

## Announcements of ECB unconventional programs: Implications for the sovereign spreads of stressed euro area countries

Matteo Falagiarda

Stefan Reitz

### **Abstract**

This paper studies the effects of ECB communications about unconventional monetary policy operations on the sovereign spreads of Greece, Ireland, Italy, Portugal, and Spain relative to Germany between 2008 and 2012. More than fifty events concerning non-standard operations are identified and classified with respect to the specific ECB program. The empirical results suggest that the ECB announcements about unconventional monetary policies substantially reduced long-term government bond yield spreads relative to German counterparts in all countries, except Greece. Particularly, among the different types of measures, news about the Securities Markets Programme strongly affected the perceived sovereign risk of the five stressed euro area countries, while the announcements of the Outright Monetary Transactions seem to have a significant impact only in Italy and Spain.

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