



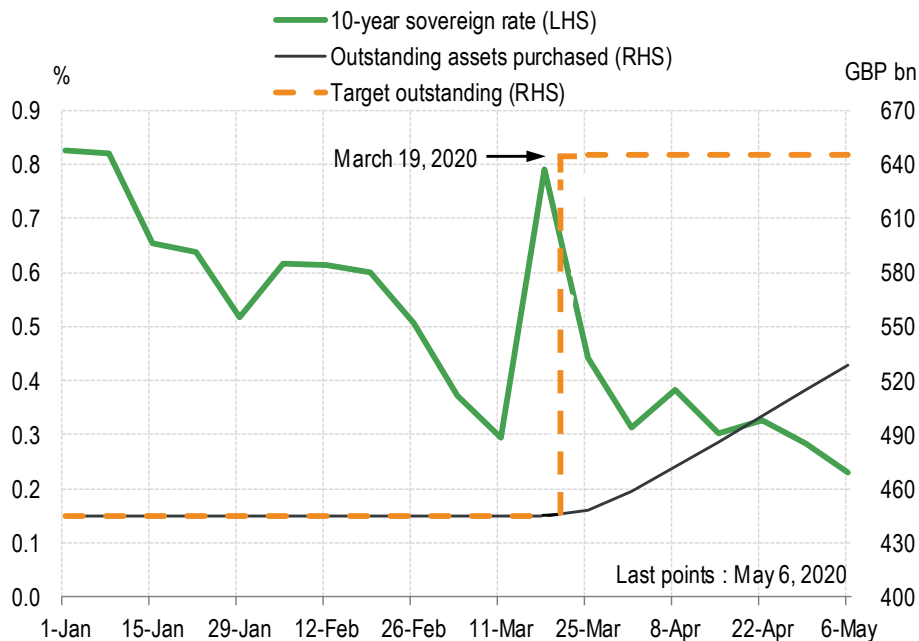
UK: Target outstanding of the asset purchase program maintained, slight easing of the 10-year Gilt rate

The last Bank of England (BoE) Monetary Policy Committee of May 7, 2020 leaves UK monetary policy unchanged, including the target outstanding of its asset purchase program, despite the vote of two of the members of the Committee in favor of an increase of GBP 100 bn.

Inaugurated in 2009 with an initial outstanding of GBP 200 bn, the program has been extended several times. The latest increase, decided on March 19, brought the target outstanding to GBP 645 billion (including 20 bn in investment-grade corporate bonds), against GBP 445 billion (including GBP 10 bn in investment-grade corporate bonds) previously. Since then the British 10-year sovereign rate has fallen slightly, despite the government's announcement of its intention to issue GBP 180 bn between May and July 2020, against GBP 39 bn initially planned for this period and GBP 156 bn for the whole of 2020.

For the time being, the improvement in financing conditions has led the government not to apply for the "Ways and Means" cash facility, which it decided on April 9, 2020, jointly with the BoE, to temporarily remove the ceiling (GBP 370 mn previously) in order to get funding without resorting to the market in the event that the conditions of access to the latter deteriorate.

United Kingdom: Gilt and Asset Purchase Facility*



* Valued a initial purchased price

Source: BoE, Datastream