

Press Release

Zurich, 30 April 2020, 5.30 p.m.

KOF Monetary Policy Communicator for the Euro Area

The KOF MPC figure for 30 April 2020 is -0.35. As a response to the coronavirus (COVID-19) shock, the ECB decided to further improve longer-term refinancing conditions.

First, the Governing Council decided to ease the conditions on targeted longer-term refinancing operations (TLTRO III). Second, to preserve the smooth functioning of money markets, the ECB launched a new series of non-targeted pandemic emergency longer-term refinancing operations (PELTROs) starting in May 2020.

According to Eurostat's flash estimate, Euro area annual HICP inflation was 0.4% in April 2020, down from 0.7% in March. This development reflected lower energy prices, but also slightly lower HICP inflation excluding energy and food. Headline inflation is expected to decrease considerably in the coming months because of the sharp decline in oil prices and economic activity. The medium-term inflation development is highly uncertain, as downward pressures on prices stemming from weaker demand may be partially offset by upward pressures related to supply disruptions.

Recent Developments

Date	KOF MPC	RDF*
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
12 Mar 2020	0.21	-0.50
30 Apr 2020	-0.35	-0.50

*ECB Rate on the Deposit Facility

KOF MPC and ECB Main Refinancing Rate

