

Press Release

Zurich, 25 October 2018, 5.30 p.m.

KOF Monetary Policy Communicator for the Euro Area

The KOF MPC figure for 25 October 2018 is 0.69. The ECB confirmed its confidence in the sustained convergence of inflation to the aim even after the 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 still expects net asset purchases 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, euro area annual HICP inflation was 2.1 per cent in September, up from 2.0 per cent in August. This reflected mainly higher energy and food price inflation. Measures of underlying inflation remained muted but have been increasing from earlier lows. Domestic cost pressures are seen as strengthening and broadening. High levels of capacity utilisation and tightening labour markets are pushing up domestic price pressures. Underlying inflation is expected to pick up at the end of the year and thereafter. The Governing Council continues to see uncertainties stemming from increased protectionism and financial and emerging market volatility as prominent.

Current ECB holdings of securities for monetary policy purposes amount to 2,626bn euros (end of July: 2,572bn euros).

Recent Developments

Date	KOF MPC	MRF*
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
25 Oct 2018	0.69	0.00

*ECB Main Refinancing Rate

KOF MPC and ECB Main Refinancing Rate

