

Press Release

Zurich, 13 September 2018, 5.30 p.m.

KOF Monetary Policy Communicator for the Euro Area

The KOF MPC figure for 13 September 2018 is 0.54. The ECB communicated confidence in the sustained convergence of inflation to the aim even after a gradual winding-down of net asset purchases.

At today's meeting, the ECB's Governing Council decided to keep all key ECB interest rates unchanged. The Governing Council decided to reduce the monthly pace of net asset purchases to €15 billion. The purchase program is expected to end after December 2018. Interest rates are expected to remain at their present levels at least through the summer of 2019.

According to Eurostat's flash estimate, euro area annual HICP inflation was 2.0 per cent in August, after 2.1 per cent in July. Measures of underlying inflation have been increasing from earlier lows and are expected to pick up further towards the end of the year and thereafter. Domestic cost pressures are seen as strengthening and broadening. High levels of capacity utilisation and tightening labour markets are pushing up wage growth. Overall, the inflation outlook has not been revised since June. Eurosystem staff macroeconomic projections still foresee inflation at 1.7 per cent in 2018, 2019 and 2020. The Governing Council sees more uncertainties stemming from increased protectionism and financial and emerging market volatility.

Current ECB holdings of securities for monetary policy purposes amount to 2,603bn euros (end of July: 2,572bn euros).

Recent Developments

Date	KOF MPC	MRF*
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
26 Jul 2018	0.53	0.00
13 Sep 2018	0.54	0.00

*ECB Main Refinancing Rate

KOF MPC and ECB Main Refinancing Rate

