

# Press Release

Zurich, 14 June 2018, 5.30 p.m.

## KOF Monetary Policy Communicator for the Euro Area

**The KOF MPC figure for 14 June 2018 is 0.41. The ECB communicated that substantial progress towards a sustained adjustment in the path of inflation towards the ECBs aim in the medium term has been made.**

At today's meeting, the ECB's Governing Council decided to keep all key ECB interest rates unchanged. The governing council expects that, after September 2018, the monthly pace of net asset purchases will be reduced to €15 billion until the end of December 2018 and then reduced to zero. Interest rates are expected to remain at their present levels at least through the summer of 2019.

According to Eurostat, euro area annual HICP inflation was 1.9 per cent in May, up from 1.2 per cent in April. This development reflected higher food, energy and service price inflation. Inflation is expected to hover around the current level for the rest of the year. The Governing Council concluded that progress towards a sustained adjustment in the path of inflation has already been substantial and that the continuing ample degree of monetary accommodation will be sufficient even after a gradual winding-down of net asset purchases. The inflation outlook has been revised notably upwards for 2018 and 2019. The Eurosystem staff macroeconomic projections foresee inflation at 1.7 per cent in 2018, 2019 and 2020 (March 2018 projections for 2018-2020: 1.4%, 1.4% and 1.7%). The Governing Council monitors the risk of increased protectionism and of persistent heightened financial market volatility.

Current ECB holdings of securities for monetary policy purposes amount to 2,533bn euros (end of April: 2,497bn euros).

Recent Developments

Date	KOF MPC	MRF*
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
26 Apr 2018	0.06	0.00
14 Jun 2018	0.41	0.00

\*ECB Main Refinancing Rate

KOF MPC and ECB Main Refinancing Rate

