

Press Release

Zurich, 23 January 2020, 5.30 p.m.

KOF Monetary Policy Communicator for the Euro Area

The KOF MPC figure for 23 January 2020 is 0.32. The ECB reiterated the need for a highly accommodative stance of monetary policy for a prolonged period of time.

At today's meeting, the ECB's Governing Council decided to keep the key ECB interest rates unchanged. The ECB expects them to remain at their present or lower levels until the inflation outlook has robustly converged to the ECB's aim.

Euro area annual HICP inflation was 1.3% in December, up from 1.0% in November 2019. This increase mainly reflected higher energy price inflation. The ECB expects headline inflation to be close to the current level in the coming months. Measures of underlying inflation remain muted. However, some indicators suggest a moderate increase. Indicators of inflation expectations are at low levels, but have either stabilised or ticked up slightly. While labor cost pressures have strengthened, weaker economic growth is delaying the pass-through to inflation. The Governing Council communicated that risks are still tilted to the downside, yet less pronounced than before as some uncertainty surrounding international trade is receding.

Recent Developments

Date	KOF MPC	RDF*
06 Jun 2019	0.44	-0.40
25 Jul 2019	0.15	-0.40
12 Sep 2019	-0.15	-0.50
24 Oct 2019	0.21	-0.50
12 Dec 2019	0.25	-0.50
23 Jan 2020	0.32	-0.50

*ECB Rate on the Deposit Facility

KOF MPC and ECB Main Refinancing Rate

