

Press Release

Zurich, 6 June 2019, 5.30 p.m.

KOF Monetary Policy Communicator for the Euro Area

The KOF MPC figure for 6 June 2019 is 0.44. The ECB communicated that further monetary accommodation is necessary for a sustained convergence of inflation to the ECB's aim.

At today's meeting, the ECB's Governing Council decided to keep all key ECB interest rates unchanged. The ECB now expects interest rates to remain at their present levels at least through the first half of 2020. They also announced the modalities of the quarterly targeted longer-term refinancing operations (TLRO III).

According to Eurostat's flash estimate, Euro area annual HICP inflation was 1.2% in May 2019, down from 1.7% in April. Headline inflation is expected to decline in the coming months before rising again towards the end of the year. Measures of underlying inflation remain generally muted, but are expected to increase over the medium term based on higher wage growth and the ongoing economic expansion. The Governing council communicated that global headwinds continue to weigh on the euro area outlook. Hence, the ECB decided measures to ensure a sustained convergence of inflation to the ECB's aim. Compared to economic projections from March, the inflation outlook is little changed. Eurosystem staff macroeconomic projections foresee inflation at 1.3% in 2019, 1.4% in 2020 and 1.6% in 2021 (March 2018 projections 1.2% in 2019, 1.5% in 2020 and 1.6% in 2021). The Governing Council confirmed that the risks surrounding this outlook are still tilted to the downside.

Recent Developments

Date	KOF MPC	MRF*
25 Oct 2018	0.69	0.00
13 Dec 2018	0.14	0.00
24 Jan 2019	0.20	0.00
07 Mar 2019	0.03	0.00
10 Apr 2019	0.31	0.00
06 Jun 2019	0.44	0.00

*ECB Main Refinancing Rate

KOF MPC and ECB Main Refinancing Rate

