



EUROPEAN CENTRAL BANK

EUROSYSTEM

DG MARKET OPERATIONS

18 June 2025

### **ECB Money Market Contact Group (MMCG)**

Thursday, 12 June 2025, 14:00-16:30 CET, virtual meeting

#### **Summary of the discussion<sup>1</sup>**

The MMCG discussed two main topics: (A) Main developments in money markets and the ECB policy outlook and (B) Adoption of artificial intelligence (AI) in money markets.

**(A) Members discussed the resilience of money markets despite heightened volatility stemming from geopolitical tensions, trade disruptions and shifts in monetary policy.** Euro money market activity remained orderly, supported by robust market liquidity. Money market rates clearly reflected policy rate changes and declining excess liquidity. The euro repo market remained a stable and deep source of liquidity. Members observed an increased focus on secured trading, particularly in cash-driven general collateral pooling products, alongside sustained interest in longer-term repo agreements. The commercial paper issuance market remained active, supported by liquidity demand and sustained investor interest. **Members generally gave a positive assessment on the functioning of USD funding markets for European banks, noting that liquidity remained robust with no signs of sustained systemic stress, even though standard asset class correlations had broken down.** Temporary disruptions were observed, such as a brief and marginal widening of the EUR/USD cross-currency basis in early April. However, these moves were quickly reversed, with spreads returning to historically tight levels. Members also noted a shift in investor behaviour affecting USD-denominated assets. First, they reported a preference for short-term instruments driven by uncertainty about future interest rates rather than aversion to lending long. In fact, while term premia rose temporarily during periods of heightened uncertainty, remaining appetite for longer maturities signalled confidence in market depth and overall functioning. Second, members noted an increased preference among non-US investors for USD-denominated assets issued in Europe.

**(B) Members also discussed practical use cases for AI in money markets, specifically in areas such as asset and liability management and treasury operations.** They highlighted AI's ability to process large datasets, generate insights and improve operational efficiency. Specific use cases included tools for analysing market data and movements, projecting liquidity needs, optimising collateral pools, automating flows and supporting administrative processes. The discussion also focused on the risks and costs associated with AI. Members highlighted challenges such as data and system integration, the regulatory and compliance burden, high upfront and ongoing costs, and operational and cybersecurity vulnerabilities. While members generally recognised the potential of AI to enhance market liquidity, improve execution precision and develop models for better trading decisions, it was also noted that in some high-volume markets with highly developed use of algorithmic trading,

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<sup>1</sup> The views expressed in this summary are those of the MMCG members and do not necessarily reflect the views of the ECB.

AI may not yet bring execution benefits, at least in terms of speed. To the extent that benefits do result, members noted that they might come with added complexities and risks, including increased volatility, opacity and potential threats to systemic stability, which may require careful management and regulatory adaptation. It was acknowledged that AI adoption is still in its early stages, with financial institutions experimenting with pilot projects and gradually integrating AI-driven solutions into their operations. Most institutions are still in the process of assessing the feasibility and scalability of these technologies. It was noted that adapting both mindset and skillset is essential for effective human-AI collaboration.

**Participant's organisation**

Amundi Asset Management  
Banco Santander  
Belfius Bank  
BlackRock  
BNP Paribas  
BPCE/Natixis  
CaixaBank  
Coöperatieve Rabobank  
Crédit Agricole/CACIB-CASA  
Deutsche Bank  
DZ Bank  
Erste Bank  
Eurex Clearing  
Eurobank  
ING Bank  
Intesa Sanpaolo  
Société Générale  
Unicredit

**Name of participant**

Mr Patrick Siméon  
Mr Luis Barrigon Rodriguez  
Ms Julie Lardinois  
Ms Emma Cooper  
Mr Sébastien Figué  
Mr Olivier Hubert  
Mr Xavier Combis  
Mr Eric Scotto di Rinaldi  
Mr Pierre Le Veziel  
Mr Jürgen Sklarczyk  
Mr Oliver Deutscher  
Mr Philippe Quintans de Soure  
Mr Frank Odendall  
Mr Dimitris Psychogios  
Mr Leif Domeyer  
Ms Maria Cristina Lege  
Ms Ileana Pietraru  
Mr Michele Montani

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Mr Thomas Vlassopoulos      Chairperson  
Mr Vladimir Tsonchev      Secretary  
Mr Ralph Weidenfeller  
Ms Lia Vaz Cruz  
Ms Svetla Daskalova  
Ms Weronika Pola Pachulska  
Mr Arthur Charles Laborde