EUROPEAN CENTRAL BANK

EUROSYSTEM

Compounded €STR average rates and index

31/03/2021

Helmut Wacket

DG Market Operations, European Central Bank

€STR compounded average rates and index

ECB to publish €STR compounded average rates and index as of 15 April 2021

Trusted source for €STR compounded average rates to encourage broader use of €STR

Fall-back rates for contingency planning

Main elements:

- compounded €STR average rates over 1 week, 1 month, 3 months, 6 months and 12 months
- start dates of periods matching each tenor (end date is always publication date)
- daily update of compounded €STR index: index series that allows calculation of compounded €STR average rate over any period of choice

- **Fully based on €STR**
- **Fully replicable**
- **Backward-looking**

www.ecb.europa.eu ©

€STR compounded average rates and index

From planning…

Public consultation and rate design

- Vast majority of respondents welcomed ECB’s proposal to publish compounded rates and index
- Significant support for the design parameters
- Suggestions for higher precision in the published figures and index starting at 100 instead of 1
- All taken into account for the rate design

… to execution

Compounded rates and index published

- as of 15 April 2021, every TARGET 2 business day at 9:15 am
- on website and via ECB’s Market Information Dissemination platform and ECB’s Statistical Data Warehouse
- according to Calculation and Publication rules
- In compliance with ESTR Guideline

www.ecb.europa.eu ©

€STR compounded average rates and index

Available even in adverse market conditions and as robust as €STR

Can form part of fall-back provisions in EURIBOR contracts

Can facilitate increased usage of €STR in cash market

Support international consistency

Respond to demand from the private sector

www.ecb.europa.eu ©