Annex Figure 1.2.1. Euro Area Negative-Yielding European Government Bonds and Baseline Portfolio Rebalancing

1. Sovereign Yields: Euro Debt–Weighted Yield Curve (Percent)

Expectations of quantitative easing drove some core yields negative.

Year

Maturities

Euro area range, post Jackson Hole
Euro area, post Jackson Hole
Euro area, pre Jackson Hole

Sources: Bloomberg, L.P.; and IMF staff estimates.

2. Potential Flows into Foreign-Exchange-Denominated Assets (Billions of euros)

Rebalancing under the baseline scenario.

Year

Holders
Re-balanced
Sold to national central banks under QE or held
FX assets
EUR assets
Other
United States
EM
Other AE

Sources: Bloomberg, L.P.; and IMF staff calculations.

Note: AE = advanced economies; EGB = European government bond; EM = emerging markets; EUR = euro area; FX = foreign exchange; QE = quantitative easing. See Figure 1.10 panel 2 for country groupings.