

Issue N°1

Newsletter

March 2025

Shaping Tomorrow: Strategic Initiatives and Milestones in Q1 2025



Dear readers,

As we come to the end of the first quarter of 2025, I am pleased to share some exciting developments from across our organization, all of which reflect our commitment to innovation, sustainability, and engagement with the evolving financial landscape.

A New Chapter for STEP: The Revamped Website

After months of dedication, we are proud to unveil the redesigned Short-term European Paper (STEP) website. The new platform provides a user-friendly, intuitive, and modern interface that allows market participants to easily navigate, access dynamic statistics, and explore updated content and interactive tools. With a refreshed design optimized for all devices, the STEP website is now better equipped to meet the diverse needs of our stakeholders. We are confident this update will further empower your decision-making and enhance your experience with the platform. I encourage you to explore the site and provide us with your valuable feedback.

ACOSS Joins the ESG CP Transparency Monitor

In line with our focus on responsible and sustainable finance, I'm pleased to announce that ACOSS (Agence Centrale des Organismes de Sécurité Sociale) has become an official issuer in the ESG Commercial Paper (CP) Transparency Monitor. This is an important step forward in our ongoing efforts to promote transparency, sustainability, and environmental, social, and governance (ESG) practices within the money markets. ACOSS's inclusion not only strengthens the credibility of the ESG CP segment but also signals our commitment to integrating ESG principles into the fabric of European financial markets.

HR's Commitment to Empowerment through Job Initiatives

Our Human Resources department has launched a series of impactful job initiatives aimed at empowering and engaging with the workforce in meaningful ways. These initiatives are designed to foster an inclusive, supportive, and dynamic work environment, with a focus on developing talent, enhancing employee well-being, and ensuring that all team members have the tools and opportunities to thrive. We are proud to invest in our people and their growth, as we believe that our success is rooted in the strength of our workforce.

Echoes from the Money Markets

Finally, I'd like to draw your attention to the Echoes from the Money Markets section of this newsletter. This month, we have insightful contributions and market analyses that shed light on key trends, challenges, and opportunities within the money markets. As always, we aim to keep you informed and provide valuable perspectives that drive the financial sector forward.

I want to express my sincere gratitude to all of you for your ongoing support and partnership.

Kind regards,

Jean-Louis Schirmann

CEO – The European Money Markets Institute





STEP website gets a facelift

Whether you are a market participant, a financial professional, or simply curious about the European financial landscape, the revamped website is designed to provide an intuitive, engaging, and empowering experience.

We've taken the time to rethink and redesign the platform, making sure it meets the needs of both seasoned experts and newcomers alike. Here's a sneak peek into some of the exciting changes:

Streamlined navigation

The website now features a simplified structure, ensuring you can find what you're looking for in no time. Whether you're interested in STEP data, reports, or educational resources, the intuitive navigation lets you access everything faster and with less hassle.

Enhanced features

Updated content, interactive tools, and improved search functionality. We've focused on providing more relevant and up-to-date information, ensuring you have the best tools at your fingertips. Our goal is to make sure your time on the site is not just productive, but also efficient and enjoyable.

Modern design

The refreshed, modern design of the STEP website offers a sleek and responsive interface, optimized for all devices. Whether you're accessing it from a desktop, tablet, or mobile, the experience is seamless and visually appealing.

Improved STEP statistics

Access dynamic and customizable STEP statistics produced by the European Central Bank with greater ease. Dive deeper into data and visualize market trends. With enhanced tools for analysing and understanding financial data, you can make more informed decisions and stay ahead of the curve.

Why this matters

The STEP platform has always been a critical resource for short-term European paper (STEP) market participants. The new website ensures that we continue to meet the evolving needs of the financial community by offering a more powerful, user-friendly, and informative online presence.

For more information, go to www.stepmarket.org.





ACOSS becomes first issuer to join EMMI's ESG CP Transparency Monitor

Marking a significant milestone for EMMI's ESG CP Transparency Monitor, France's Agence Centrale des Organismes de Sécurité Sociale (ACOSS) has become the first issuer to join this initiative.

EMMI's ESG CP Transparency Monitor is set to enhance transparency in the European commercial paper market, offering a platform for issuers to align their financial instruments with Environmental, Social, and Governance (ESG) principles. Its primary aim is to provide market participants with a robust framework for disclosing ESG-related information, fostering accountability, and reinforcing the role of commercial paper as a viable and transparent funding instrument for sustainability-oriented organizations.

EMMI Leads the Way in ESG Transparency

With the launch of the ESG CP Transparency Monitor, EMMI cements its role as a key advocate for sustainable finance. By providing a centralized platform for ESG disclosures, the Monitor not only enhances visibility but also establishes a benchmark for issuers seeking to embed ESG principles into their funding strategies.

The Monitor invites issuers across Europe to adopt greater transparency in their commercial paper programs, helping to build trust and drive progress in ESG alignment.

Alexandre Bois, Deputy Director of ACOSS's Treasury team, remarked on this milestone: *"The launch of the ESG CP Transparency Monitor by EMMI in 2024, which we have known for a long time thanks to the STEP labelling of our two programs, is part of our desire to strengthen the notoriety of our Social NeuCP and ECP alongside a leading European non-profit player."*

A Call to Action for Greater ESG Transparency

With ACOSS leading the way, EMMI calls on other issuers to embrace this opportunity to promote transparency in their commercial paper programs. If you are interested in this initiative, please send an email to ESG-CP@emmi-benchmarks.eu with your questions or comments.

"The launch of the ESG CP Transparency Monitor by EMMI in 2024, an organisation we have long known through the STEP labelling of our two programmes, aligns with our desire to enhance the visibility of our Social NeuCP and ECP alongside a leading European non-profit entity."

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'Engagement through an impactful job': our new approach to keeping and attracting talent

In a world where job seekers increasingly look for more than just a paycheck, we have decided to apply new methods to how we nurture existing talent within our organisation and attract new ones. The 'Engagement through an impactful job' initiative underscores the company's commitment in this area.

A Shift in Recruitment Philosophy

EMMI understands that today's workforce seeks more meaningful and fulfilling work, with employees increasingly seeking careers that align with their personal values and aspirations. Through this campaign, we highlight the belief that work should not just be a routine but a platform where individuals can make a tangible impact—whether in their community, their industry, or the world at large.

Empowering People, Driving Change

EMMI aims to create an environment where employees feel motivated, inspired, and proud of the work they do. This means fostering a culture that values not only skill sets but also passion, creativity, and a shared mission to contribute to meaningful causes.

The campaign emphasizes that every position at EMMI, from entry-level roles to senior leadership, plays an essential part in the company's vision. By enabling employees to see the impact they have on the company's success and the larger community, EMMI is reinforcing the power of purpose-driven work. EMMI's approach recognizes that engaged employees are not only more productive and innovative but are also more satisfied and committed to their roles.

Looking Ahead

As the campaign continues to unfold, EMMI is excited to bring in diverse individuals from various backgrounds and skill sets to join the mission of making a lasting impact. By prioritizing engagement, purpose, and meaningful work.

For more about career opportunities at EMMI, visit www.emmi-benchmarks.eu/careers.





Echoes from the euro money markets

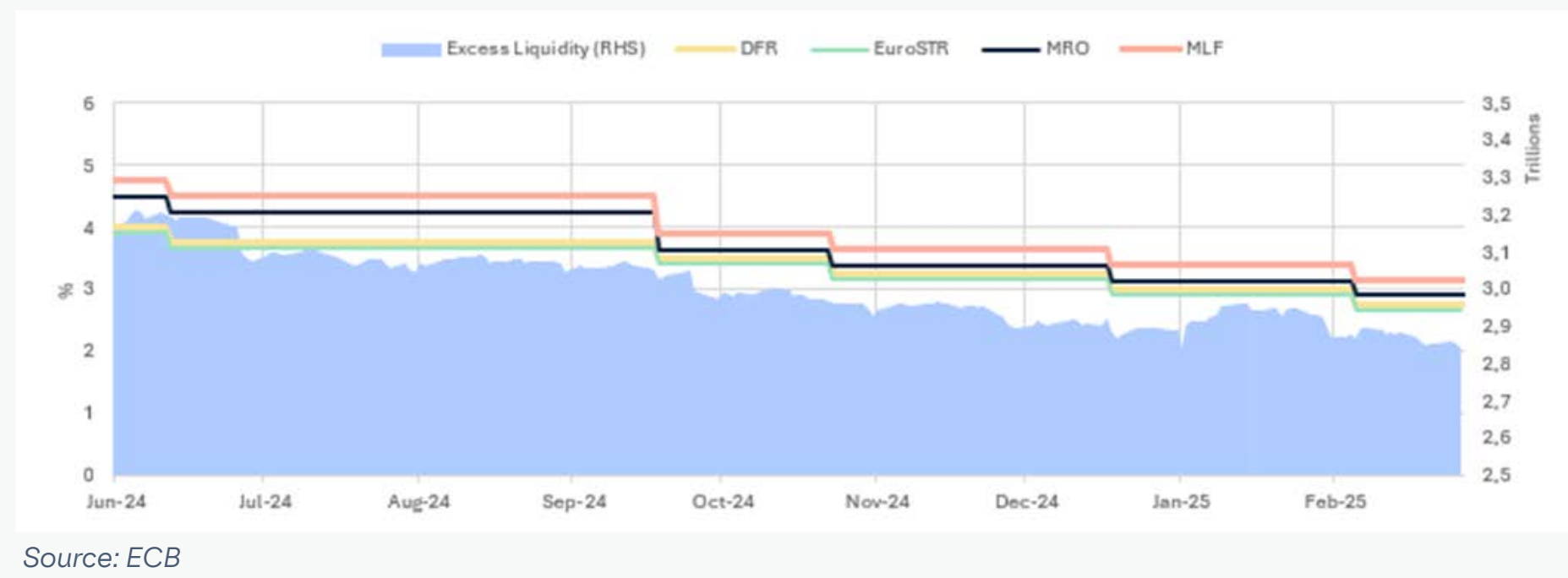
Key events closely related to the money market

In December 2024, and January to March 2025, the European Central Bank (ECB) cut its key policy rates by a total of 75 basis points (bps), with the main refinancing rate at 2.65% and the deposit facility rate at 2.50% effective, as 12 March 2025. This was a response to a deflationary period and weaker economic growth, with headline inflation in the Eurozone increasing from 2% in October 2024, to 2.4% estimated in February 2025, and core inflation estimated to be 2.6%.

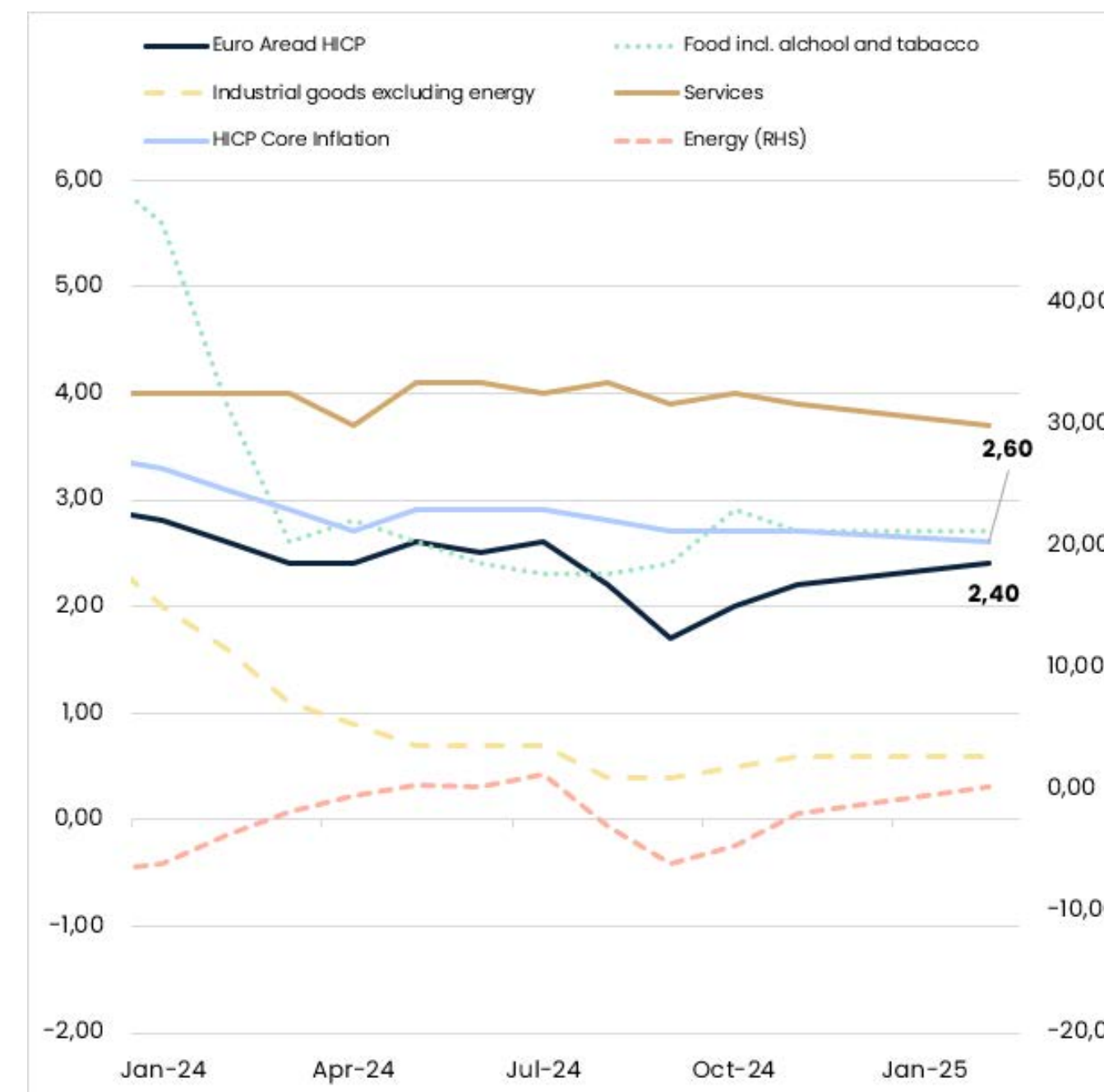
As a consequence of these slight increases in inflation, wages also grew but at a slower pace, mostly because they are still adjusting to the past inflation surge with a substantial delay.

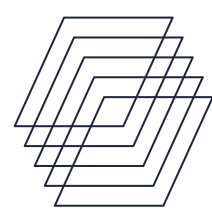
As of February 27, 2025, excess liquidity stands at EUR 2.78 trillion. The ECB's monetary policy normalisation continues, with its balance sheet shrinking due to the cessation of reinvestments in its Asset Purchase Programme (APP) and the Pandemic Emergency Purchase Programme (PEPP).

Eurozone rates and excess liquidity



Inflation developments



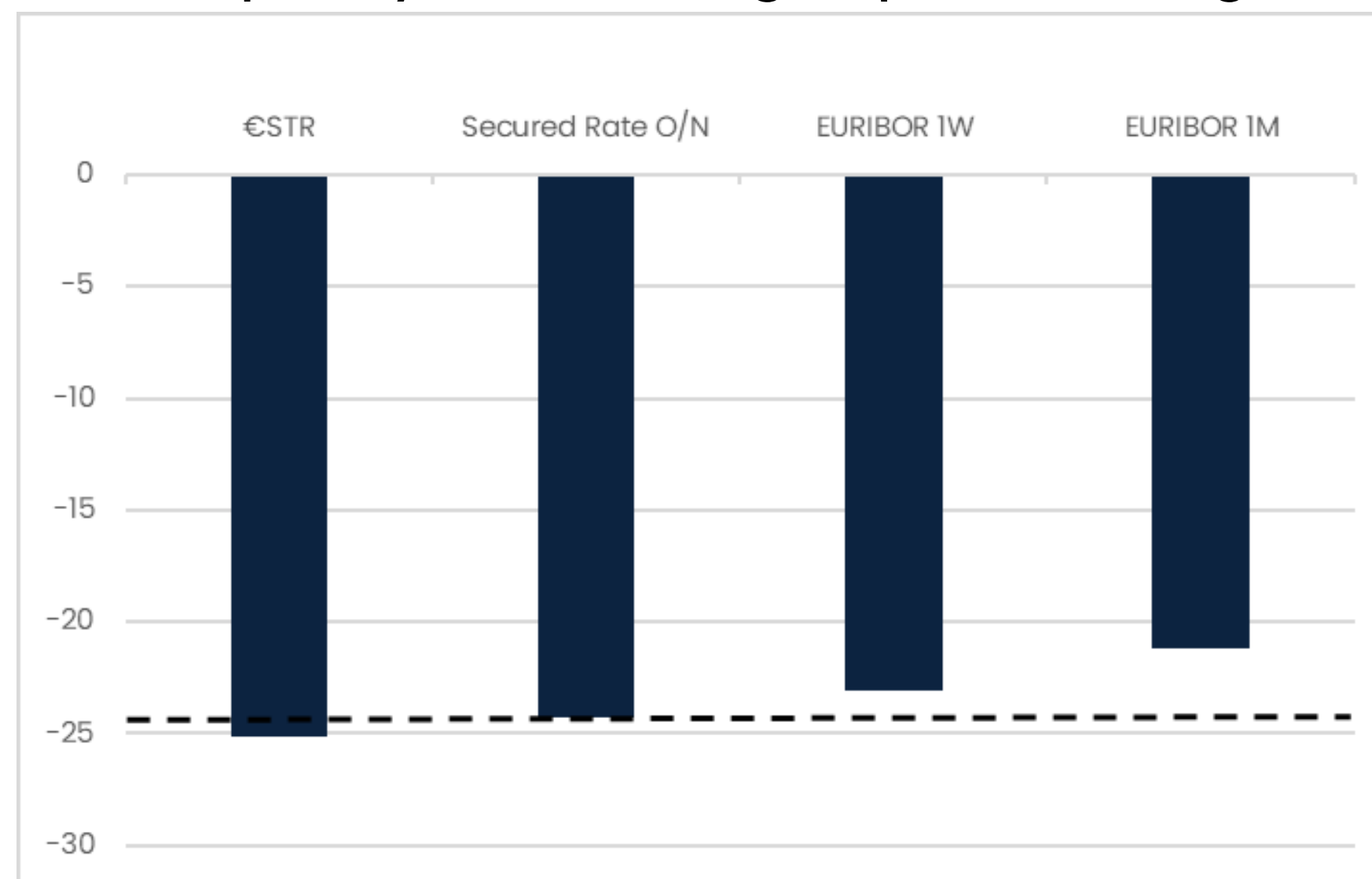


In the early months of 2025, money market rates have steadily declined, accurately reflecting the rate cuts announced in January.

However, the 12M rate, despite some fluctuations, remained stable.

The transmission of the ECB's January interest rate cut to euro money market rates was nearly complete in February 2025, particularly for the 1W Euribor, as well as secured and unsecured overnight rates.

ECB policy rate changes pass through



Sources: *The European Money Markets Institute and Bloomberg*

Overnight pass-through represents the difference between rates of the first day of the 2nd MP and the last day of the 1st MP.

The same logic is applied for 1W and 1M rates. However, as the two rates anticipated the cut earlier than usual, the time window has been slightly extended.



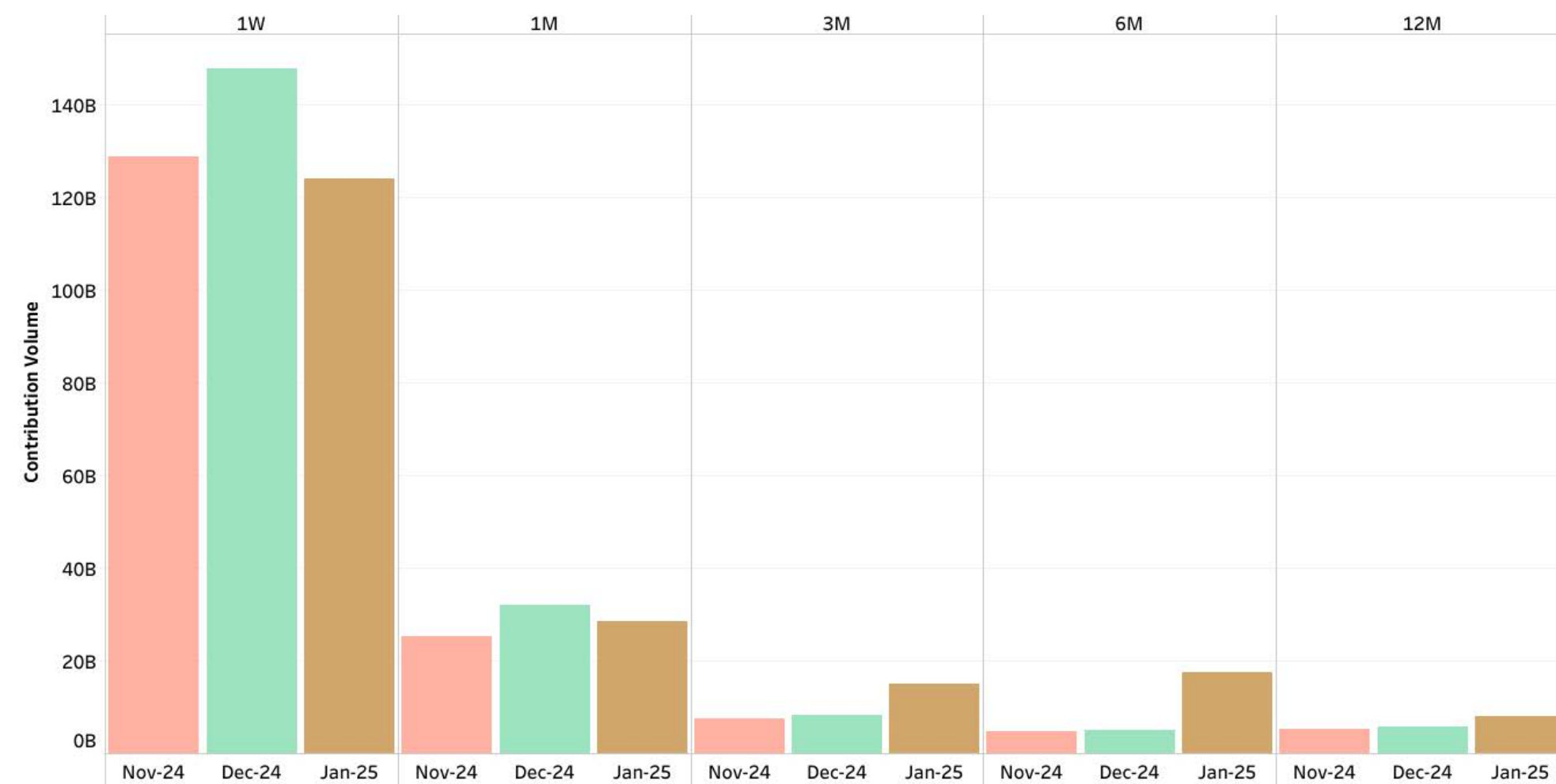


Euribor rates have exhibited a pronounced downtrend in response to the ECB's anticipated rate cuts, with longer-term Euribor tenors now reflecting market expectations for further easing.

As of 28 February 2025, the Euribor rates are recorded at 2.61%, 2.46%, 2.46%, 2.36%, and 2.39% for the 1W, 1M, 3M, 6M, and 12M respectively.

In addition, Euribor aggregated volumes reached EUR 193 billion in January 2025, decreasing by EUR 6 billion from previous month.

Euribor underlying volumes



Source: The European Money Markets Institute

Euribor rates developments



Source: The European Money Markets Institute

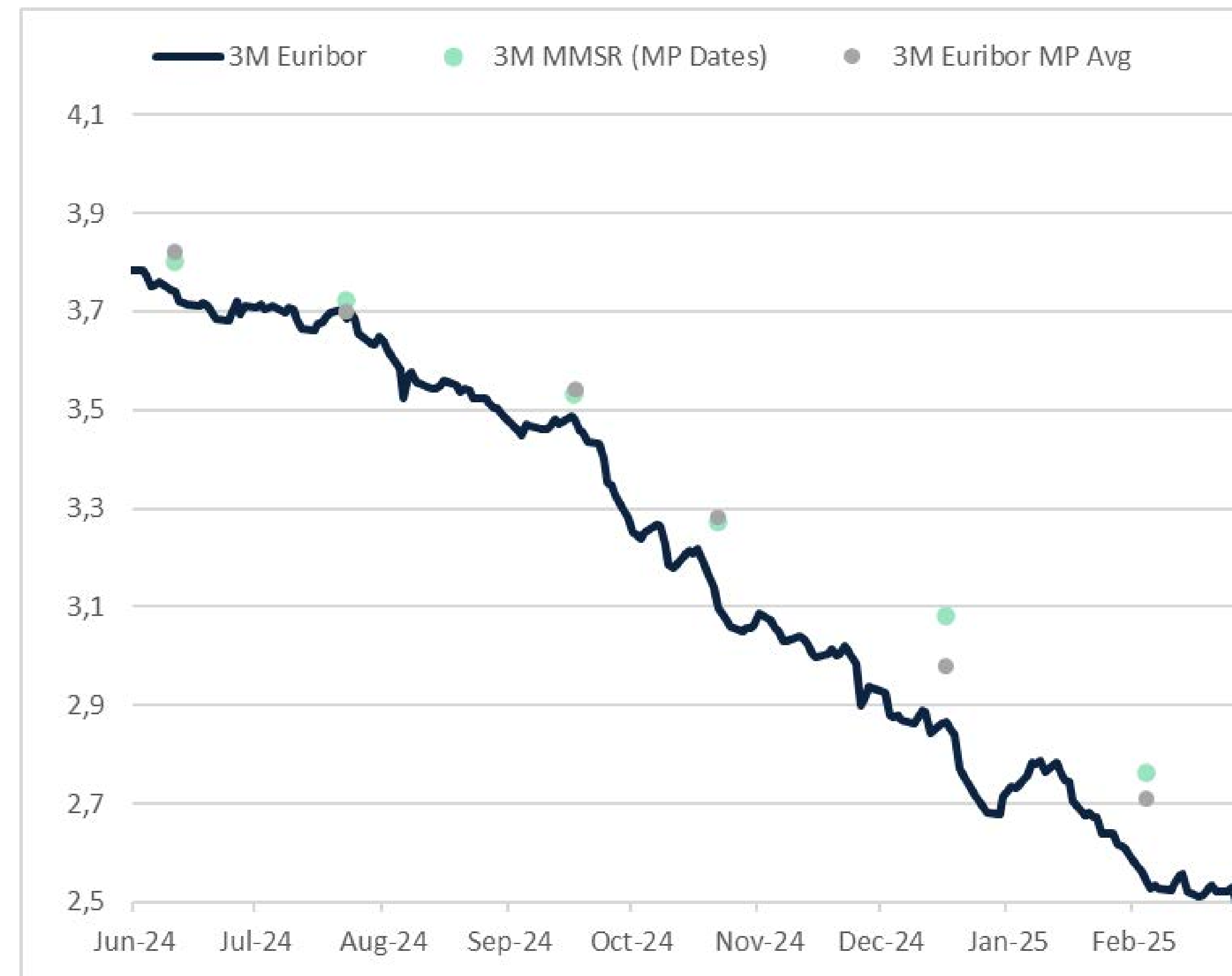


3M Euribor and 3M MMSR rates have been diverging in the last ECB Maintenance Period of 2024. However, the gap closed in the 1st MP 2025 with 5 bps differences in the two averages.

The December 2024 gap was due to a concentration of lower-rate transactions early in the MP, affecting the volume-weighted MMSR average and leading to discrepancies with the 3M Euribor.



Euribor and MMSR unsecured rates



Source: The European Money Markets Institute, ECB and SDW



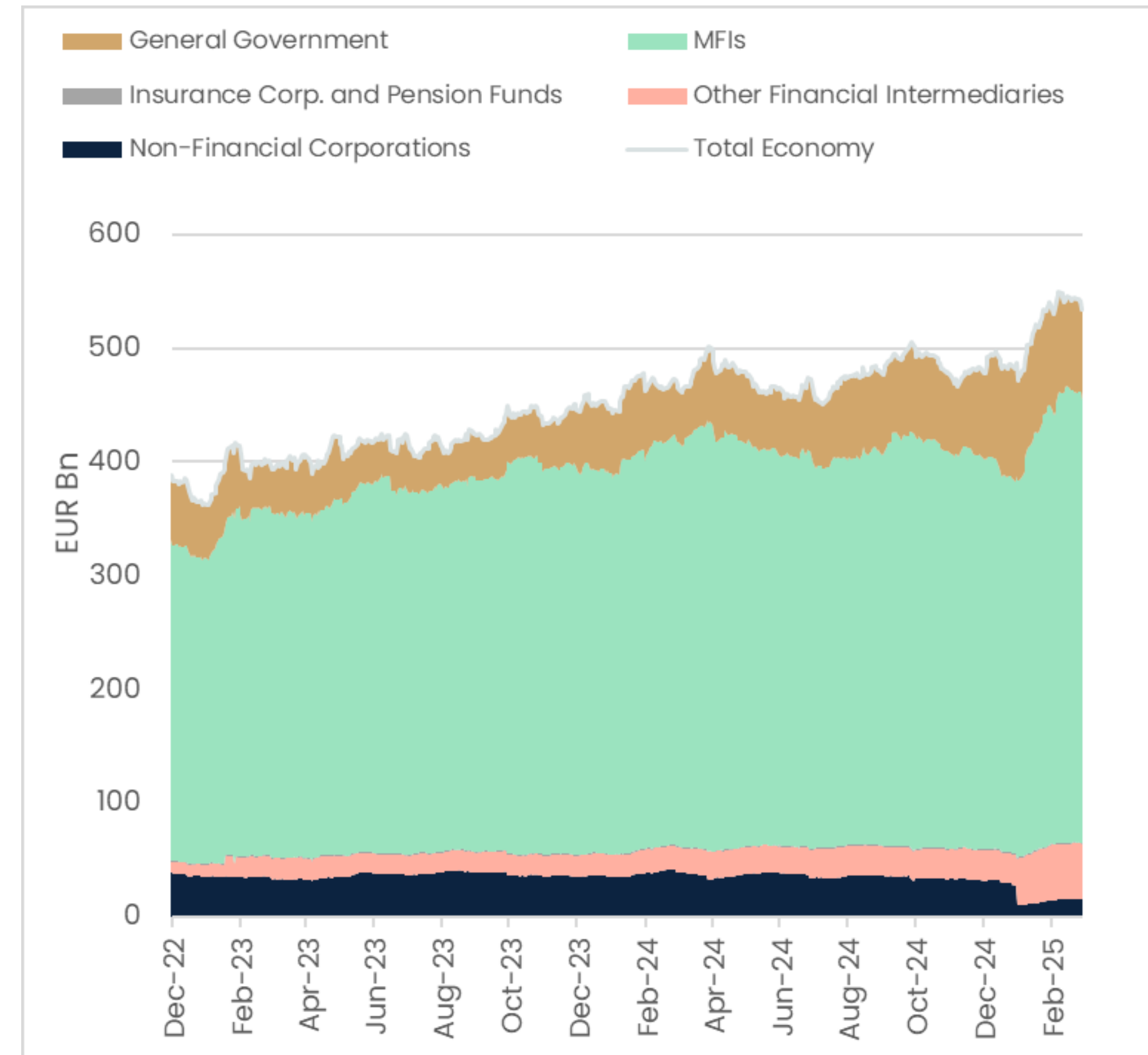
On 28 February 2025, total STEP daily outstanding amount stood at EUR 534 billion and slightly decreased from the pick of EUR 550 billion observed in early February 2025.

Total STEP outstanding amounts mainly come from the MFIs sector which rallied to EUR 390 billion since early January 2025.

The general STEP uptrend has been persisting since the 1st ECB rate hike of July 2022.



STEP outstanding amounts



Source: The European Money Markets Institute



At the end of 2024, OIS underlying volumes saw a sharp increase, reaching the highest levels in the observed period. The volume spike suggests increased market activity linked to the expected easing of monetary policy.

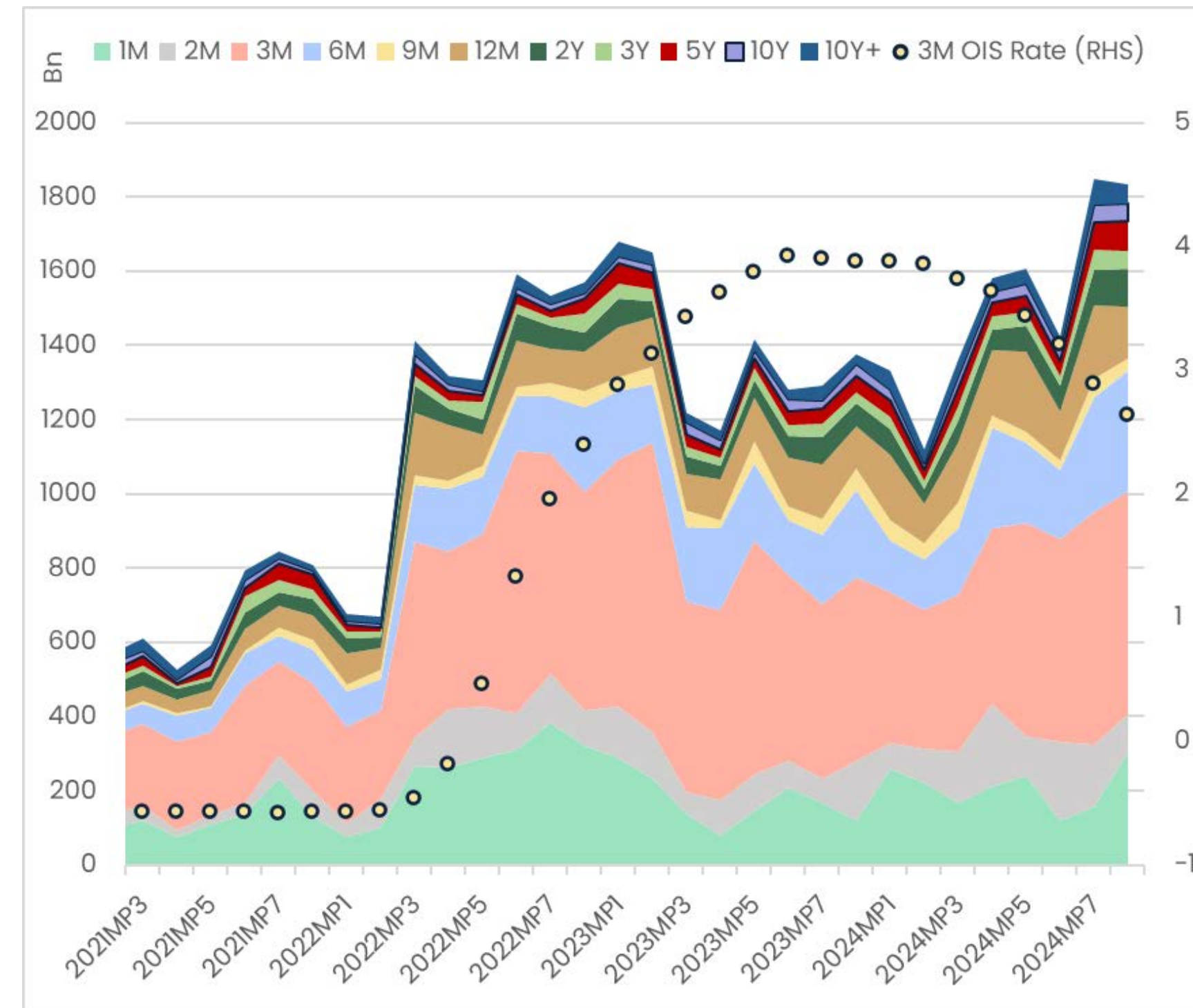
At the same time, the 3M OIS rate trended downward, aligning with market expectations.

Efterm rates development



Source: The European Money Markets Institute

OIS underlying volumes




Source: The European Money Markets Institute

Money market €STR OIS rates declined steadily since the beginning of the rate cut cycle started in June 2024. 1W Eafterm correctly mirrored the 25bps announced in the 30 January 2025.

Any questions?

For any enquiry or question related to our activities, please do not hesitate to contact us:

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Our web pages

Euribor - Efterm - Subscription - Fee Schedule 2025

ESG CP Transparency Monitor

STEP



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