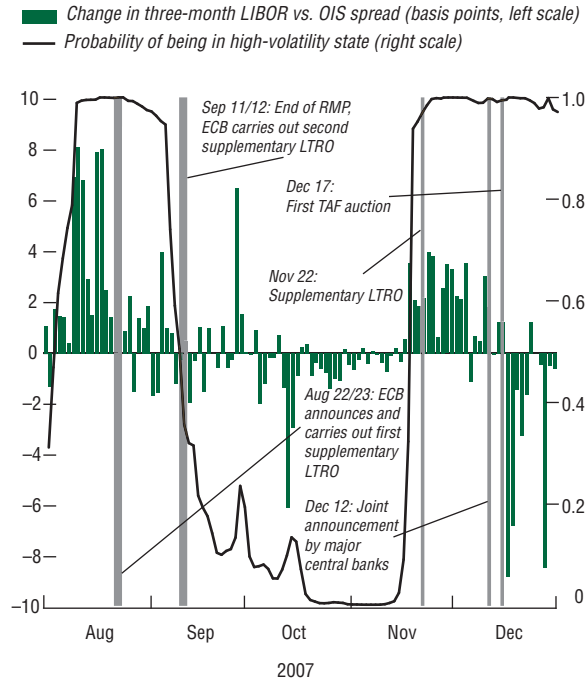## Figure 3.11. Euro Area: Selected European Central Bank Policy Actions and Term Funding Stress



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

Note: The green bars represent the change in the spread between three-month euro LIBOR and three-month euro overnight index swap, measured in basis points. These data are used in the estimation of a three-state Markov Switching ARCH model. The black line provides the subsequent probability of being in the highest volatility regime, which is determined by the variation in the LIBOR spread. The probabilities of being in the medium- and low-volatility states are not shown here. The gray bars indicate selected major central bank interventions. OIS = overnight index swap; RMP = reserve maintenance period; ECB = European Central Bank; LTRO = long-term refinancing operations; TAF = Term Auction Facility.