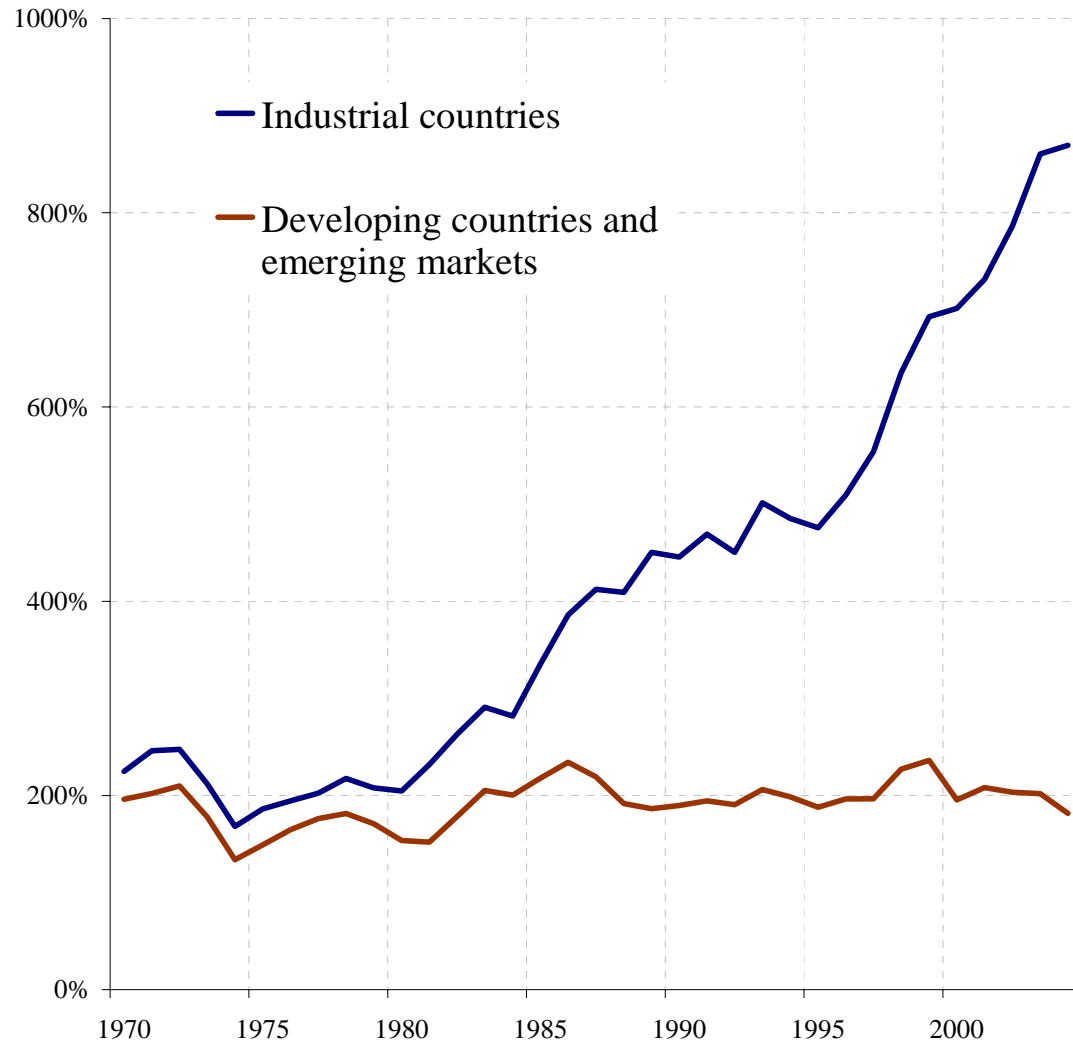
Source: Eurostat  
Note: Latest observation refers to October 2007

# Chart 5: Sum of foreign assets and liabilities as a percentage of GDP



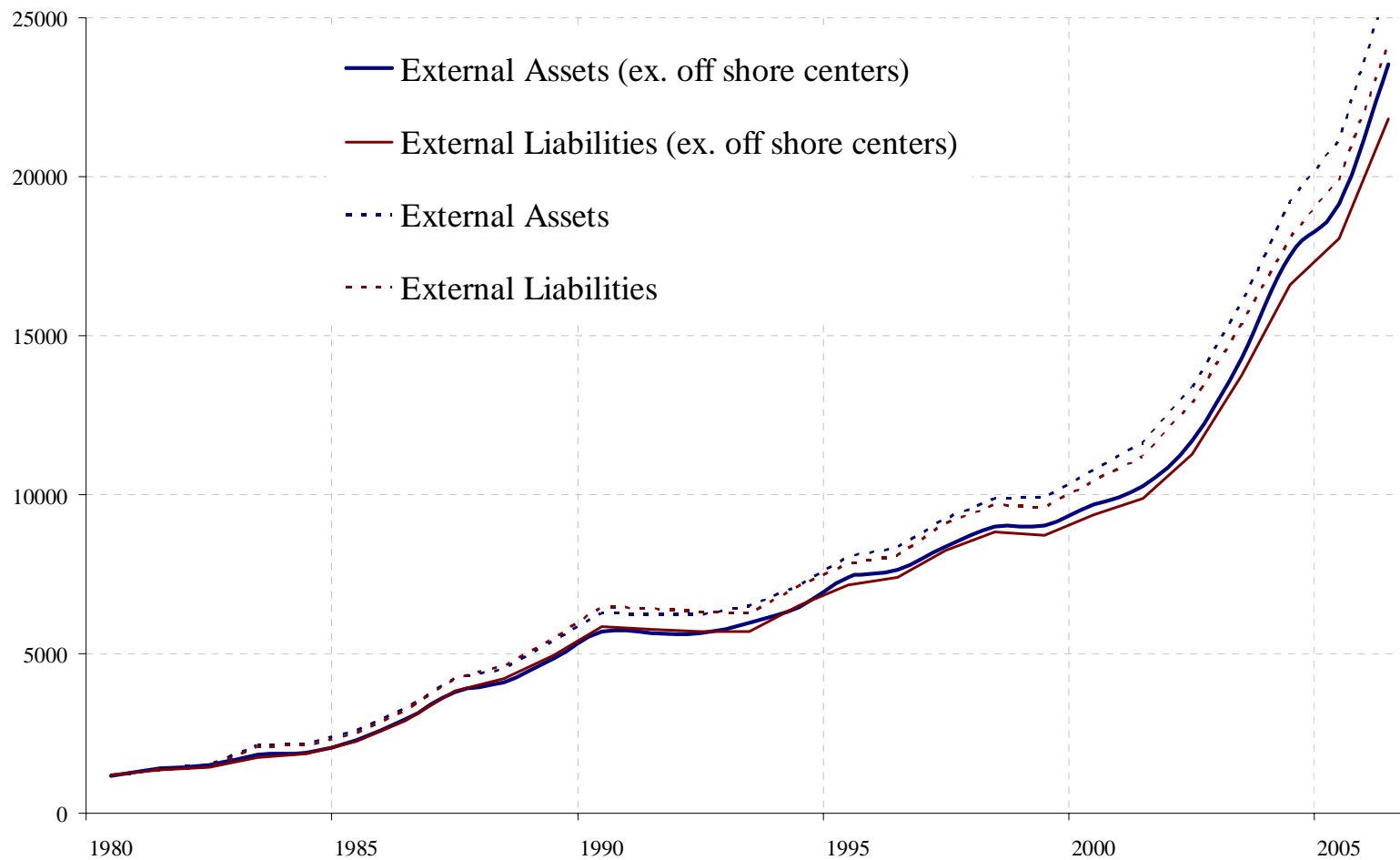
Source: Lane P. and Milesi-Ferretti G., 2006, The External Wealth of Nations Mark II: Revised and Extended Estimates of Foreign Assets and Liabilities, 1970-2004, CEPR Discussion Paper, No. 5644

# Chart 6: Sum of external assets and liabilities as a percentage of sum of exports and imports



Source: Lane P. and Milesi-Ferretti G., 2006, The External Wealth of Nations Mark II: Revised and Extended Estimates of Foreign Assets and Liabilities, 1970-2004, CEPR Discussion Paper, No. 5644

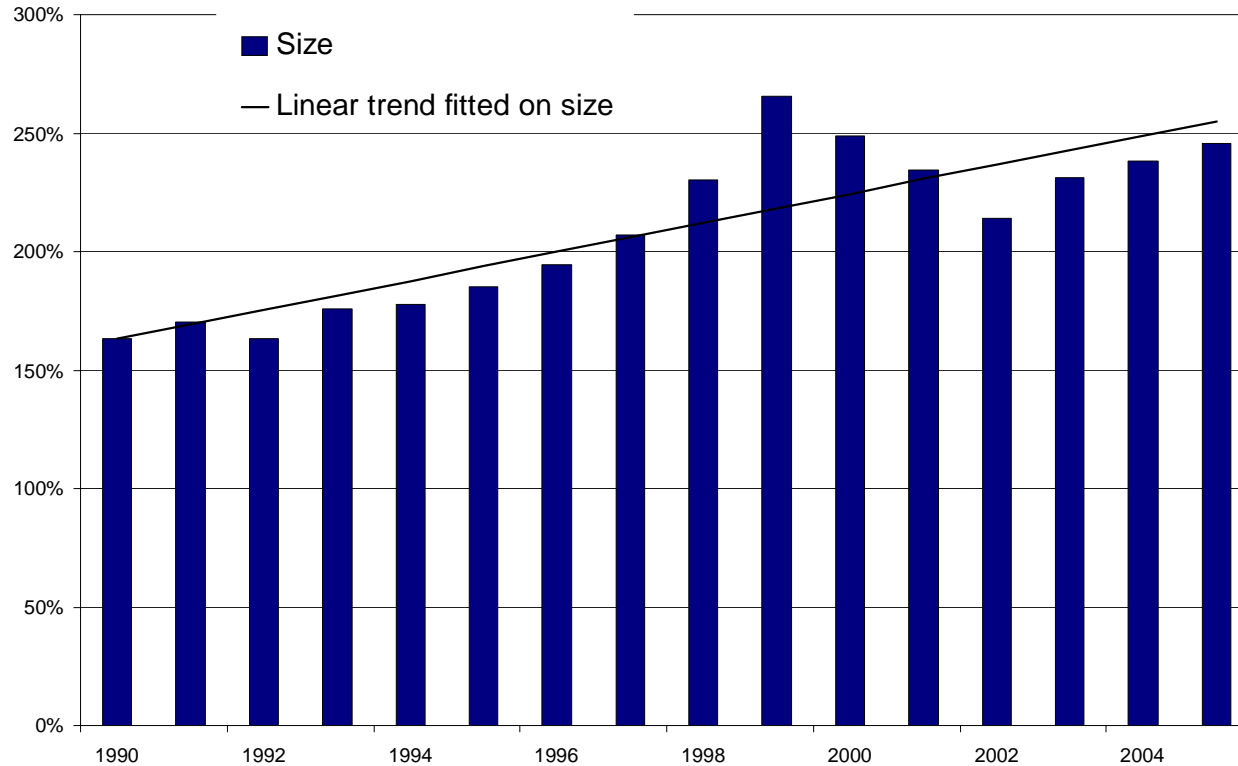
# Chart 7: International Bank claims (USD billion)



Source: Bank for International Settlements (BIS)



# Chart 8: Size of Capital Markets as a percentage of GDP

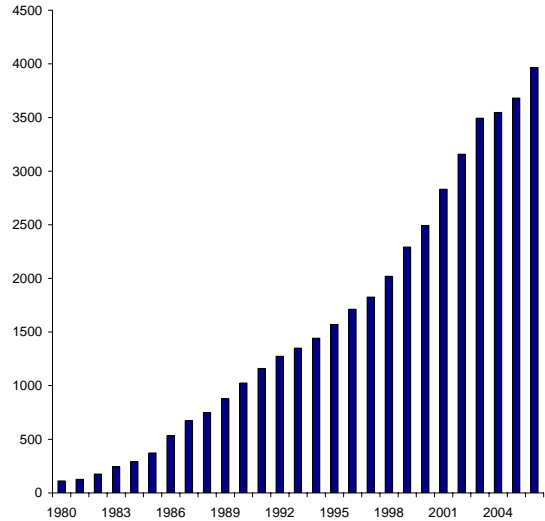


Source: Ferguson et al., 2007, p.2

Data Sources: BIS, IMF, World Federation of Exchanges, ECB, Datastream

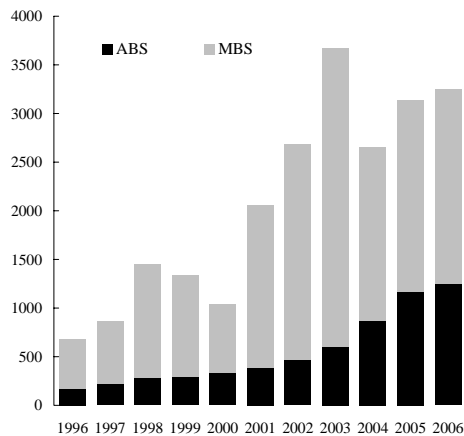
# Chart 9: Securitisation in the US and Europe

## Outstanding Volume of US Agency MBS (USD billion)



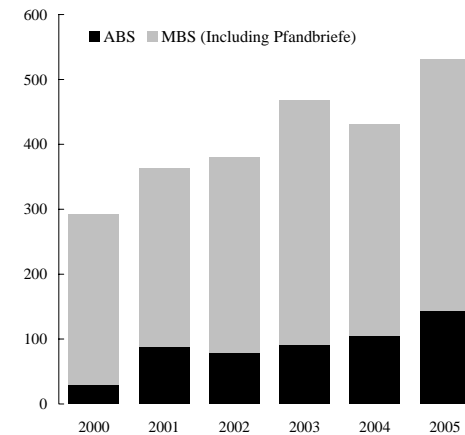
Source: Securities Industry and Financial Markets Association (SIFMA)

## Securitisation issuance in the US (USD billion)



Source: Securities Industry and Financial Markets Association (SIFMA)

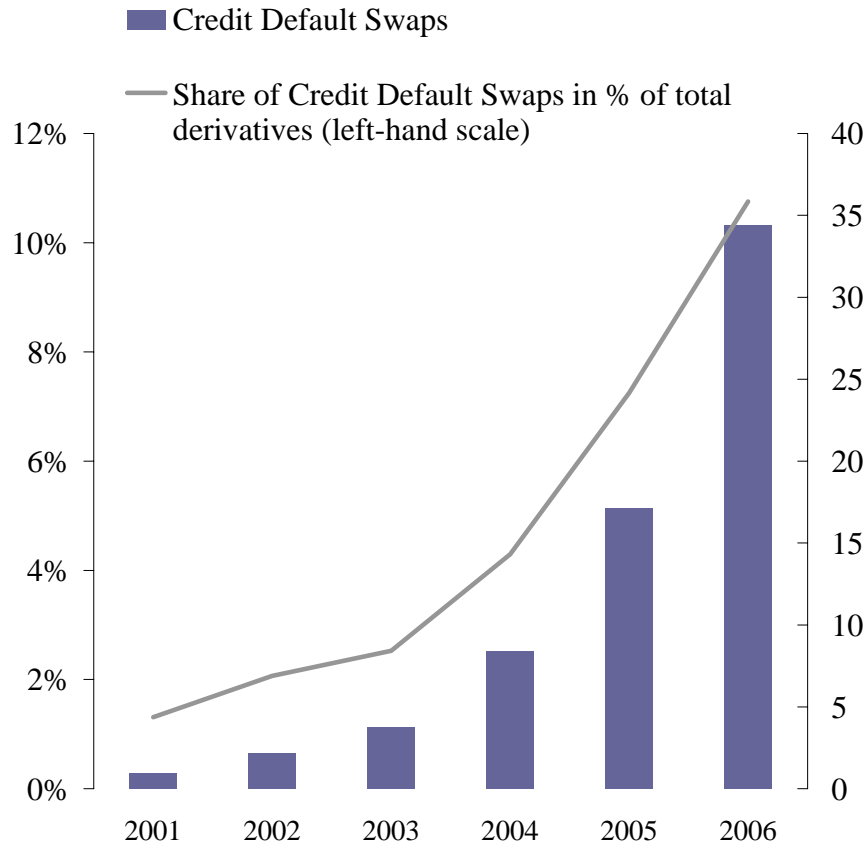
## Securitisation issuance in Europe (Euro billion)



Source: European Securitisation Forum

# Chart 10: Global Credit Default Swaps and Collateralised Debt Obligations

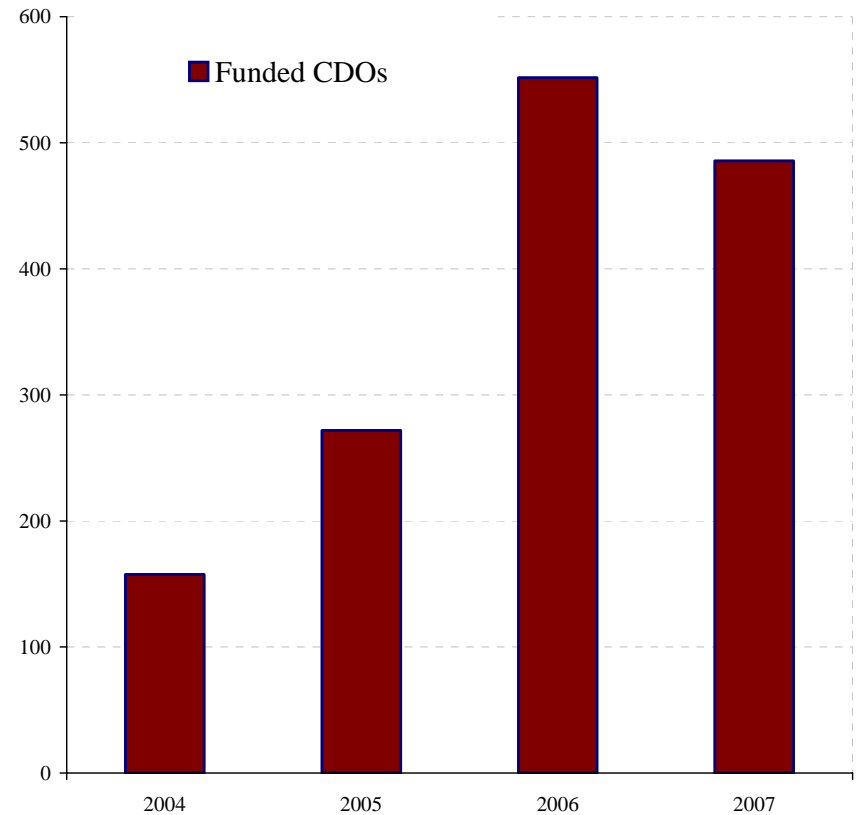
**Nominal Value of global CDS (USD trillion)**



Source: Ferguson et al., 2007, p. 111

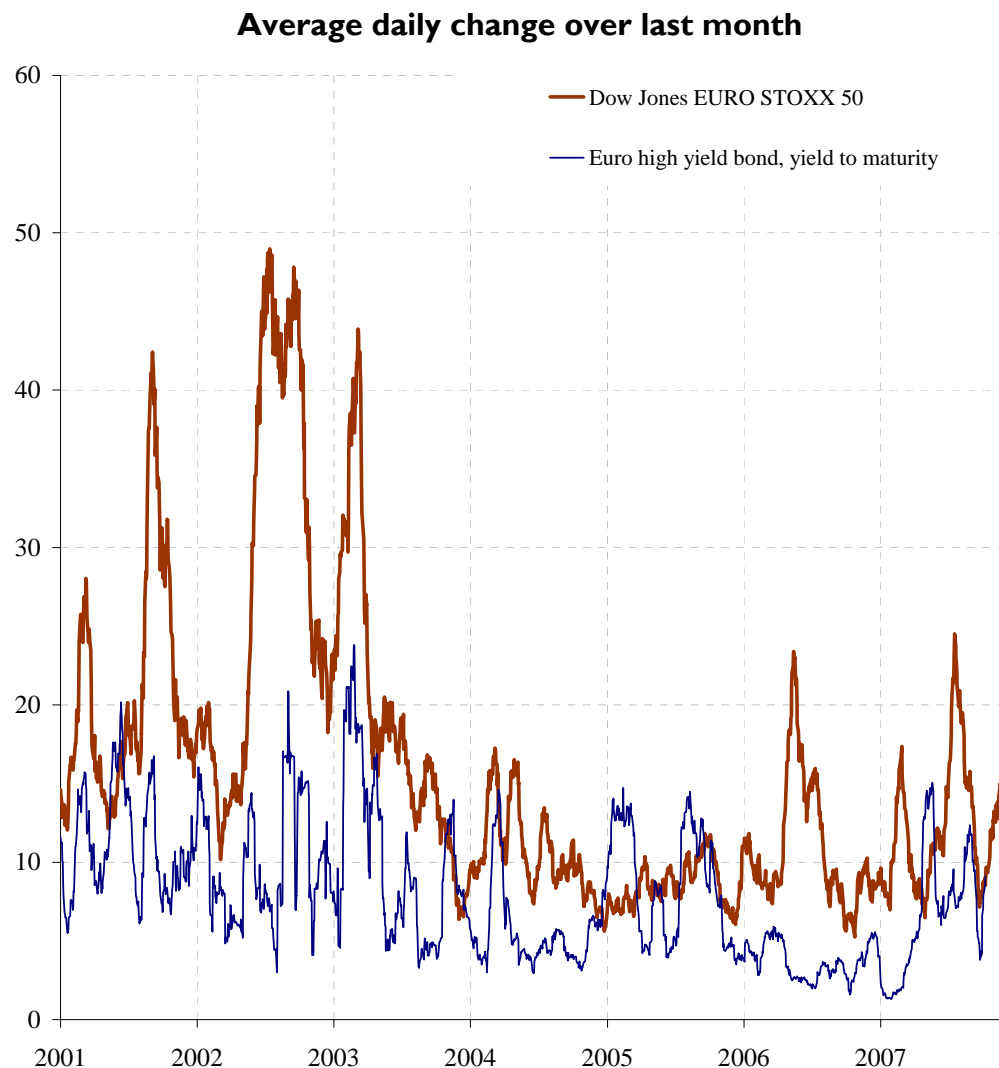
Data Source: ISDA

**Global issuance of CDOs (USD billion)**



Data Source: Securities Industry and Financial Markets Association (SIFMA)

# Chart I I: Market volatility indicators



Source: ECB Financial Stability Review (December 2007)

## Chart 12: Risk aversion indicator



Source: ECB Financial Stability Review (December 2007)

# Chart 13: Corporate bond yield spreads

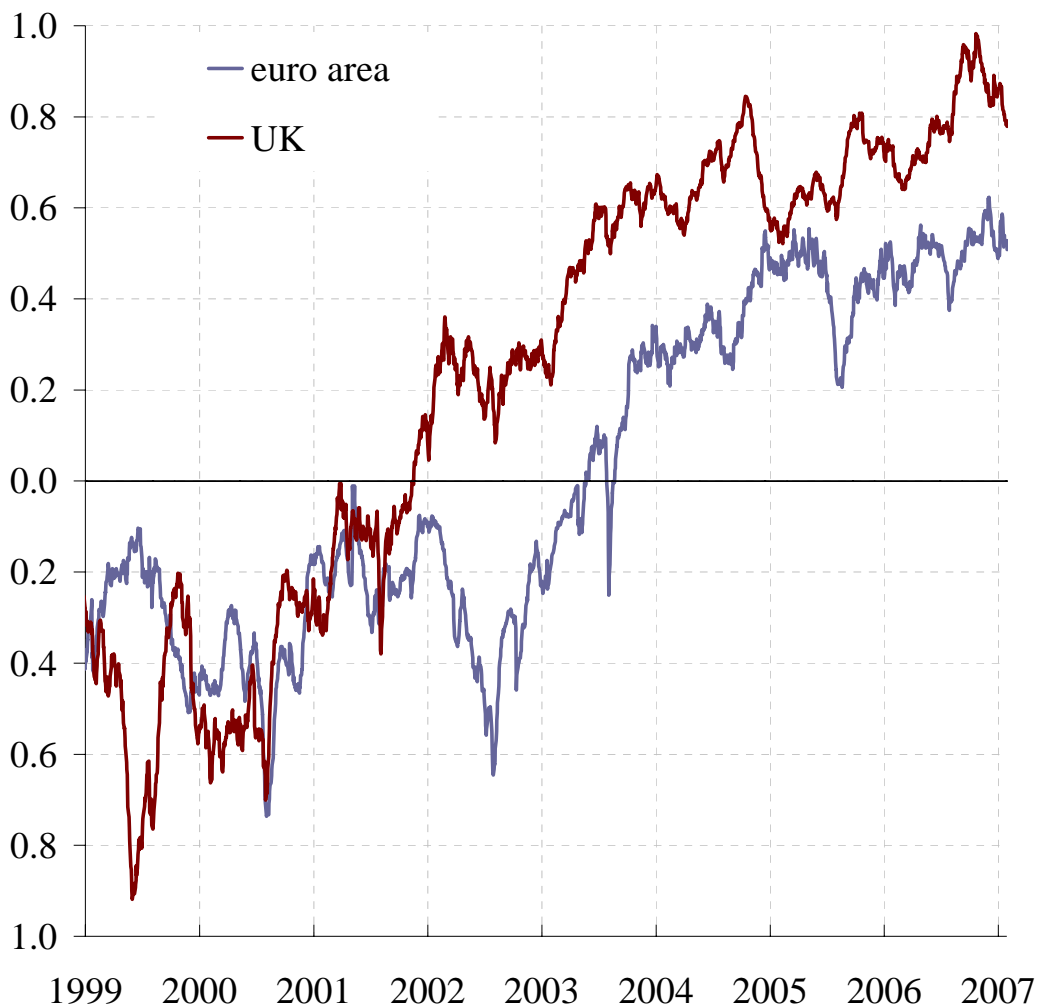
### Spreads of euro area high-yield corporate bonds JP Morgan euro high yield – 5 year government bonds



### Spread comparison US and euro area

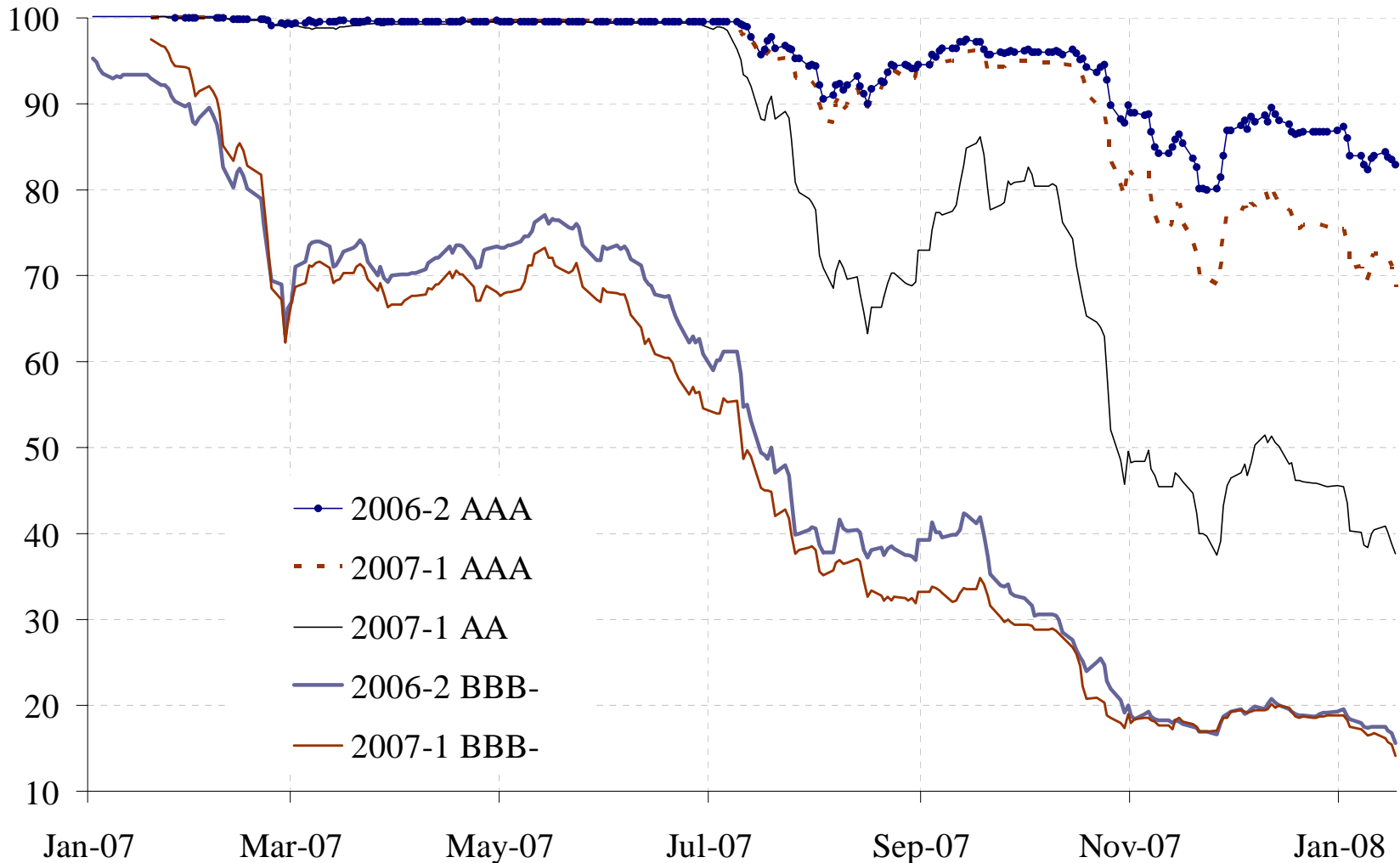


# Chart 14: Financial market liquidity indicators up to June 07



Source: ECB Financial Stability Review (June 2007) and Bank of England Financial Stability Report (2007)

# Chart 15: Value indices of asset-backed securities or mortgage-backed securities (different vintages and ratings)



Source: ECB Financial Stability Review (December 2007)



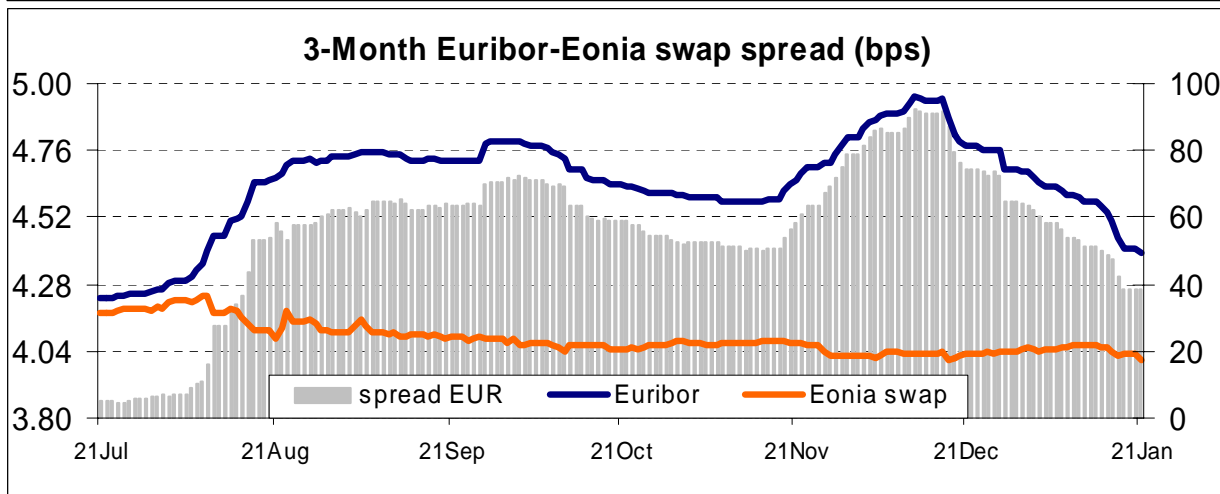
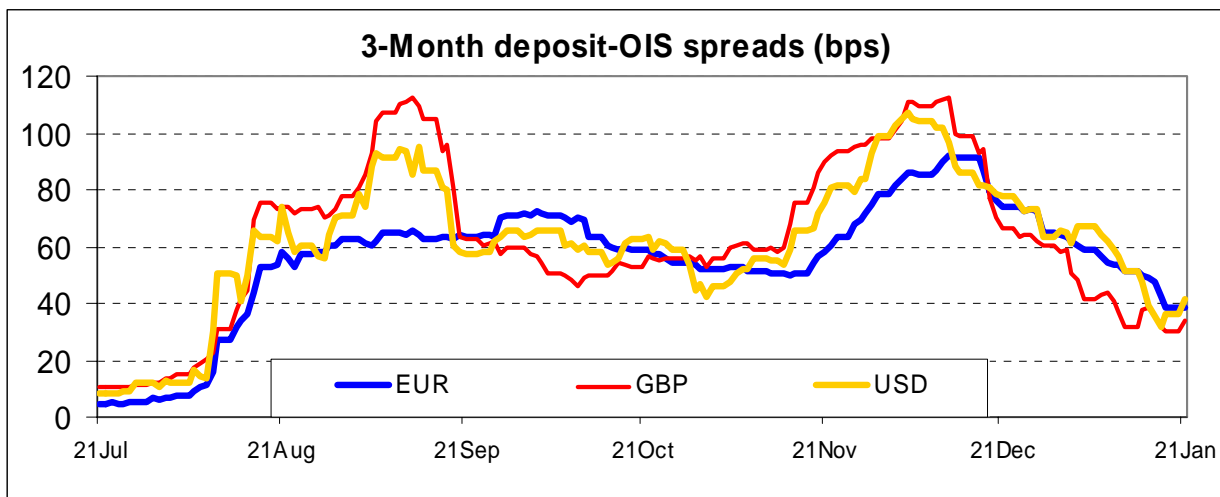
# Chart 16: Collapse of market liquidity: euro area liquidity indicator as of July 2007



Source: ECB

# Chart 17: Money market spreads

3-Month Spreads EUR, GBP and USD up to and including 21 January 2008





**Thank you.**