

ANALYZING THE RELATIONSHIP BETWEEN EONIA AND EONIASWAP RATES. A COINTEGRATION APPROACH

Associate Professor, Ph.D. CODRUȚA MARIA FĂȚ¹, Teaching Assitant, Ph.D. SIMONA MUTU²

Abstract

The aim of this paper is to analyze the behavior of Eoniaswap rate during the 2005-2011 period. This index is representative for the Eurozone interbank swap market. Its evolution is significantly influenced by the monetary policy of the European Central Bank. In order to asses this influence, firstly, we apply stationarity tests for the Eoniaswap rates at different maturities. Secondly, we use cointegration tests for analyzing the long run relationship between Eonia and the swap rates. Finally, we apply a variance decomposition analysis for the interbank swap rates.

¹ Faculty of Economics and Business Administration, Babes-Bolyai University, Cluj-Napoca, codruta.fat@econ.ubbcluj.ro

² Faculty of Economics and Business Administration, Babes-Bolyai University, Cluj Napoca, simona.mutu@econ.ubbcluj.ro