

# Press Release

Zurich, 9 September 2021, 5.30 p.m.

## KOF Monetary Policy Communicator for the Euro Area

**The KOF MPC figure for 9 September 2021 is 0.39. At today's meeting, the ECB's Governing Council confirmed the need for an accommodative monetary policy stance.**

The Governing Council decided to moderate the pace of net asset purchases under the pandemic asset purchase programme compared to the previous two quarters, based on a joint assessment of financing conditions and inflation outlook. At the same time, the key ECB interest rates, purchases under the asset purchase programme as well as its forward guidance remain unchanged.

According to Eurostat, Euro area annual HICP inflation was 3.0% in August. The ECB expects inflation to continue rising in fall and to decline next year. The upswing in inflation is likely to be temporary and reflects the increase of energy prices, the reversal of the temporary VAT reduction in Germany, delayed summer sales in 2020 and cost pressures resulting from supply bottlenecks. Underlying inflation is expected to rise gradually, because the economy is returning to full capacity only slowly and resulting wage growth is moderate. If supply chain disruptions last longer and feed into stronger wage growth, inflationary pressures could be more persistent.

### Recent Developments

| Date        | KOF MPC | RDF*  |
|-------------|---------|-------|
| 21 Jan 2021 | 0.00    | -0.50 |
| 11 Mar 2021 | 0.14    | -0.50 |
| 22 Apr 2021 | -0.07   | -0.50 |
| 10 Jun 2021 | -0.34   | -0.50 |
| 22 Jul 2021 | 0.24    | -0.50 |
| 09 Sep 2021 | 0.39    | -0.50 |

\*ECB Rate on the Deposit Facility

### KOF MPC and ECB Main Refinancing Rate

