

Press Release

Zurich, 6 June 2024, 5.30 pm

KOF Monetary Policy Communicator for the Euro Area

The KOF MPC figure for 6 June 2024 is 0. At today’s meeting, the ECB’s Governing Council decided to lower the three key ECB interest rates by 25 basis points.

The ECB’s Governing Council has initiated its easing cycle by lowering its three key ECB interest rates by 25 basis points. However, the Governing Council stresses that domestic price pressures remain elevated and insists that it is not pre-committing to a particular rate path. The Governing Council continues to expect inflation “to fluctuate around current levels for the rest of the year”, reaching the ECB inflation target at the end of next year.

Annual HICP inflation in the euro area has increased to 2.6% in May, a 0.2 percentage point increase from the 2.4% recorded in April. Food price inflation decreased to 2.6%. Energy price inflation on the other hand moved into positive territory at 0.3%, after being negative over the past year. Goods inflation dropped further to 0.8% in May. Services inflation continues to display its stickiness, bouncing back to over 4% after a 3.7% reading in April. Incoming data on underlying inflation indicate gradually diminishing price pressures, with profits absorbing part of the recorded rise in wages. Most measures of longer-term inflation expectations currently stand at around 2%.

Recent Developments

Date	KOF MPC	MRF*
26 Oct 2023	0.29	4.50
14 Dec 2023	0.00	4.50
25 Jan 2024	0.09	4.50
07 Mar 2024	-0.39	4.50
11 Apr 2024	-0.26	4.50
06 Jun 2024	0.00	4.25

*ECB Main Refinancing Rate

KOF MPC and ECB Main Refinancing Rate

