

## ECB: Front-loading it is

ECB announces front-loading of asset purchases to tackle higher bond yields



The European Central Bank just decided to keep all its instruments unchanged. Still, the official statement on the decisions taken today had an important change compared with January: the ECB will front-load its asset purchases in the coming quarter.

After the recent increase in bond yields and heating up of inflation fears, market participants had started to speculate whether and how the ECB would react to these changes. The just-released statement suggests that the ECB is trying to demonstrate its willingness to put a cap on bond yields without showing signs of panic. Markets are currently discussing the statement that the total size of the asset purchases could be increased. However, this statement was already included in the January statement.

The press conference starting at 2.30pm CET will shed more light on the ECB's reaction function to further yield increases.

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