

Press Release

Zurich, 21 July 2022, 5.30 p.m.

KOF Monetary Policy Communicator for the Euro Area

The KOF MPC figure for 21 July 2022 is 0.53. At today's meeting, the ECB's Governing Council communicated that inflation is undesirably high.

The Governing Council decided to raise the three key ECB interest rates by 50 basis points and approved the Transmission Protection Instrument (TPI). The Council also expects that further interest rates hikes will be appropriate in upcoming meetings.

According to Eurostat, Euro area annual HICP inflation was 8.6% in June up from 8.1% in May. This increase was primarily caused by higher energy prices. Supply bottlenecks and high food prices also contribute to the high inflation reading. The Governing Council expects that these factors will cause inflation rates to remain undesirably high for some time. There are also additional price pressures stemming from the depreciation of the euro exchange rate. Over time, these factors should ease and together with the ongoing policy normalization inflation should go back to the ECB's target.

Recent Developments

Date	KOF MPC	MRF*
16 Dec 2021	-0.03	0.00
03 Feb 2022	0.15	0.00
10 Mar 2022	0.26	0.00
14 Apr 2022	0.51	0.00
09 Jun 2022	0.20	0.00
21 Jul 2022	0.53	0.50

*ECB Main Refinancing Rate

KOF MPC and ECB Main Refinancing Rate

