

Press Release

Zurich, 8 March 2018, 5.30 p.m.

KOF Monetary Policy Communicator for the Euro Area

The KOF MPC figure for 8 March 2018 is -0.05. The ECB confirmed its confidence that inflation rates will converge towards the ECB's inflation aim.

At today's meeting, the ECB's Governing Council decided to keep all key ECB interest rates unchanged.

According to Eurostat, euro area annual HICP inflation was 1.2 per cent in February, down from 1.3 per cent in January. This development mainly reflected negative base effects in unprocessed food price inflation. Inflation is expected to hover around 1.5% for the rest of the year. Measures of underlying inflation are still viewed as subdued. The governing council communicated that it still needs to see convincing signs of a sustained upward trend in underlying inflation. Hence, an ample degree of monetary stimulus is deemed necessary for underlying inflation pressures to build up and support inflation developments over the medium term. The inflation outlook has been revised slightly downwards for 2019. The Eurosystem staff macroeconomic projections foresee inflation at 1.4 per cent in 2018, 1.4 per cent in 2019, 1.7 per cent in 2020 (December 2017 projections for 2018-2020: 1.4%, 1.5% and 1.7%). The Governing Council monitors developments in the exchange rate and financial conditions with regard to their possible implications for the inflation outlook.

Current ECB holdings of securities for monetary policy purposes amount to 2,445bn euros (end of January: 2,416bn euros).

Recent Developments

Date	KOF MPC	MRF*
20 Jul 2017	0.58	0.00
07 Sep 2017	0.39	0.00
26 Oct 2017	0.26	0.00
14 Dec 2017	0.19	0.00
25 Jan 2018	0.33	0.00
08 Mar 2018	-0.05	0.00

*ECB Main Refinancing Rate

KOF MPC and ECB Main Refinancing Rate

