

# Press Release

Zurich, 20 July 2017, 5.30 p.m.

## KOF Monetary Policy Communicator for the Euro Area

**The KOF MPC figure for 20 July 2017 is 0.58. As communicated by the ECB, underlying inflation remains subdued and has yet to show convincing signs of a pick-up.**

At today's meeting the ECB Governing Council decided to keep all key ECB interest rates unchanged.

According to Eurostat, euro area annual HICP inflation was 1.3% in June, after 1.4% in May. The main reason was lower energy price inflation. Headline inflation is expected to remain around current levels in the coming months and expected to rise only gradually over the medium term. Measures of underlying inflation remain overall at subdued levels and have yet to show convincing signs of a pick-up, as domestic cost pressures, including wage growth, are still subdued. Against this backdrop the ECB confirmed that a very substantial degree of monetary accommodation is still needed for underlying inflation pressures to gradually build up and support headline inflation developments in the medium term.

Current ECB holdings of securities for monetary policy purposes amount to 2,097bn euros (end of May: 2,002bn euros).

### Recent Developments

Date	KOF MPC	MRF*
08 Dec 2016	0.50	0.00
19 Jan 2017	0.68	0.00
09 Mar 2017	0.12	0.00
27 Apr 2017	0.35	0.00
08 Jun 2017	-0.04	0.00
20 Jul 2017	0.58	0.00

\*ECB Main Refinancing Rate

### KOF MPC and ECB Main Refinancing Rate

