

Press Release

Zurich, 24 January 2019, 5.30 p.m.

KOF Monetary Policy Communicator for the Euro Area

The KOF MPC figure for 24 January 2019 is 0.34. The ECB repeated its confidence in the sustained convergence of inflation to the aim even after the end of net asset purchases.

At today's meeting, the ECB's Governing Council decided to keep all key ECB interest rates unchanged. Interest rates are expected to remain at their present levels at least through the summer of 2019. The Governing Council intends to continue reinvesting the principal payments from maturing securities for an extended period of time past the date when it starts raising the key ECB interest rates.

Euro area annual HICP inflation declined to 1.6% in December 2018, from 1.9% in November. This development mainly reflected a decline in energy inflation. Measures of underlying inflation remain generally muted, but labour cost pressures are continuing to strengthen and broaden amid high levels of capacity utilisation and tightening labour markets. Over the medium term, underlying inflation should increase, supported the ongoing economic expansion. The Governing Council communicates that the risks surrounding this expansion have moved to the downside because of the persistence of uncertainties related to geopolitical factors and the threat of protectionism, vulnerabilities in emerging markets and financial market volatility.

Current ECB holdings of securities for monetary policy purposes amount to 2,651bn euros (end of December: 2,658bn euros).

Recent Developments

Date	KOF MPC	MRF*
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
13 Dec 2018	0.14	0.00
24 Jan 2019	0.34	0.00

*ECB Main Refinancing Rate

KOF MPC and ECB Main Refinancing Rate

