


# Rates markets and BTPs: how they have fared through the pandemic

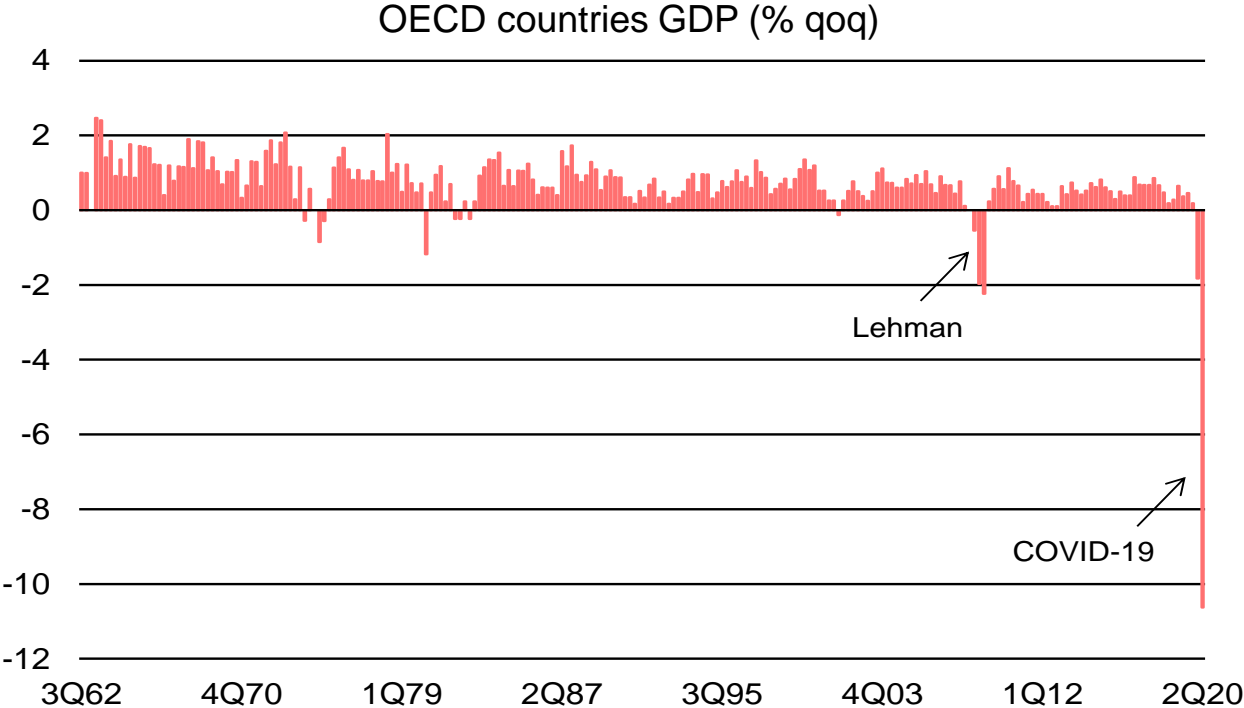
Eurex Webinar

**Luca Cazzulani**, Co-Head of Research Strategy (UniCredit Bank, Milan)

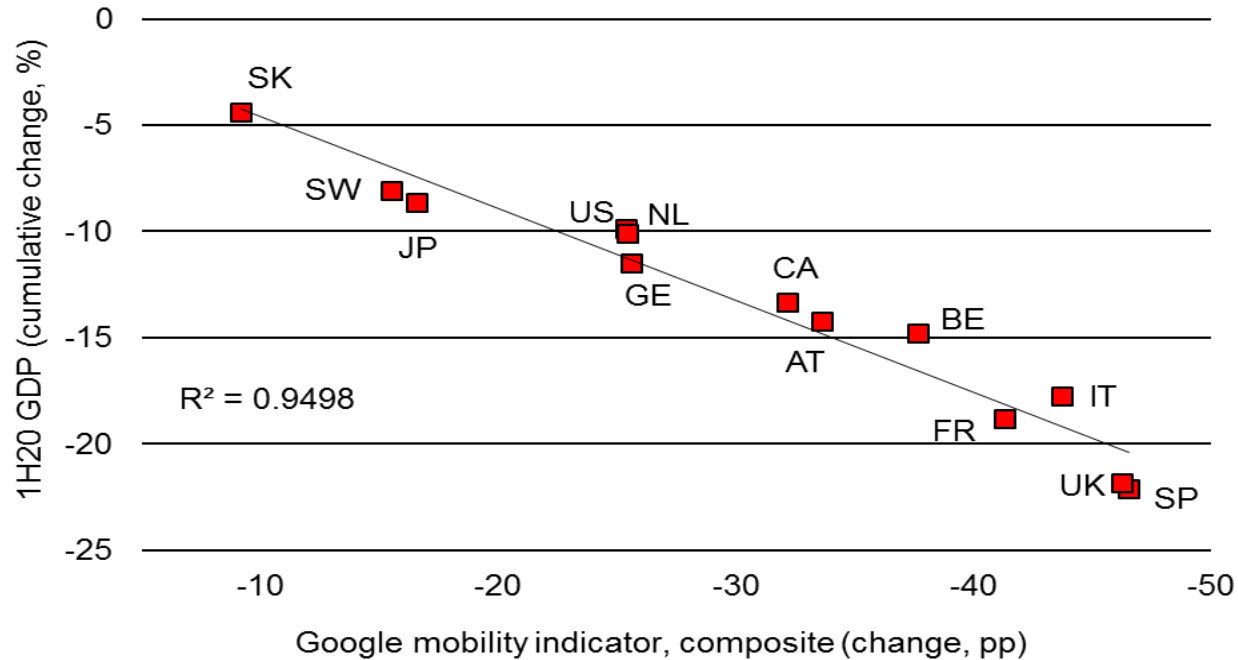
Milan, 25 November 2020

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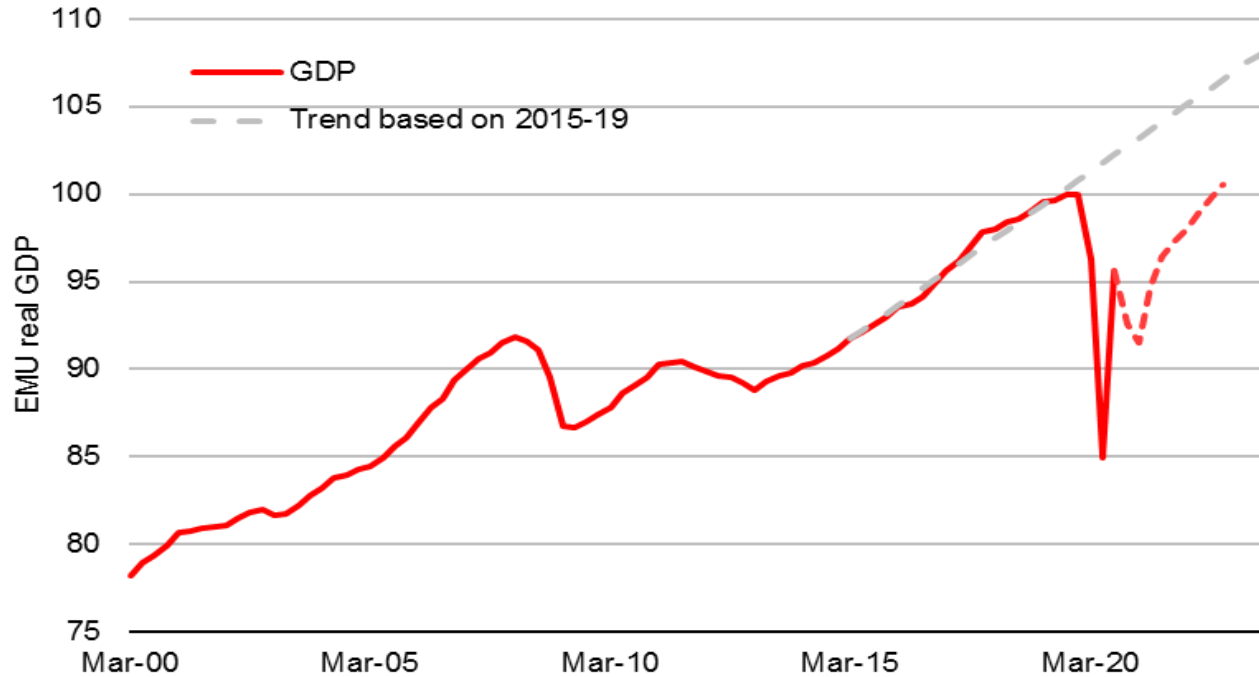
# A global recession like no other – in terms of magnitude...



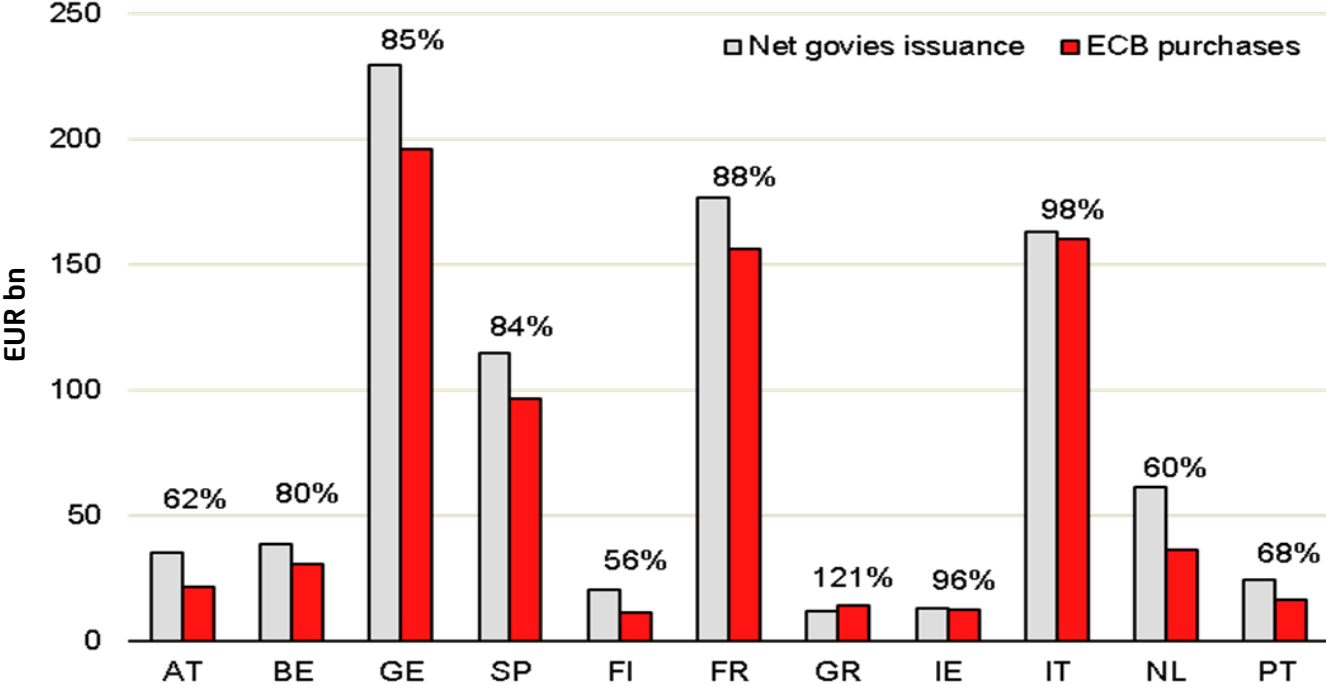
# ...and drivers. It's been totally "self-inflicted" as mobility was curbed



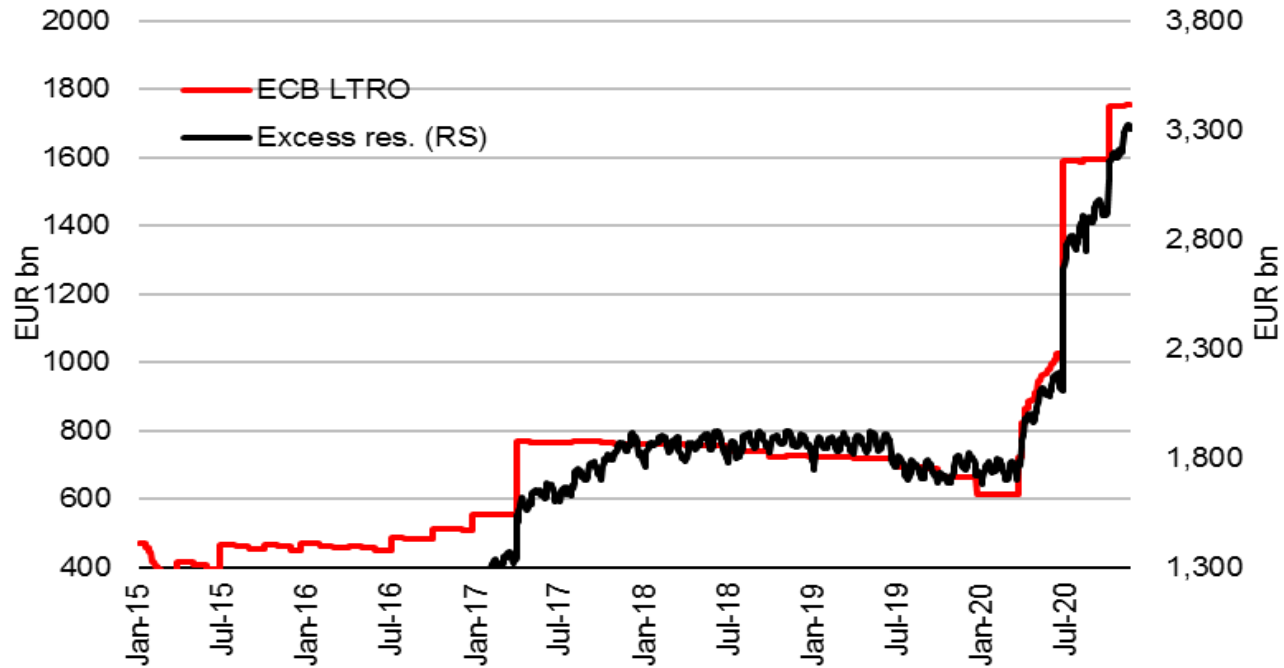
# How we see GDP developing



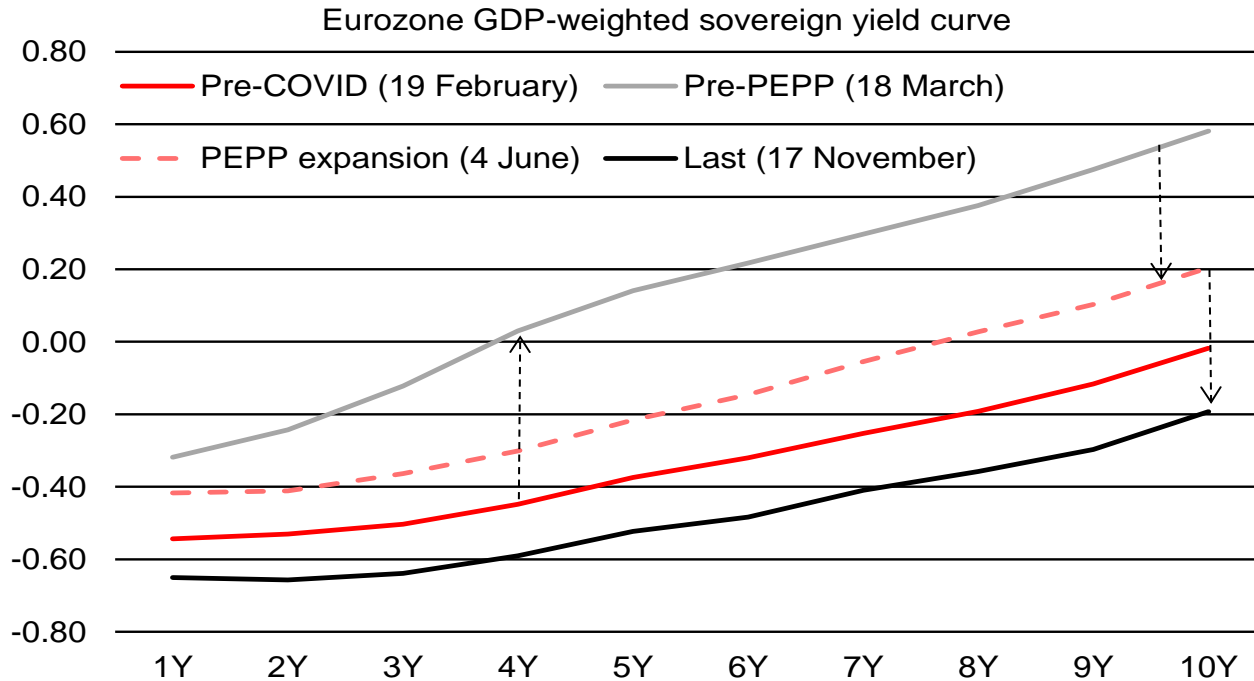
# A combined response by fiscal and monetary policy...



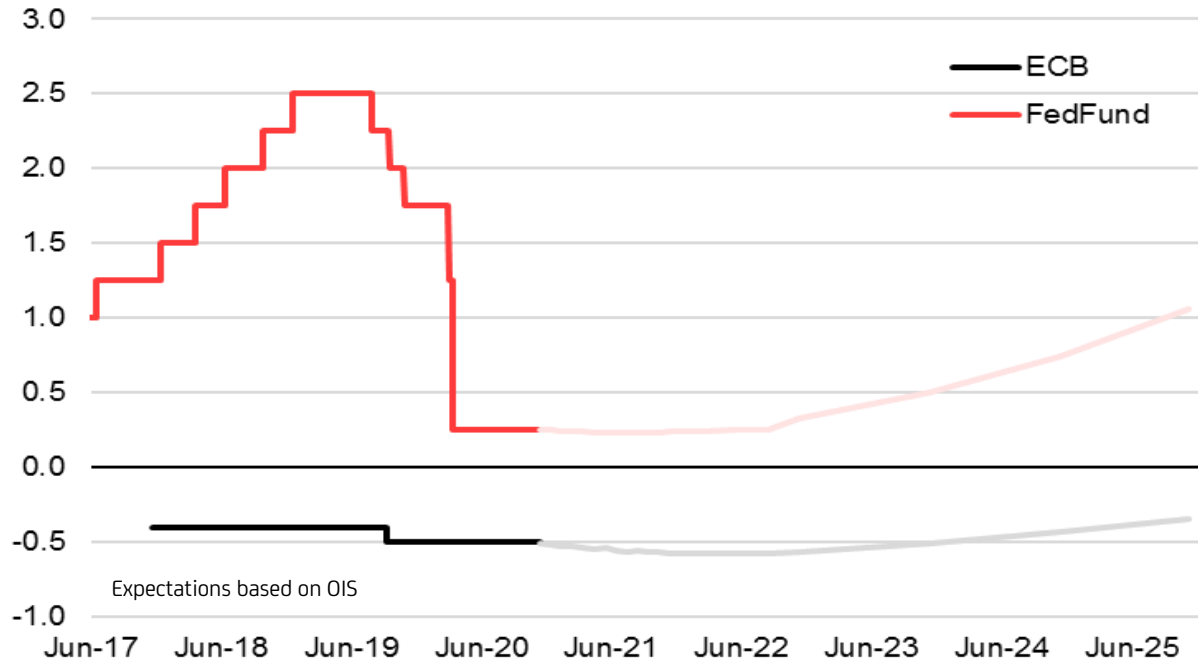
# ...and plenty of liquidity in the euro area...



# ...have stabilized the sovereign yield curve

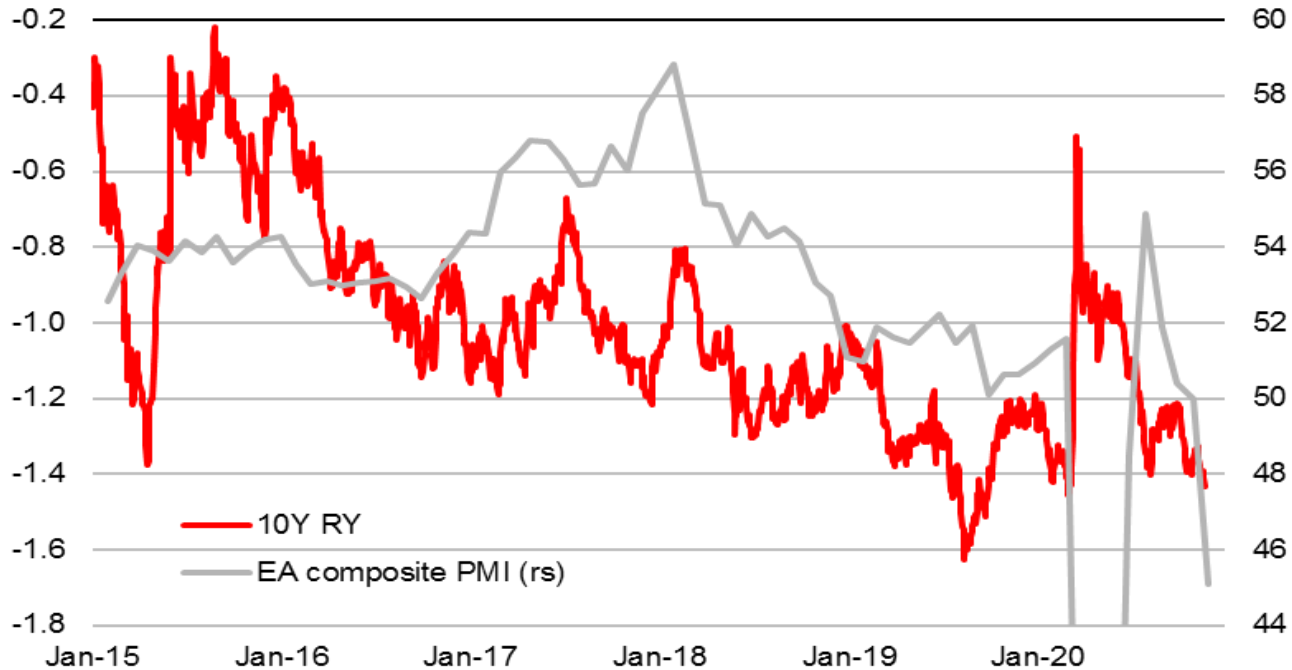


# Policy rates are going to stay low ... indefinitely?

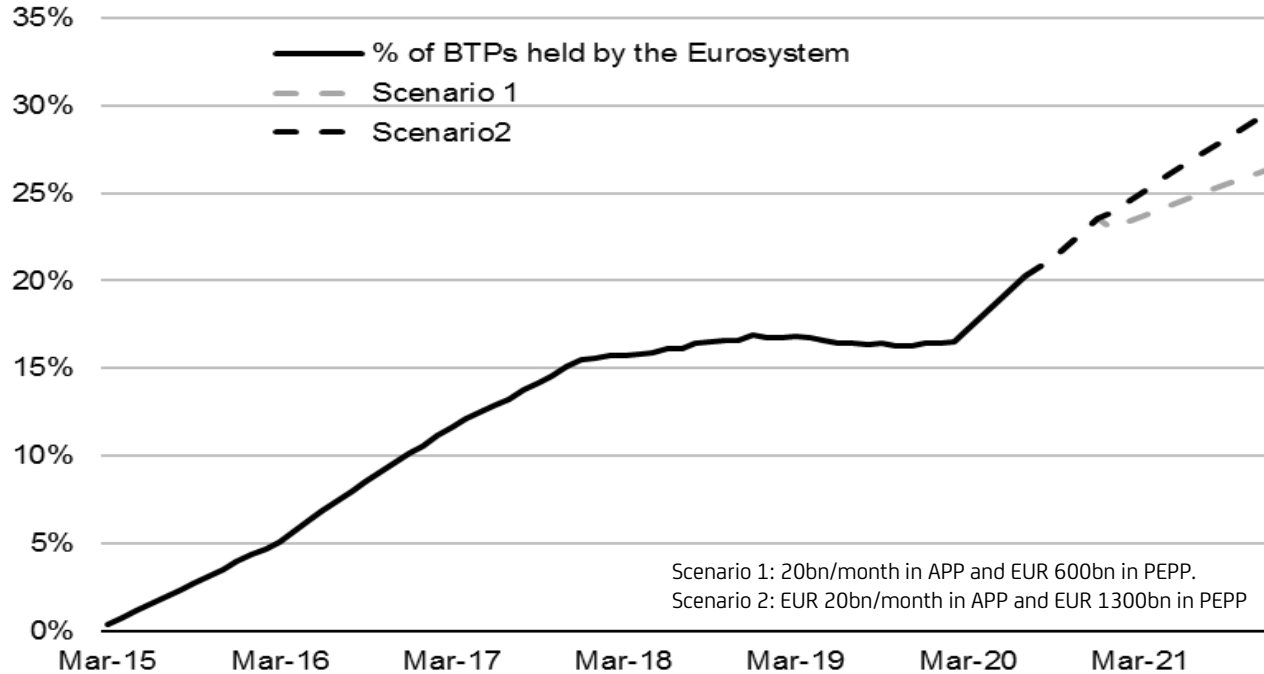




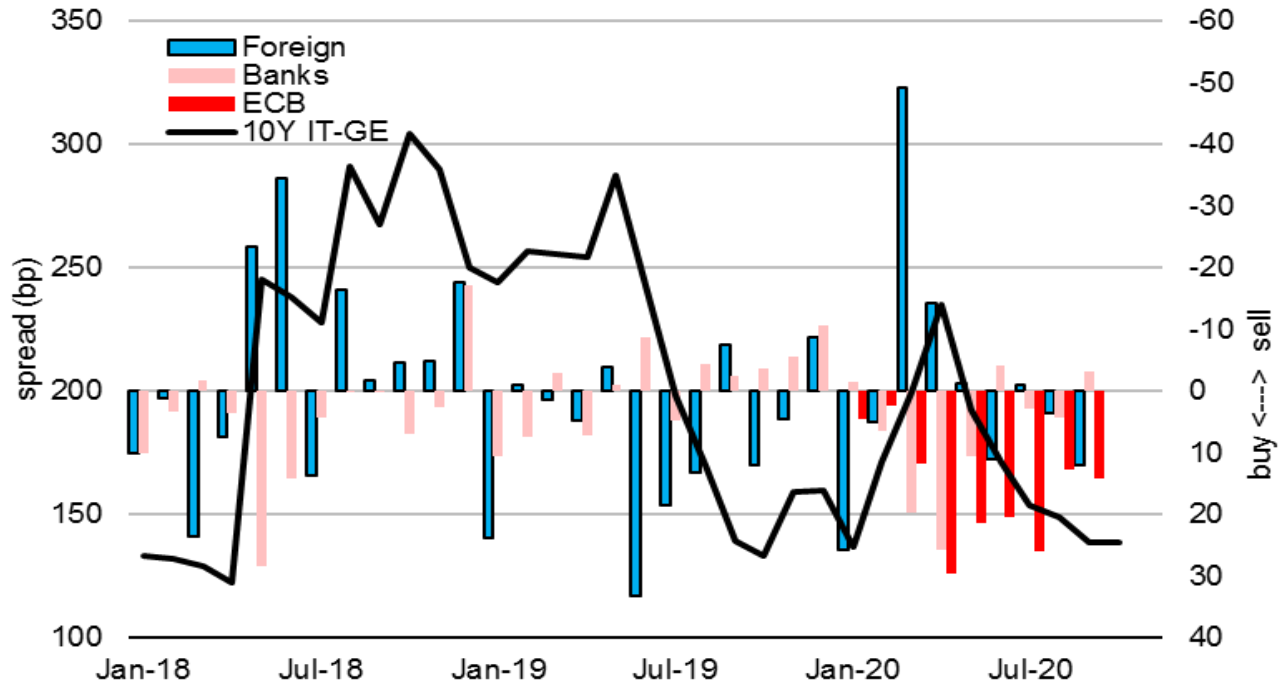
# Real (Bund) yields are bound to stay negative



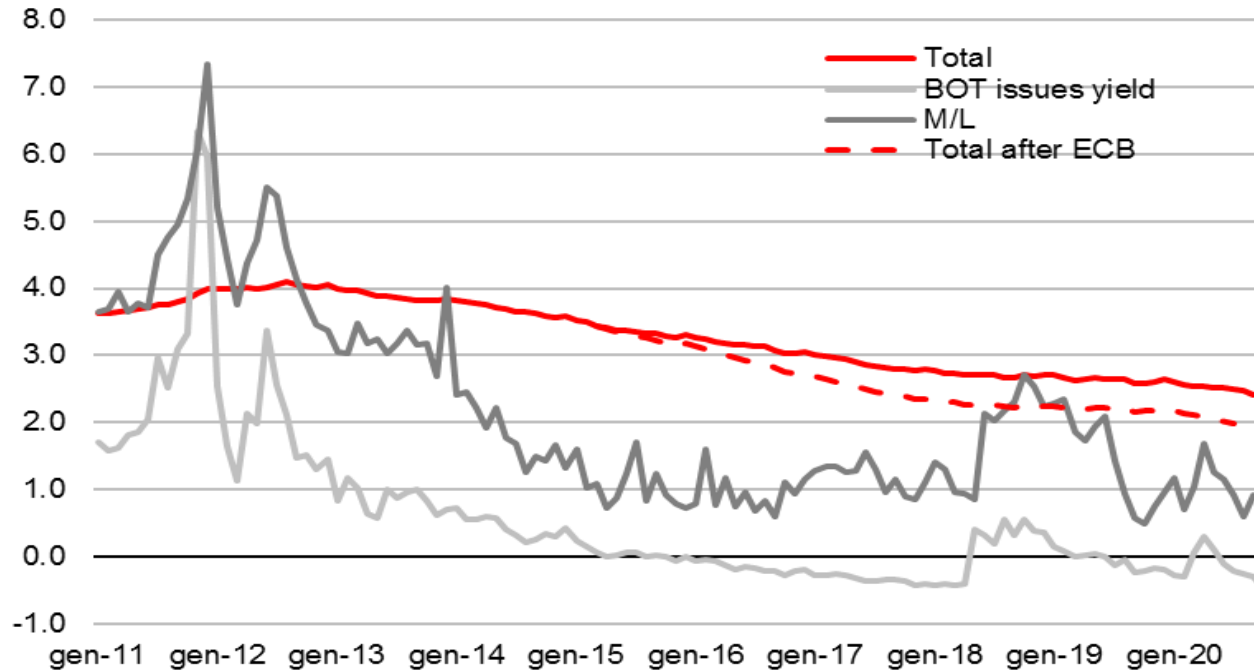
# BTPs key facts: #1: increasing share of the market held by the ECB



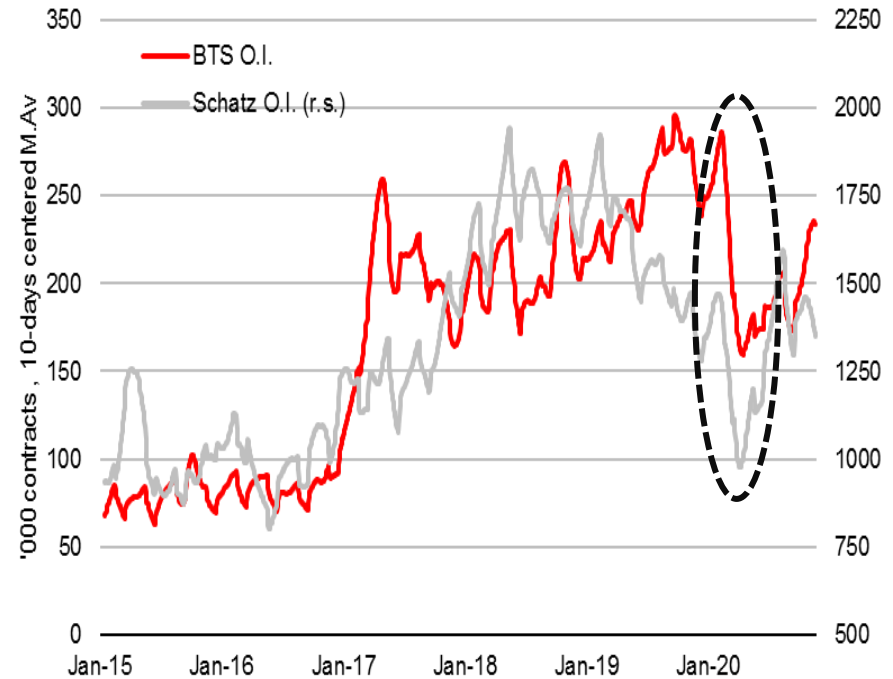
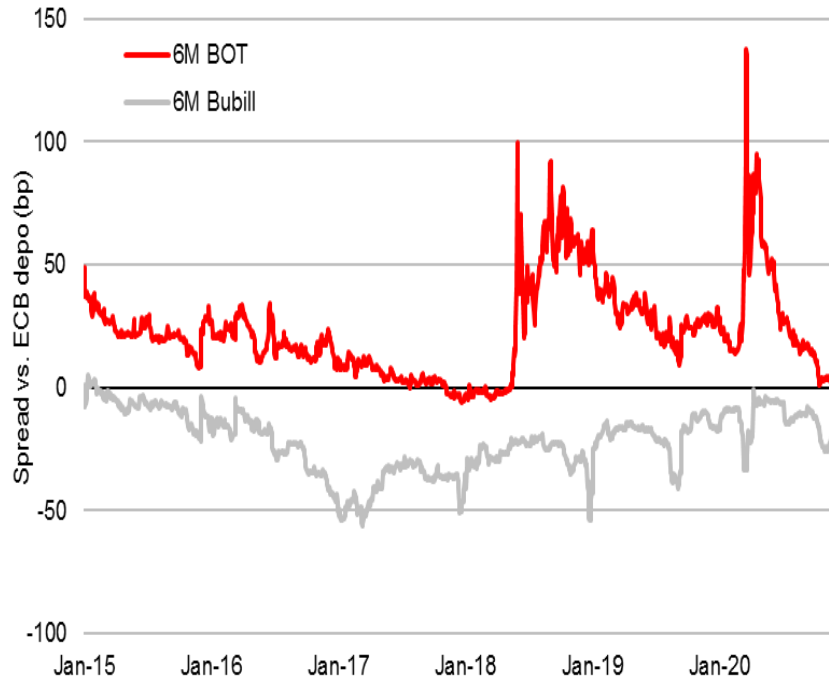
# BTPs key facts: #2: foreign investors are likely to be underweight



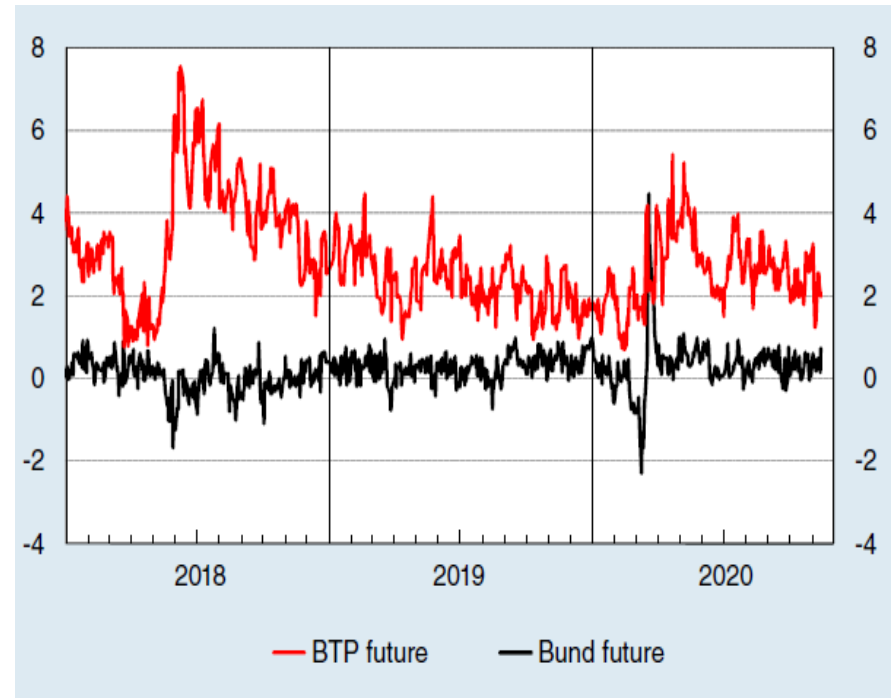
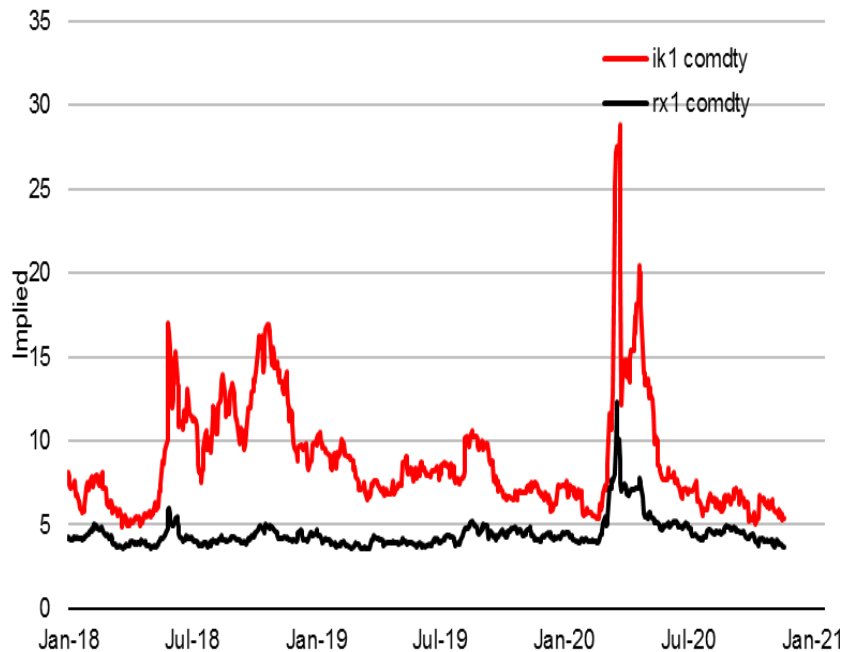
# BTPs key facts: #3: funding cost is well behaved



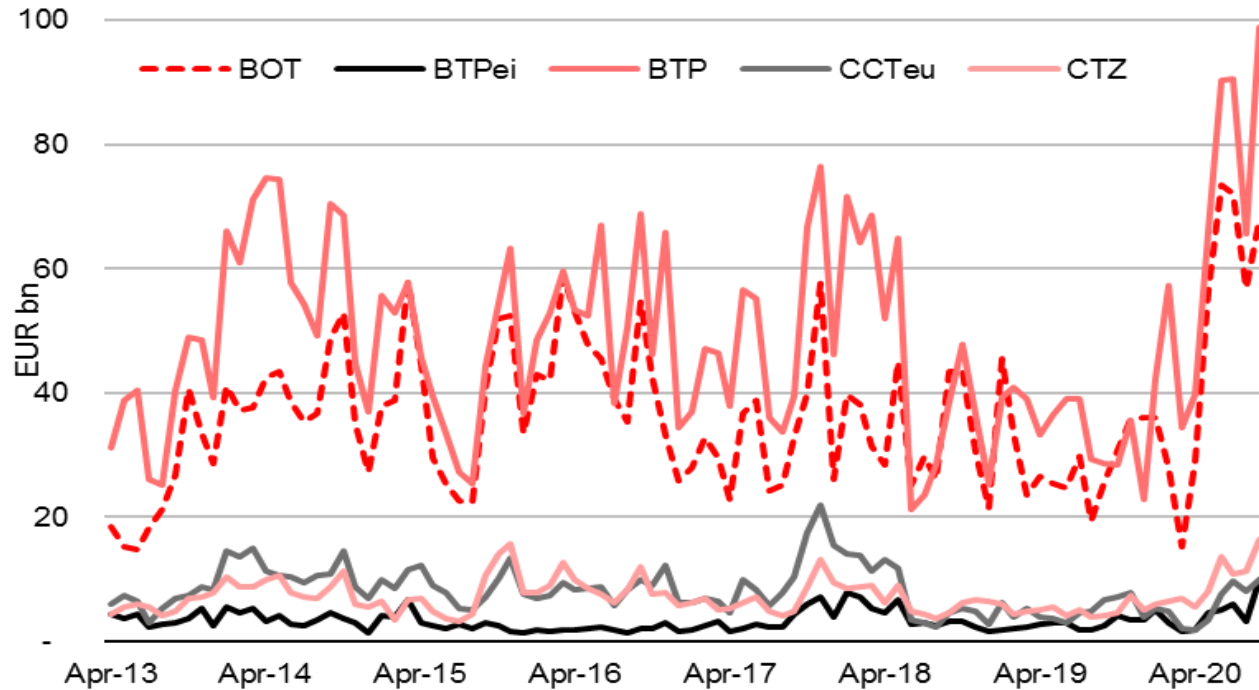
# BTPs key facts #4: the short end has been highly supported



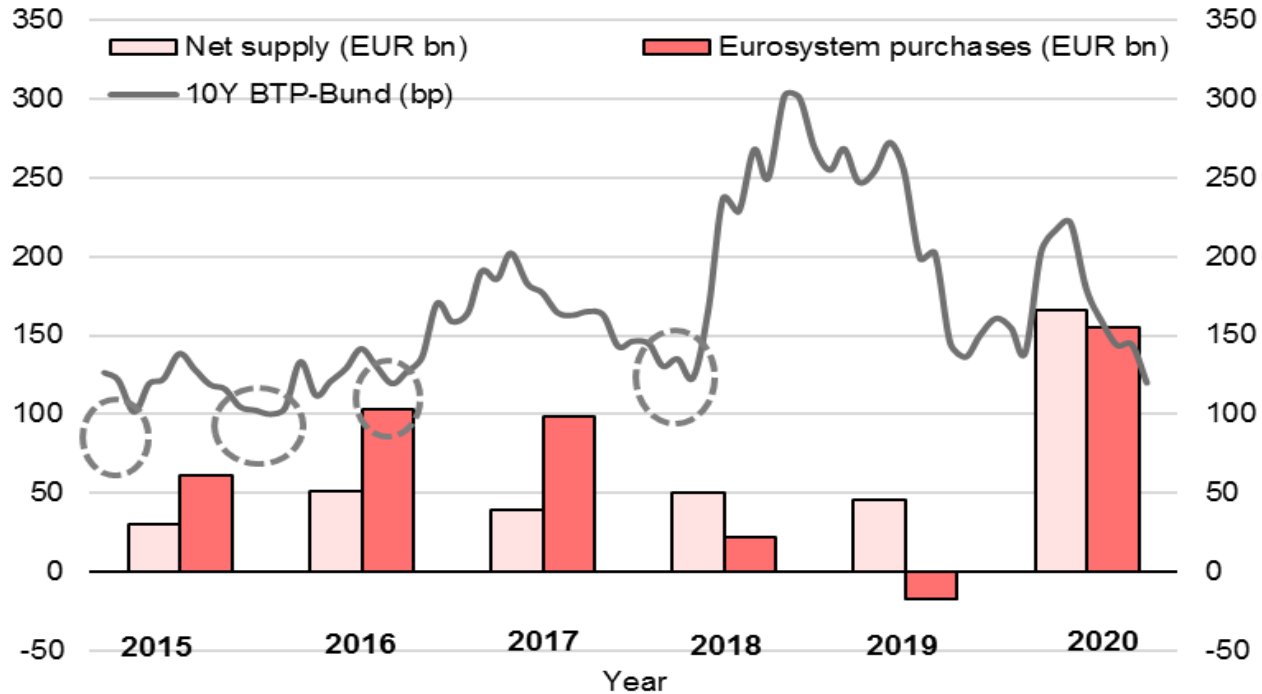
# BTPs key facts: #5: volatility spike has been short lived



# BTPs key facts #6: trading activity has increased substantially



# BTPs: where do we go from here?





# Your contacts

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