



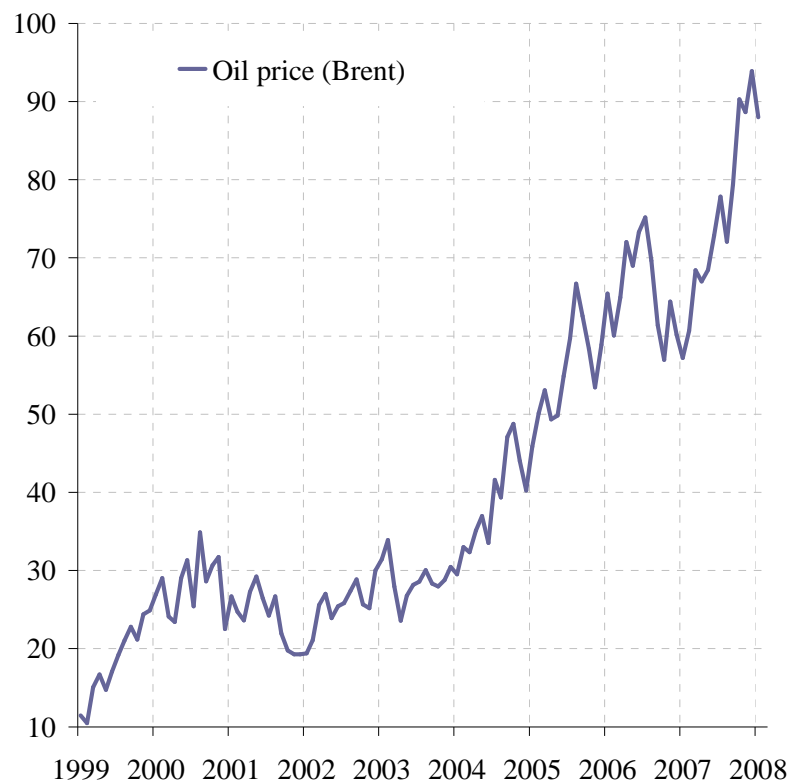
“Globalisation and central bank policies”

Lucas Papademos
European Central Bank

Bridge Forum Dialogue
22 January 2008, Luxembourg

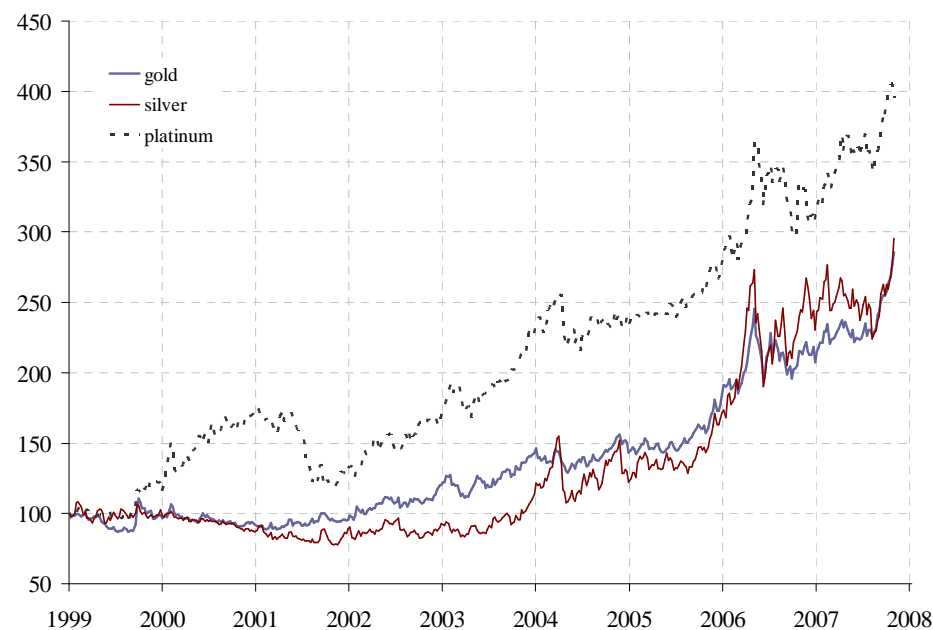
Chart I: Oil and other commodity prices

Brent crude oil price (USD per barrel)



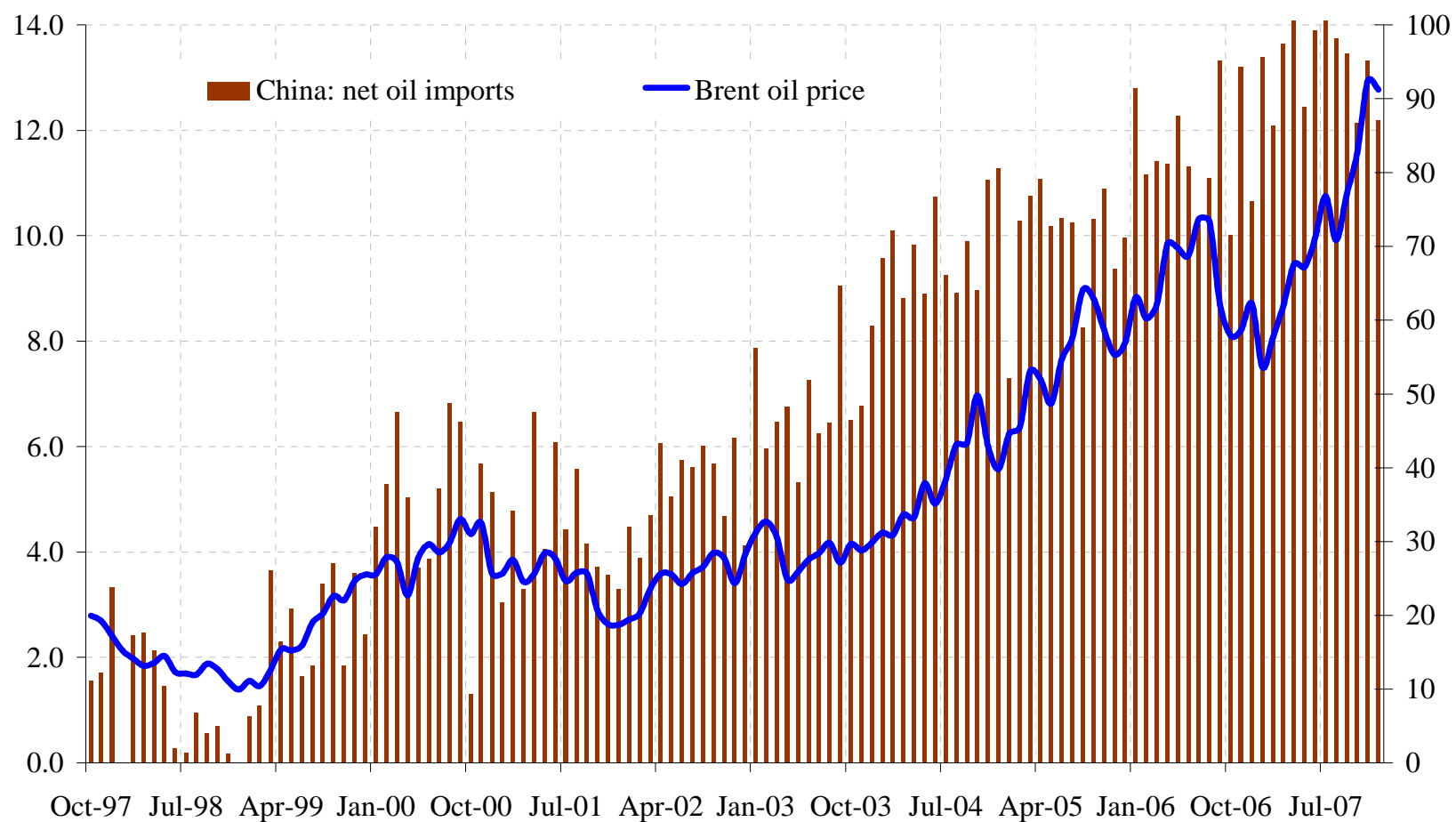
Source: Bloomberg
Note: Last observation refers to 21 January 2008

Precious metal prices (Indices, Jan 1999 = 100)



Source: Bloomberg

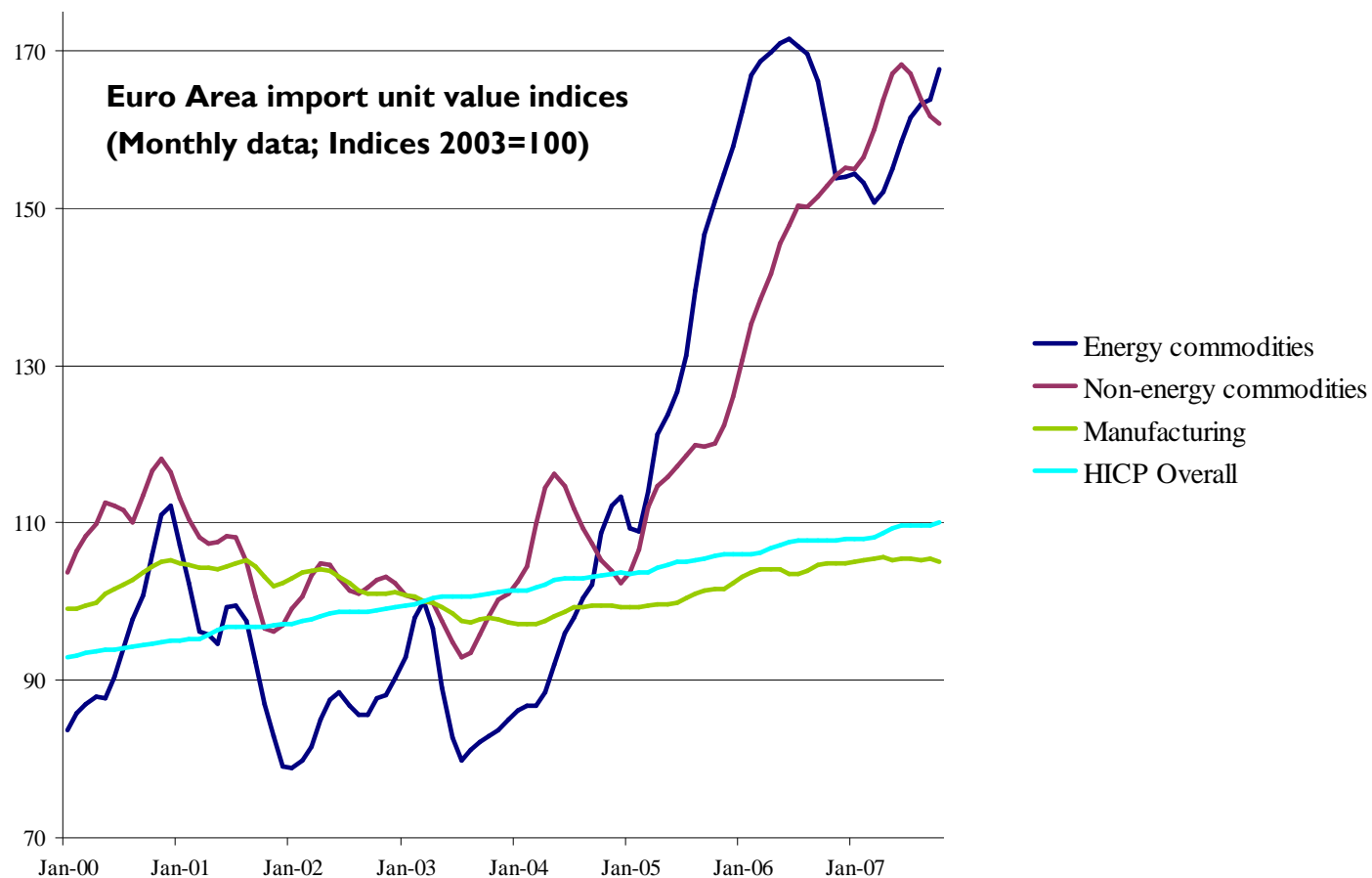
Chart 2: China's net oil imports and Brent oil price



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

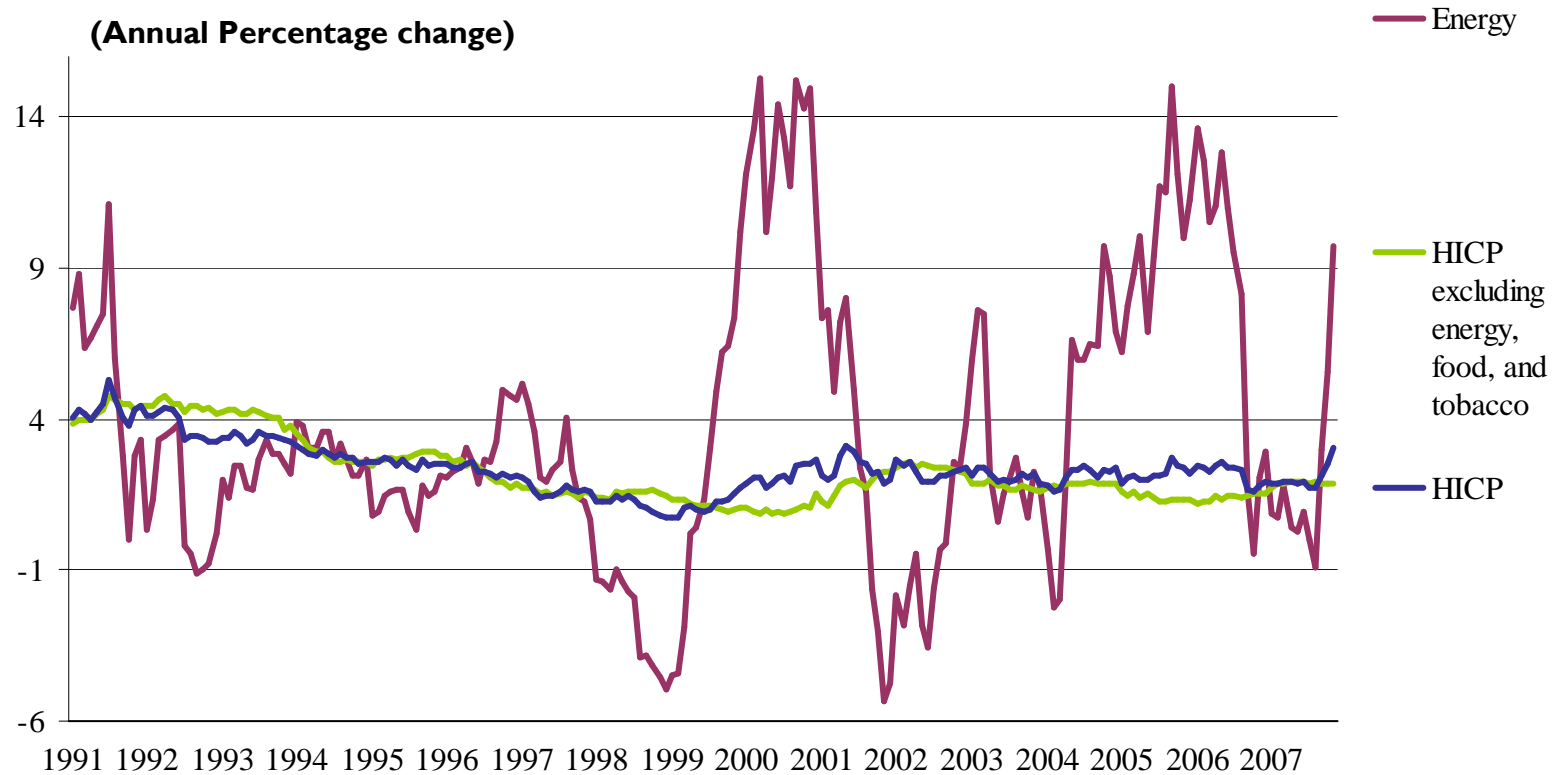
Chart 3: Consumer prices and import prices in the euro area: dynamics and trends



Source: Eurostat, OECD

Note: Latest observation refers to October 2007

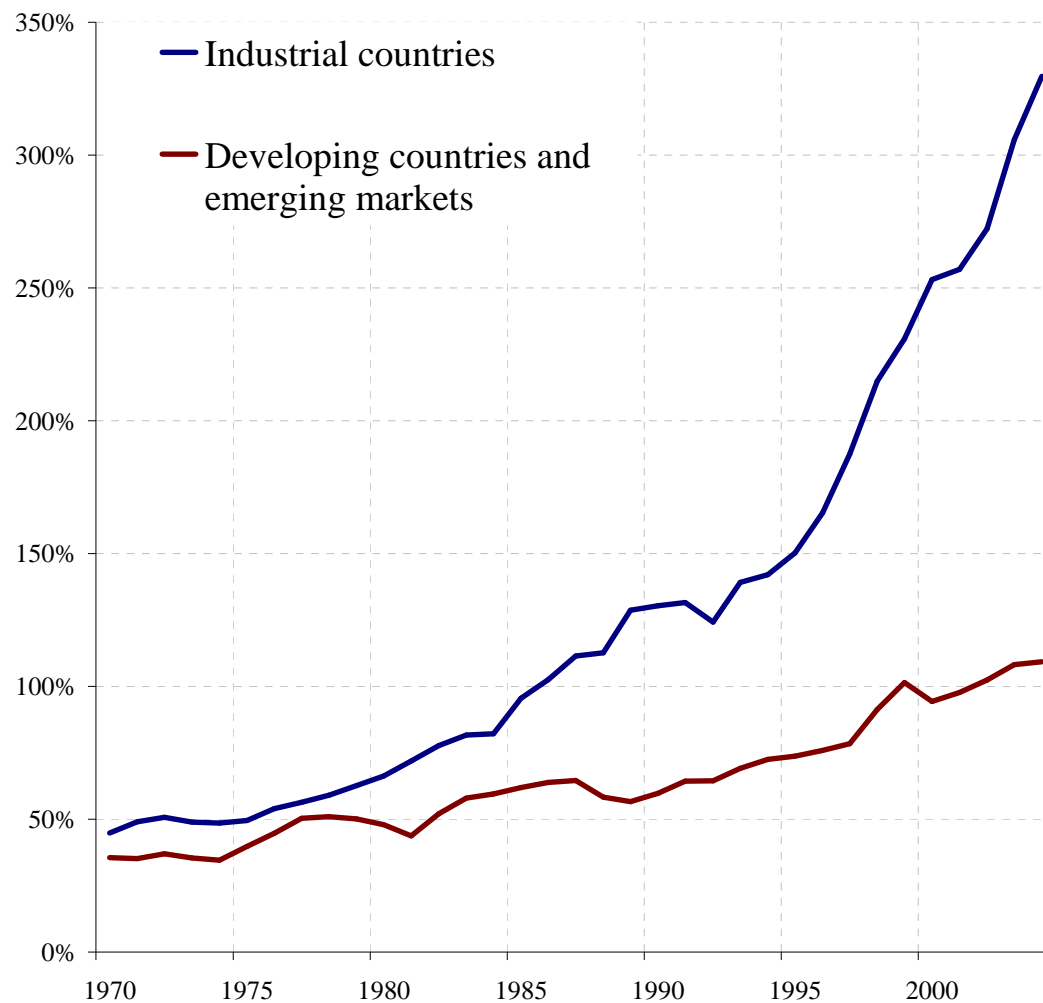
Chart 4: Euro area HICP inflation and components



Source: Eurostat

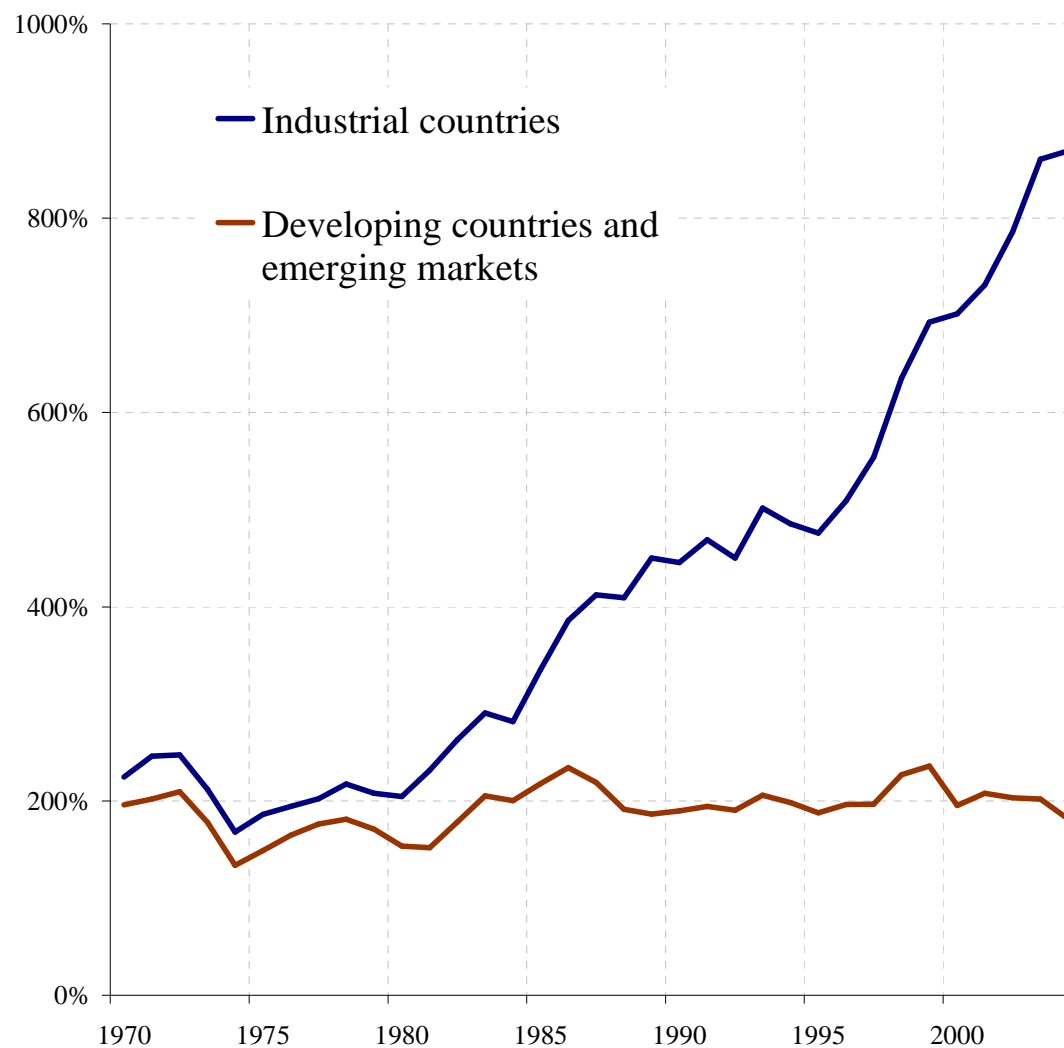
Note: Latest observation refers to October 2007

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



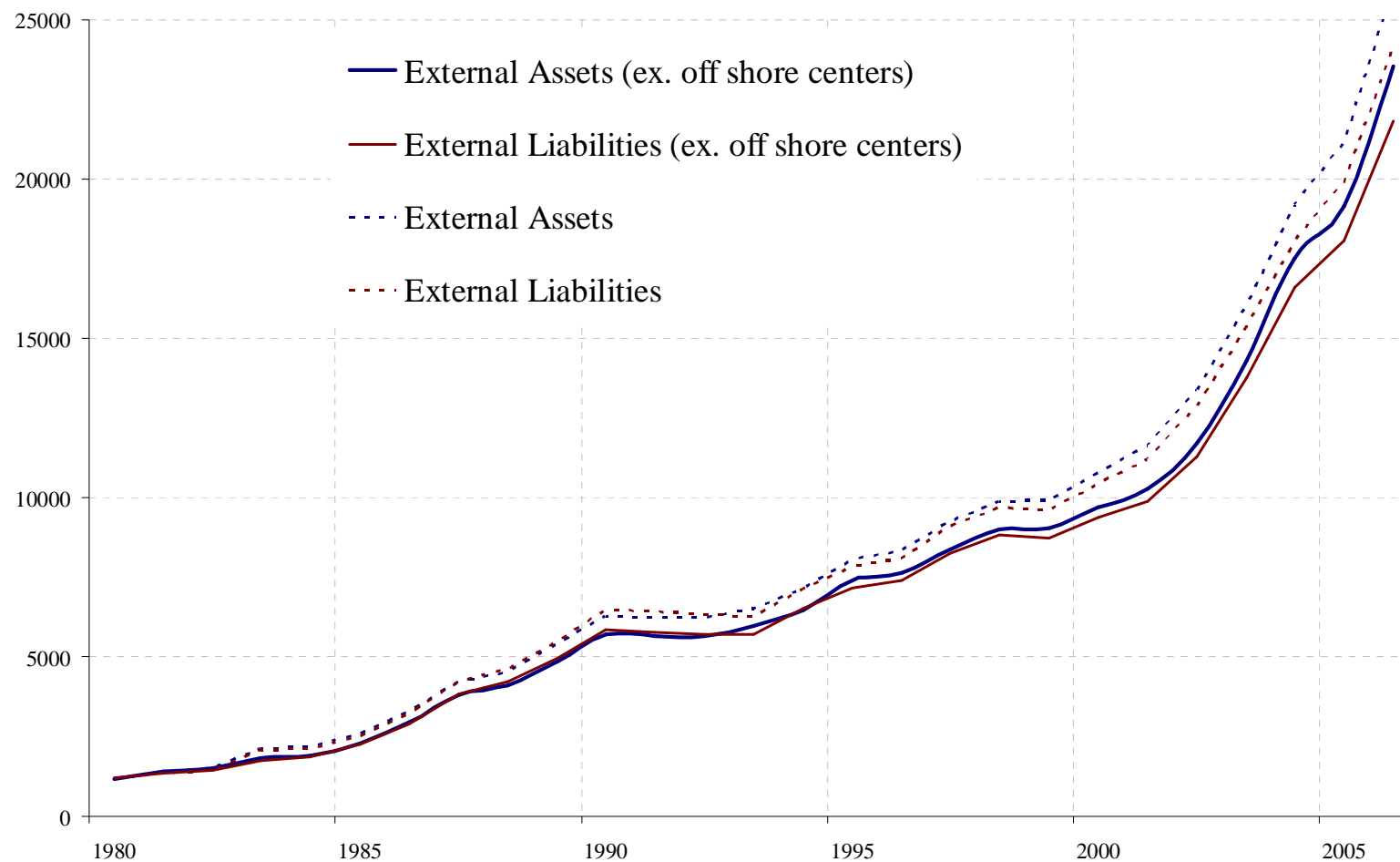
Source: Lane P. and Milesi-Ferretti G., 2006, The External Wealth of Nations Mark II: Revised and Extended Estimates of Foreign Assets and Liabilities, 1970-2004, CEPR Discussion Paper, No. 5644

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



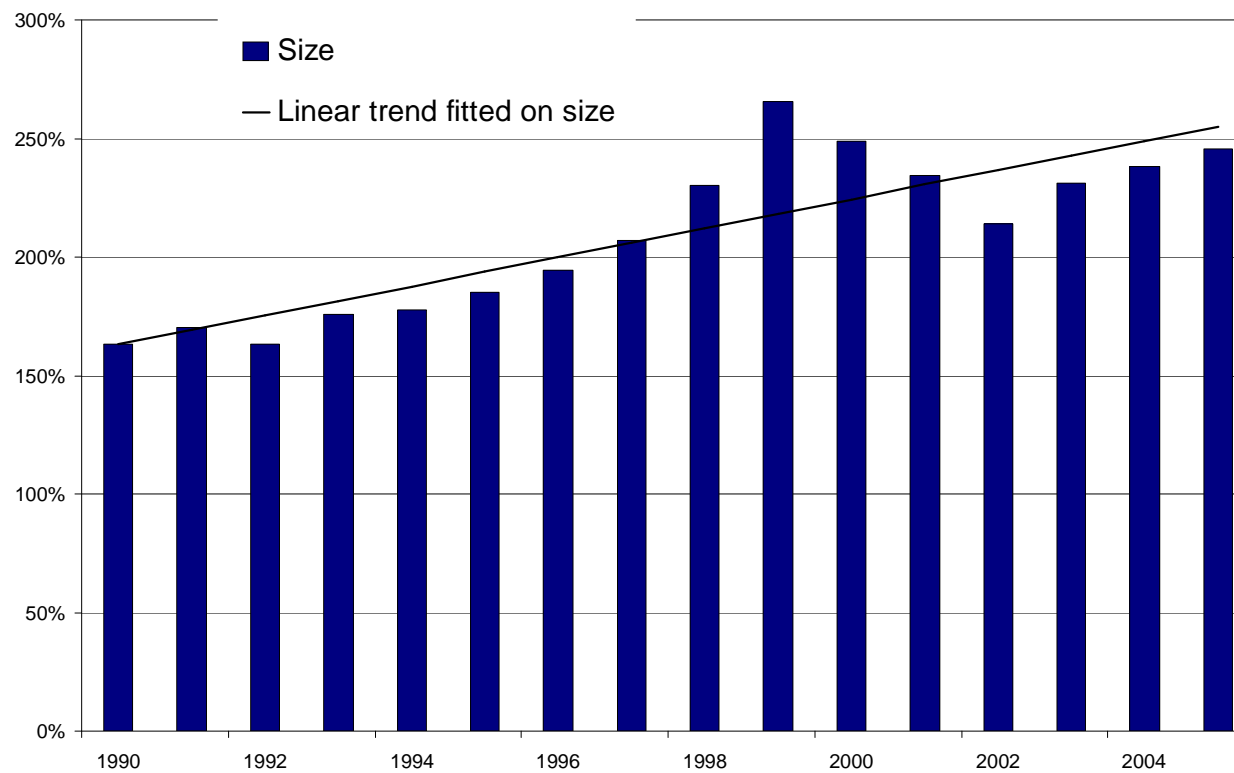
Source: Lane P. and Milesi-Ferretti G., 2006, The External Wealth of Nations Mark II: Revised and Extended Estimates of Foreign Assets and Liabilities, 1970-2004, CEPR Discussion Paper, No. 5644

Chart 7: International Bank claims (USD billion)



Source: Bank for International Settlements (BIS)

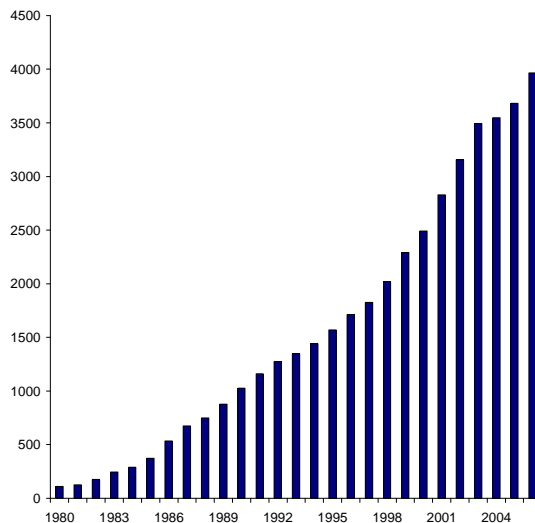
Chart 8: Size of Capital Markets as a percentage of GDP



Source: Ferguson et al., 2007, p.2
Data Sources: BIS, IMF, World Federation of Exchanges, ECB, Datastream

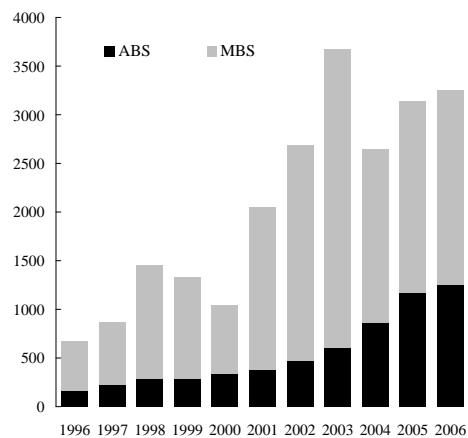
Chart 9: Securitisation in the US and Europe

Outstanding Volume of US Agency MBS (USD billion)



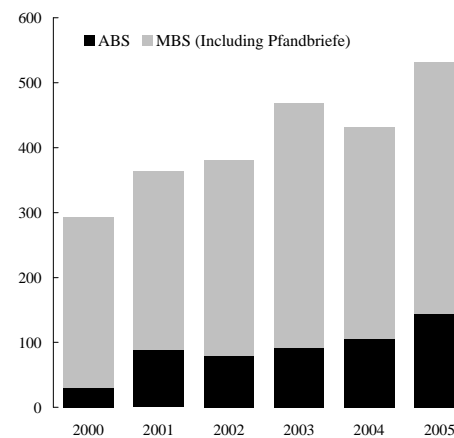
Source: Securities Industry and Financial Markets Association (SIFMA)

Securitisation issuance in the US (USD billion)



Source: Securities Industry and Financial Markets Association (SIFMA)

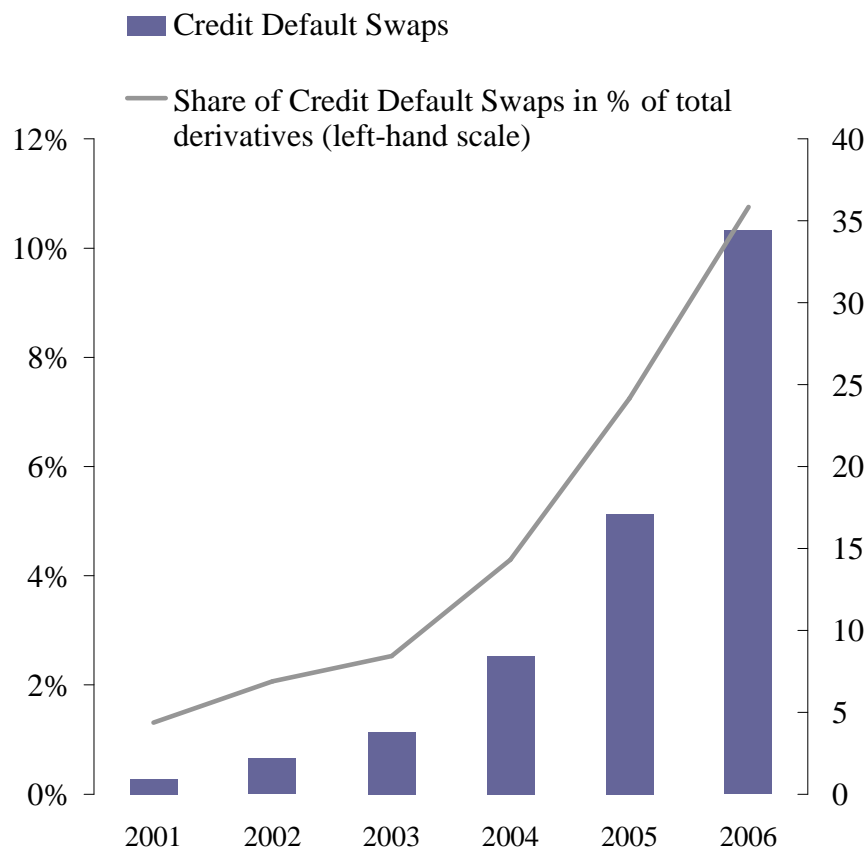
Securitisation issuance in Europe (Euro billion)



Source: European Securitisation Forum

Chart 10: Global Credit Default Swaps and Collateralised Debt Obligations

Nominal Value of global CDS (USD trillion)



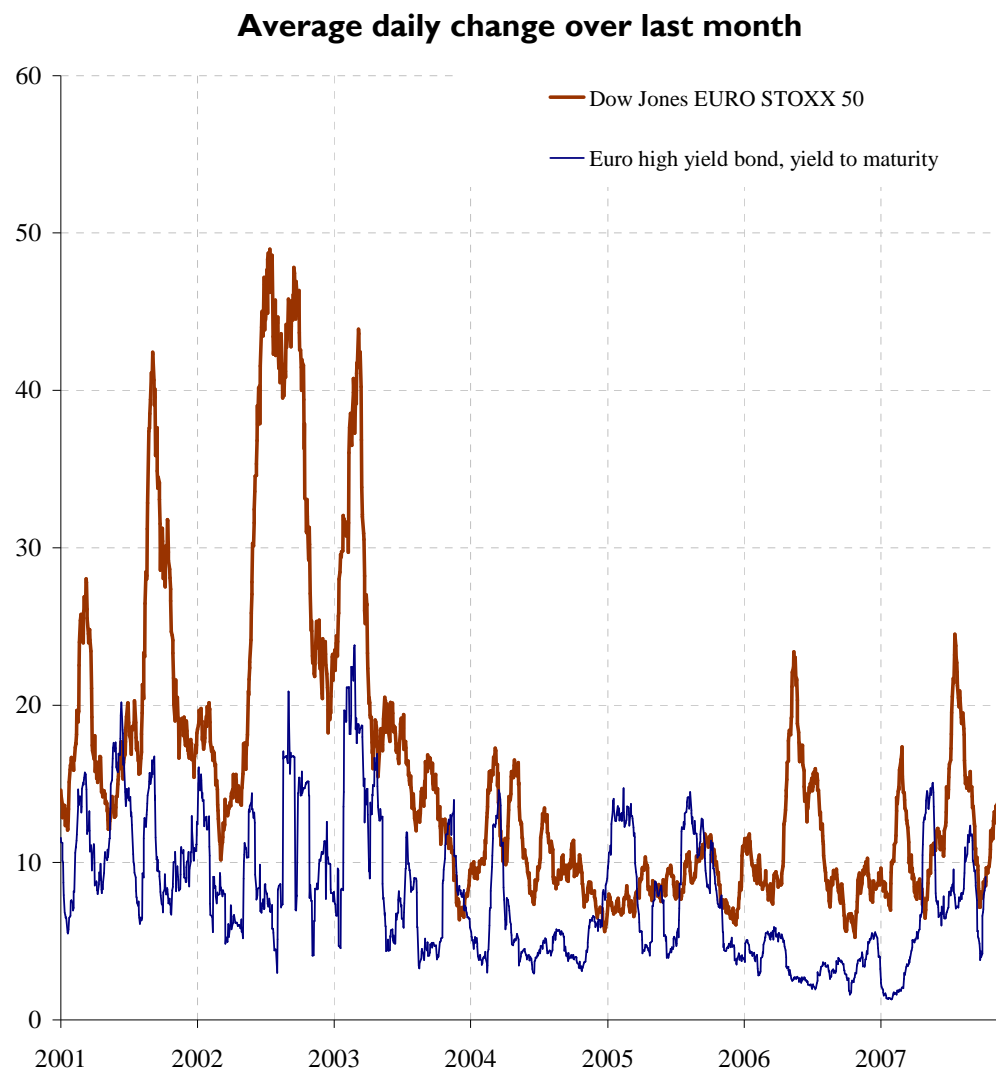
Source: Ferguson et al., 2007, p. 111
 Data Source: ISDA

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**

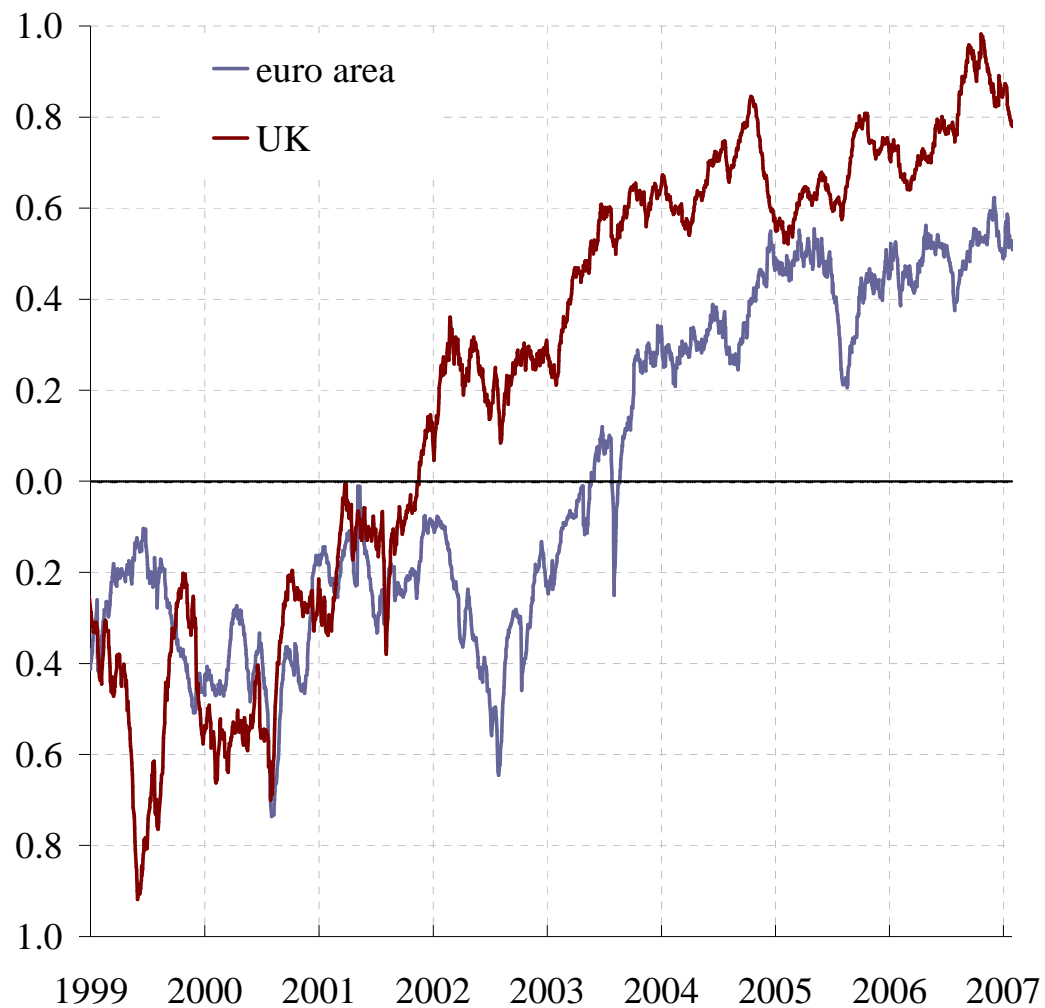


Spread comparison US and euro area



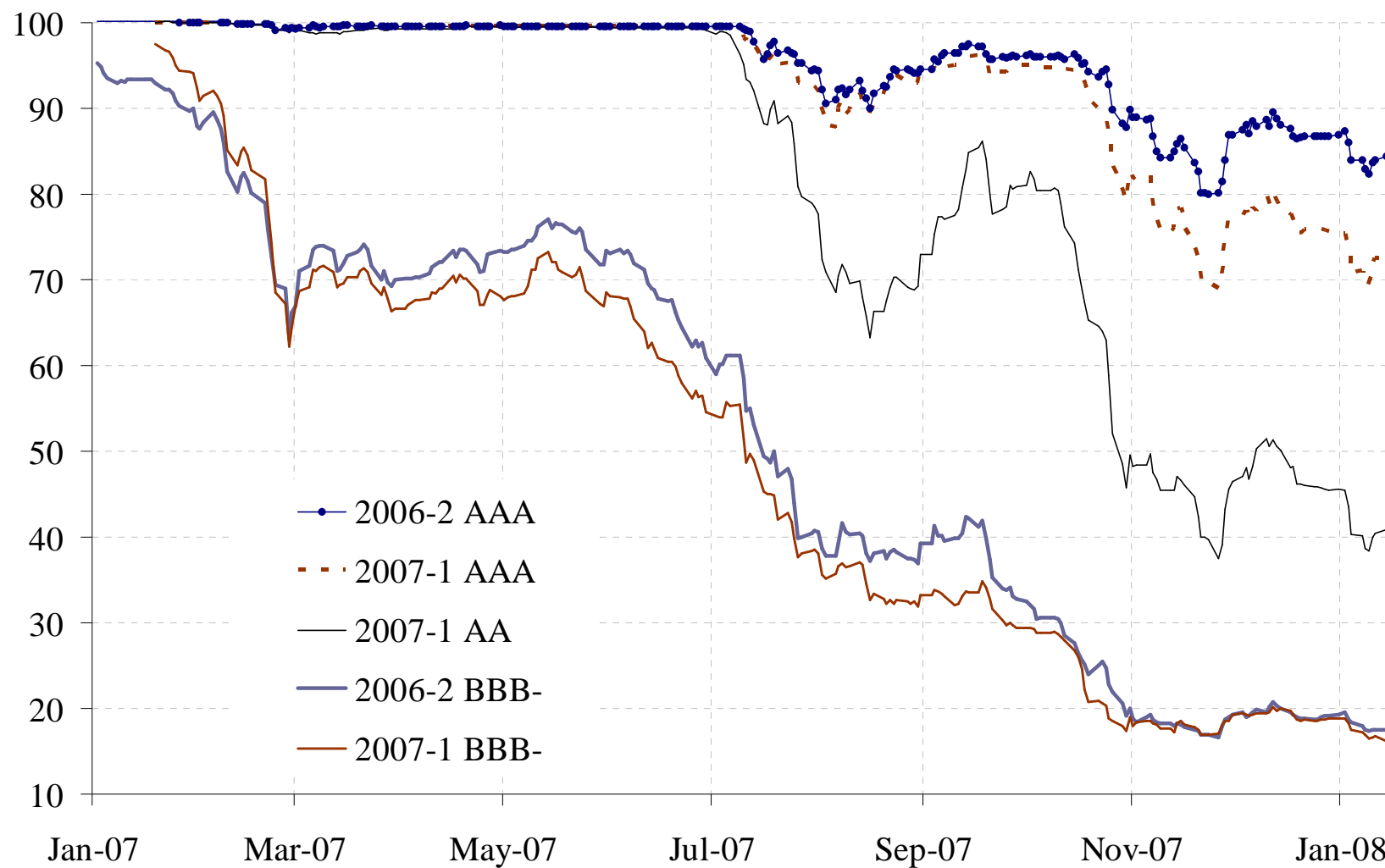
Source: ECB Financial Stability Review (December 2007) | 4

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

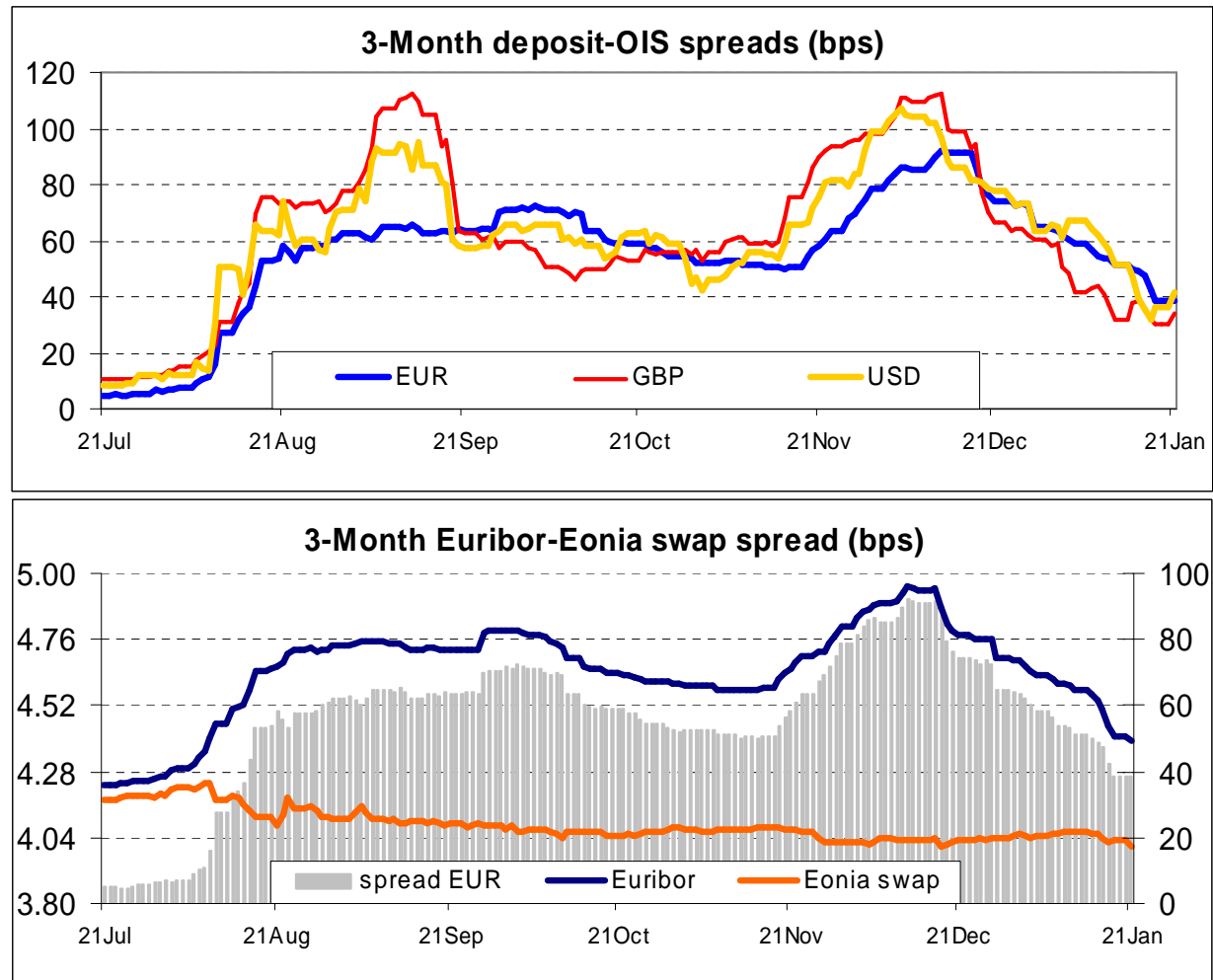


Source: ECB

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Chart 17: Money market spreads

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





Thank you.