

# Press Release

Zurich, 7 September 2017, 5.30 p.m.

## KOF Monetary Policy Communicator for the Euro Area

**The KOF MPC figure for 7 September 2017 is 0.39. As communicated by the ECB, underlying inflation has ticked up moderately. However, it has yet to show signs of a sustained upward trend.**

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 1.5% in August, after 1.3% in July. Because of base effects in energy prices headline inflation is expected to temporarily decline. Recently, measures of underlying inflation have ticked up moderately. Yet, the governing council has to see convincing signs of a sustained upward trend in underlying inflation as domestic cost pressures are still subdued. The outlook for inflation has been slightly revised downwards, mainly because of the recent euro appreciation. The Eurosystem staff macroeconomic projections foresee inflation at 1.5% in 2017, 1.2% in 2018 and 1.5% in 2019 (June 2017 projections for 2017-2019: 1.5%, 1.3% and 1.6%). The recent appreciation of the euro is seen as a source of uncertainty which has to be monitored. In autumn, the Governing Council will decide on the calibration of policy instruments after the end of the year.

Current ECB holdings of securities for monetary policy purposes amount to 2,170bn euros (end of July: 2,119bn euros).

### Recent Developments

Date	KOF MPC	MRF*
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
07 Sep 2017	0.39	0.00

\*ECB Main Refinancing Rate

### KOF MPC and ECB Main Refinancing Rate

