

Press Release

Zurich, 2 February 2023, 5.30 p.m.

KOF Monetary Policy Communicator for the Euro Area

The KOF MPC figure for 2 February 2023 is -0.04. At today's meeting, the ECB's Governing Council communicated that price pressures remain strong, as high energy costs are spreading throughout the economy.

The Governing Council decided to raise the three key ECB interest rates by 50 basis points. The Council also expects to raise the key ECB interest rates by another 50 basis points at the March policy meeting.

According to Eurostat's flash estimate, Euro area annual HICP inflation was 8.5% in January down from 9.2% in December. This decrease was mainly caused by a drop in energy prices. Expected energy prices over the coming years are significantly lower than previously expected. Still, price pressures are fueled by high energy costs that are spilling over into the broader economy. Supply constraints are gradually easing, but their lagged effect and pent-up demand continue to drive up inflation. Supported by robust labour markets and reflecting inflation compensation, wages are rising faster, but in line with ECB expectations.

Recent Developments

Date	KOF MPC	MRF*
09 Jun 2022	0.20	0.00
21 Jul 2022	0.53	0.50
08 Sep 2022	0.53	1.25
27 Oct 2022	0.49	2.00
15 Dec 2022	0.26	2.50
02 Feb 2023	-0.04	3.00

*ECB Main Refinancing Rate

KOF MPC and ECB Main Refinancing Rate

