

Press Release

Zurich, 8 June 2017, 5.30 p.m.

KOF Monetary Policy Communicator for the Euro Area

The KOF MPC figure for 8 June 2017 is -0.04. As communicated by the ECB, underlying inflation remains low 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's flash estimate, euro area annual HICP inflation was to 1.4% in May, after 1.9% in April and 1.5% in March. Recent volatility in inflation was due to energy prices and temporary increases in services prices over the Easter period. Headline inflation is expected to remain around current levels in the coming months. But the ECB still sees no signs of a convincing upward trend in underlying inflation as unutilised resources are still weighing on domestic price and wage formation. The outlook for inflation has been revised downwards, mainly based on lower oil prices. The Eurosystem staff macroeconomic projections foresee annual inflation at 1.5% in 2017, 1.3% in 2018 and 1.6% in 2019 (March projections for 2017-2019: 1.7%, 1.6% and 1.7%). Against this backdrop the ECB confirmed that a very substantial degree of monetary accommodation is needed to secure a sustained return of inflation rates towards the ECB's target

Current ECB holdings of securities for monetary policy purposes amount to 2,015bn euros (end of April: 1,947bn euros).

Recent Developments

Date	KOF MPC	MRF*
20 Oct 2016	0.62	0.00
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

*ECB Main Refinancing Rate

KOF MPC and ECB Main Refinancing Rate

