

ECB Speak Wrap (June 10 – June 23)

June 23, by Emil Lundh

Developments in the Middle East have dictated movements in short-end EUR rates over the past few weeks, with ECB speakers and regional data taking a backseat. While the inflationary impulse stemming from higher oil prices has led to moderate hawkish repricing in ECB-dated OIS, the risks of Iran closing off the Strait of Hormuz – and thus risking a more severe negative supply shock – appear contained at this stage. Bank of Finland Governor **Rehn** was nonetheless cognizant of this risk on June 19.

Other noteworthy developments in ECBspeak over the past two weeks include:

- Vice President **de Guindos** not necessarily endorsing Executive Board member **Schnabel's** view that the impact of Chinese trade diversion is *"actually quantitatively quite small"*. On June 16, he said *"Well, I don't know whether it's going to be a big risk, but undoubtedly this is something that we have to monitor and take into consideration"*.
- Traditionally dovish members such as **Stournaras** and **Villeroy** more openly disclosing a bias towards further easing.
 - On June 17, **Stournaras** noted that *"If the European economy weakens further, if inflation decreases further, below the target — something we don't want — then we may proceed to further rate cuts"*. These comments were somewhat more dovish than on June 6, where he stated that *"The bar for another rate cut is high, in July and beyond,"... "It would need big downward surprises to cut again — so, much weaker growth or much stronger disinflation"*.
 - **Villeroy** on June 19 said that *"Barring a major exogenous shock, including possible new military developments in the Middle East, if monetary policy were to move in the next six months, it would be more in the direction of accommodation"*. A little more explicit than his previous statements re-iterating an *"agile and pragmatic"* approach, with no pre-set course.
- The announcement of Olaf **Sleijpen** as the new Dutch National Bank Governor from July 1. Our Policy Team wrote that Sleijpen is seen as a continuity candidate likely to maintain the moderately hawkish line of the outgoing Klaas Knot, for whom he has for years acted as alternate at European Central Bank Governing Council meetings, officials who know him told MNI.

Figure 1 OIS Implied ECB Rate Path

Meeting Date	ESTR ECB-Dated OIS (%)	Difference Vs. Current Effective ESTR Rate (bp)
Jul-25	1.910	-1.3
Sep-25	1.818	-10.5
Oct-25	1.785	-13.8
Dec-25	1.717	-20.6
Feb-26	1.702	-22.1
Mar-26	1.682	-24.1
Apr-26	1.685	-23.8
Jun-26	1.688	-23.5

Source: MNI/Bloomberg Finance L.P.

Table 2 Reverse-Chronological Summary

Date	Member	Next three votes	Monetary Policy Relevant Comments
22 Jun	Centeno	Jul, Sep, Oct	<p>* "The level of rates must be compatible with an economy that generates stable inflation at 2%," ... "Today, in my opinion, that economy does not yet exist in the euro area. The supply and demand conditions are still too weak to allow a return to the target without further stimulus."</p> <p>* "Today GDP is below potential, which indicates that the economy is not in equilibrium," ... "If the neutral rate is at 2% but the output gap is negative, then rates should be below neutral to help the economy return to equilibrium." (Interview with La Stampa)</p>
19 Jun	Nagel	Jul, Sep, Dec	<p>* This year we are coming close to our 2% target" ... "We are now in a neutral territory of monetary policy, 2% is our deposit rate" ... "So, I believe that we are on the right track when it comes to monetary policy" (Comments at Young Factor International Conference)</p>
19 Jun	Villeroy	Sep, Oct, Feb	<p>* "Barring a major exogenous shock, including possible new military developments in the Middle East, if monetary policy were to move in the next six months, it would be more in the direction of accommodation,"</p> <p>* "This return to "2 and 2" should not give way to complacency and passivity," ... "Back to normal is a very positive step; nevertheless, in still abnormal times, it does not necessarily mean an end to the journey." (Speech at speech at the European University Institute)</p>
19 Jun	Rehn	Sep, Oct, Dec	<p>* "In the short term, inflation is expected to slow below the ECB's target, particularly due to falling energy prices - unless the Israeli-Iranian conflict leads to significant disruptions to crude oil production and a prolonged and significant increase in oil prices" ... "If the conflict in the Middle East continues, it could pose a stagflationary shock to the euro area - the risk that inflation will accelerate at the same time as growth weakens and unemployment rises" (Speech in Helsinki)</p>
19 Jun	Lagarde	each meeting	<p>* "By deepening economic ties — more closely linking neighboring economies — we can reduce our exposure to external shocks" ... "Rising trade within our region can help offset losses in global markets." (Speech at Economic and Financial integration conference)</p>

18 Jun	Knot	Jul, Oct, Dec	* "Tariffs have a negative effect on the economy. On inflation, it's more ambiguous". (Comments at Young Factor International Conference)
18 Jun	Panetta	Jul, Sep, Oct	* "The macroeconomic outlook remains subject to substantial and difficult-to-quantify risks,"...."These arise, on the one hand, from conflicting signals in US trade policy and, on the other, from the recent escalation of the conflict between Israel and Iran." * "Central banks have started to use forecasts more cautiously, integrating them with alternative analyses and indicators – particularly those relating to core inflation – and paying increasing attention to actual data" (Speech in Milan)
17 Jun	Villeroy	Sep, Oct, Feb	* On oil price moves: "we see changes, we have seen between yesterday and today, we will see tomorrow," * The exchange rate "plays against inflation because we have seen an appreciation not since last Thursday but in the more recent weeks. We should incorporate this analysis of the exchange-rate in our monetary-policy decision." * "We should be agile and pragmatic,"...."There is no pre-set course." (FT Live Conference)
17 Jun	Stournaras	Jul, Oct, Dec	* ""It seems we have reached inflation of 2%, interest rates of 2% so the central bank's real rate is zero,"...."We are at a first point of equilibrium. We don't know whether this equilibrium will be maintained". * "If the European economy weakens further, if inflation decreases further, below the target — something we don't want — then we may proceed to further rate cuts but we are data dependent, meeting by meeting"...."There is so much uncertainty you can't say in advance if we have finished or not" (Comments to Greek State TV)
17 Jun	Lagarde	each meeting	* "This moment of change is an opportunity for Europe: it is a 'global euro' moment,"...."To seize it and enhance the euro's role in the international monetary system, we must act decisively as a united Europe taking greater control of its own destiny." (Op-Ed in the FT)

16 Jun	Nagel	Jul, Sep, Dec	<p>* "Since crucial factors can change quickly in the current environment, we are well advised to remain flexible,"... "This means that pre-determining the future — neither a further interest-rate cut nor a pause in monetary policy — is not sensible."... "In my view, this interest rate level puts us in a very good starting position to react to a wide range of developments,"... "With the current key interest rates, monetary policy certainly no longer appears restrictive."</p> <p>* It is important to keep our eyes and ears open for risks to price stability," ... "This is also true in light of current developments in the Middle East,"</p> <p>* "Even though inflation in the eurozone is back at around 2% and is likely to remain there in the medium term after a dip, there is no reason for monetary policy to ease"</p> <p>* "A sustained undershoot is unlikely, he said. Underlying inflation, and especially the increase in services costs, is too high for that." (Comments at Frankfurt Euro Finance Summit)</p>
16 Jun	de Guindos	each meeting	<p>* "Markets have understood perfectly well what the President said about being in a good position"... "Even in this context of huge uncertainty, I think that markets believe and discount that we are very close to our target of sustainable 2% inflation over the medium term"</p> <p>* "I think inflation is going in the right direction. There is a clear deceleration, also confirmed by the latest data. "We clearly see that wage dynamics are cooling. But, even when you take all these factors into consideration, compensation per employee will be around 3% over time. So, the risk of undershooting is very limited in my view."... "Our assessment is that risks for inflation are balanced. Clearly, 1.4% is below target. But we look at the medium term, and in the medium term there are other factors that can compensate for the short-term elements that can temporarily bring inflation down".</p> <p>* "The role of the euro as a reserve currency in the global arena will depend on actions taken in Europe. If we can achieve a much more integrated goods and services market, then the capital markets union and the banking union will come about much more easily. It's very difficult to make progress in the capital markets union or the banking union if you do not advance in the integration of the goods and services market".</p> <p>* On trade diversion: "Well, I don't know whether it's going to be a big risk, but undoubtedly this is something that we have to monitor and take into consideration."</p> <p>* "The final outcome in trade negotiations is by far the most relevant factor of uncertainty that we considered in</p>

our projections, which are the basis for our monetary policy decisions. Nobody knows the final outcome of the trade negotiations and the impact it may have on the outlook for growth and inflation". (Interview with Reuters)

14 Jun

Lagarde

each meeting

* " The level of uncertainty caused by the announcements or the threats of decisions is dampening investment. It is leading all institutions to reduce their growth projections for the global economy, for the United States, for China and for Europe. It's really a lose-lose situation that we have at the moment. The sooner the uncertainty can be removed and agreements can be found between the parties – on tariffs in particular, but on other issues as well, such as non-tariff barriers – the better off we will all be".

* "We are within reach of the 2% medium-term inflation target that we have defined as price stability". (Interview with Xinhua)

12 Jun	De Guindos	each meeting	<p>* "“Compared with the situation a year ago, our concerns have shifted from high inflation to slow growth,”....“Survey data point overall to weaker prospects in the near term”....“Higher tariffs and the stronger euro make it harder to export, and high uncertainty is weighing on investment”</p> <p>* “While it is impossible to predict exactly what will happen, these developments may well have a dampening impact on growth in the euro area”....“It is therefore important for us to closely monitor what is happening in the real economy, partly as an early indicator for the inflation outlook” (Speech at EC/ECB Conference on Integration)</p>
12 Jun	Muller	Sep, Oct, Dec	<p>** “*ECB’S MULLER: INFLATION LIKELY TO STAY AROUND 2% IN NEAR FUTURE” (Comments to Estonian radio, via Bloomberg headline)</p>
12 Jun	Lagarde	each meeting	<p>* “We have stabilized prices at the level that we were expecting, we are within range of our medium-term target, which is 2%, and we are in a good position to withstand future shocks,” (Interview with CCTV)</p>
12 Jun	Schnabel	each meeting	<p>* Worth caveating that headlines from newswires are being taken from the slide titles of this deck. So while they probably do represent her opinion on the outlook, they’re also at risk of being taken out of context in isolation. Despite this, the slide title “Trade diversion from China to the EU is expected to be limited” is consistent with prior remarks.</p> <p>Other slide titles of note:</p> <p>* “Growth outlook broadly stable despite trade conflict with medium-term inflation near target”</p> <p>* “Monetary policy cycle is coming to an end as medium-term inflation stabilises at target”</p> <p>* “Monetary easing is transmitted to financing conditions, which are no longer restrictive”</p> <p>* “Labour market remains resilient as wage growth is expected to slow further” (Speech at House of the Euro)</p>
12 Jun	Patsalides	Jul, Dec, Feb	<p>* ““Our approach as the Governing Council is flexible and agile and under the current conditions of high uncertainty will continue to be based on the assessment of the latest economic data and developments at each meeting with a view to shaping the appropriate monetary policy stance” (Speech at Association of Cyprus Banks)</p>

12 Jun	Simkus	Jul, Sep, Dec	* "We've arrived at the neutral level — it's now important to maintain the freedom of potential decision, not to commit to one direction or another," "The economic situation is very unclear — no one knows what the US decisions will be on July 9." ... "I believe it's important to take a pause and to look at where we're moving systemically," "I don't reject a possibility of another rate cut this year because I see an increased risk that inflation may be lower than the medium-term target." (Comments at Press Conference)
12 Jun	Villeroy	Sep, Oct, Feb	* "For future rates, we'll see depending on how inflation evolves," ... "I never have a fixed position in advance — I believe in pragmatism and agility on monetary policy, we'll see." (Comments to Franceinfo Radio)
11 Jun	Villeroy	Sep, Oct, Feb	* "I always call for agile pragmatism, depending on data," "But I don't believe there is deflation, although if ever it materialized the ECB would have the necessary tools to react." * "The chaos sown by the Trump administration firstly penalizes American growth, but it also weighs on global growth," "This unpredictability amplifies the French and European challenge of sluggish growth, which has been sluggish for too long." (Interview with Les Echos)

11 Jun	Lane	each meeting	<p>* "The June projections were conditioned on a rate path that included a quarter-point reduction of the DFR in June: model-based optimal policy simulations and an array of monetary policy feedback rules indicated a cut was appropriate under the baseline and also constituted a robust decision, remaining appropriate across a range of alternative future paths for inflation and the economy"...." A cut is also indicated by a broad range of monetary policy feedback rules. By contrast, leaving the DFR on hold at 2.25 per cent could have triggered an adverse repricing of the forward curve and a revision in inflation expectations that would risk generating a more pronounced and longer-lasting undershoot of the inflation target. In turn, if this risk materialised, a stronger monetary reaction would ultimately be required".</p> <p>* "By supporting the pricing pressure needed to generate target-consistent inflation in the medium-term, this cut helps ensure that the projected negative inflation deviation over the next eighteen months remains temporary and does not convert into a longer-term deviation of inflation from the target. This cut also guards against any uncertainty about our reaction function by demonstrating that we are determined to make sure that inflation returns to target in the medium term".</p> <p>* "The stability of the euro bond market reflects a high conviction that euro area inflation is strongly anchored at the two per cent target and that the euro area business cycle should be relatively stable, such that the likely scale of cyclical interest rate movements is contained. It also reflects growing confidence that the scope for the materialisation of national or area-wide fiscal risks is quite contained, in view of the shared commitment to fiscal stability among the member countries and the demonstrated capacity to react jointly to fiscal tail events"...."Structural changes in the design of the euro area bond market would foster stronger global demand for euro-denominated safe assets. A comprehensive strategy to expand the international role of the euro and underpin a European savings and investment union should include making progress on this front". (Speech at 2025 Government Borrowers Forum)</p>
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11 Jun	Kazaks	Jul, Dec, Feb	<p>* "Are we done cutting rates? Not necessarily. We have to see. Uncertainty is very high, meaning we can't give forward guidance. We must decide on a data-dependent, meeting-by-meeting basis...."we've covered a lot of ground in terms of reducing interest rates. It was always so that the series of uninterrupted rate cuts would come to an end at some point, and we would pause. If we remain within the baseline scenario, then further policy moves are going to be fine-tuning"</p> <p>* "What we'll do in July we will see in July, and clear forward guidance would be counterproductive. That said, the macroeconomic data flow is thinner in July, though there can always be political developments".</p> <p>* "There is a lot of uncertainty in this regard. Trade tensions can lead to price pressures in either direction. They can be deflationary, but if they lead to supply chain problems, then they can also cause inflation. So far, we do not see massive supply chain problems for Europe, and it seems that the deflationary effect could dominate, but the final outcome is still an open question".</p> <p>* "Growth is weak. The first quarter was strong, but part of that was frontloading due to possible tariffs. So, the first half is likely to be relatively good. The third quarter however is likely to be a victim of this, but we should still see growth in the neighbourhood of 1% for the year overall, followed by gradual strengthening in 2026 and 2027...At the same time, there are downside risks to growth, mainly driven by geopolitics. One good thing is that despite all the volatility, a US recession seems less likely. But uncertainty remains very high". (Interview with Econostream)</p>
11 Jun	Lagarde	each meeting	<p>* "We must pursue cooperative solutions – even in the face of geopolitical differences. And that means both surplus and deficit countries must take responsibility and play their part,"...."All countries should examine how their structural and fiscal policies can be adjusted to reduce their own role in fuelling trade tensions." (Speech at PBoC)</p>
10 Jun	Stournaras	Jul, Oct, Dec	<p>* ""The US is turning global trade rules upside down by attempting to drastically reduce imports through tariffs,"...."the euro area's heads state and government are committed to stability, free markets, democracy and the rule of law."..."The euro is supported by a politically independent ECB, which is committed to price stability and has which has demonstrated its credibility under adverse conditions and external shocks." (Interview with Handelsblatt)</p>

10 Jun	Vujcic	Jul, Oct, Dec	<p>* "We feel that we are now in a very good position,"..."It's worth now waiting to get more data and in my view, to get another projection before we decide where we want to go and hopefully by that time get more clarity on the on the trade relationships."</p> <p>* Due to "erratic" US policy, investors "have simply decided to diversify away from dollar — the obvious choice is the euro." (Interview and write-up from BBG)</p>
10 Jun	Rehn	Sep, Oct, Dec	<p>* "We must not grow overconfident — instead we must stay vigilant and monitor the risks in both directions,"..."The ECB team must remain alert and ready to act with agility as and if needed." (Comments to reporters in Helsinki)</p>
10 Jun	Villeroy	Sep, Oct, Feb	<p>* Since last Thursday, we have been in the favorable '2 and 2' zone, with inflation forecast at 2% this year — which is our target — and our key rate at 2%,"..."But in such an uncertain environment, this favorable zone does not mean a comfortable zone or a static zone: We will remain pragmatic and data-driven, and as agile as necessary." (Speech at Europlace conference)</p>

Table 3 Comments by Speaker and Topic

Member	Role	Next three votes	Topic	Monetary Policy Comments
Christine Lagarde	President	each meeting	July Decision	
			Rate Outlook	7 June - Policymakers will be attentive to incoming data "to know if we need to adjust or not adjust" borrowing costs. "But I think we are currently well positioned to face moments that will be delicate and very uncertain." (Interview with Monaco Info, write-up from BBG).
			Economic Growth	19 June - "By deepening economic ties — more closely linking neighboring economies — we can reduce our exposure to external shocks"... "Rising trade within our region can help offset losses in global markets." (Speech at Economic and Financial integration conference) 14 June - "The level of uncertainty caused by the announcements or the threats of decisions is dampening investment. It is leading all institutions to reduce their growth projections for the global economy, for the United States, for China and for Europe. It's really a lose-lose situation that we have at the moment. The sooner the uncertainty can be removed and agreements can be found between the parties – on tariffs in particular, but on other issues as well, such as non-tariff barriers – the better off we will all be". (Interview with Xinhua)
			Inflation	14 June - "We are within reach of the 2% medium-term inflation target that we have defined as price stability". (Interview with Xinhua) 12 June - "We have stabilized prices at the level that we were expecting, we are within range of our medium-term target, which is 2%, and we are in a good position to withstand future shocks," (Interview with CCTV) 7 June - On inflation "I think we are well calibrated to reach this medium-term goal," (Interview with Monaco Info, write-up from BBG).
			Markets/Financial Stability / Balance Sheet	17 June - "This moment of change is an opportunity for Europe: it is a 'global euro' moment,".... "To seize it and enhance the euro's role in the international monetary system, we must act decisively as a united Europe taking greater control of its own destiny." (Op-Ed in the FT)

			Operational Framework	
Luis de Guindos	Vice President	each meeting	July Decision	
			Rate Outlook	
			Economic Growth	12 June - "Compared with the situation a year ago, our concerns have shifted from high inflation to slow growth,"...."Survey data point overall to weaker prospects in the near term"... "Higher tariffs and the stronger euro make it harder to export, and high uncertainty is weighing on investment"... "While it is impossible to predict exactly what will happen, these developments may well have a dampening impact on growth in the euro area"... "It is therefore important for us to closely monitor what is happening in the real economy, partly as an early indicator for the inflation outlook" (Speech at EC/ECB Conference on Integration)
			Inflation	
			Markets/Financial Stability / Balance Sheet	
			Operational Framework	
Philip Lane		each meeting	July Decision	

	Chief Economist		Rate Outlook	<p>16 June - "The final outcome in trade negotiations is by far the most relevant factor of uncertainty that we considered in our projections, which are the basis for our monetary policy decisions. Nobody knows the final outcome of the trade negotiations and the impact it may have on the outlook for growth and inflation". (Interview with Reuters)</p> <p>16 June - "Markets have understood perfectly well what the President said about being in a good position"... "Even in this context of huge uncertainty, I think that markets believe and discount that we are very close to our target of sustainable 2% inflation over the medium term" (Interview with Reuters)</p> <p>11 June - "The June projections were conditioned on a rate path that included a quarter-point reduction of the DFR in June: model-based optimal policy simulations and an array of monetary policy feedback rules indicated a cut was appropriate under the baseline and also constituted a robust decision, remaining appropriate across a range of alternative future paths for inflation and the economy"...." A cut is also indicated by a broad range of monetary policy feedback rules. By contrast, leaving the DFR on hold at 2.25 per cent could have triggered an adverse repricing of the forward curve and a revision in inflation expectations that would risk generating a more pronounced and longer-lasting undershoot of the inflation target. In turn, if this risk materialised, a stronger monetary reaction would ultimately be required". (Speech at 2025 Government Borrowers Forum)</p> <p>11 June - "By supporting the pricing pressure needed to generate target-consistent inflation in the medium-term, this cut helps ensure that the projected negative inflation deviation over the next eighteen months remains temporary and does not convert into a longer-term deviation of inflation from the target. This cut also guards against any uncertainty about our reaction function by demonstrating that we are determined to make sure that inflation returns to target in the medium term". (Speech at 2025 Government Borrowers Forum)</p>
			Economic Growth	

			Inflation	<p>16 June - On trade diversion: "Well, I don't know whether it's going to be a big risk, but undoubtedly this is something that we have to monitor and take into consideration." (Interview with Reuters)</p> <p>16 June - "I think inflation is going in the right direction. There is a clear deceleration, also confirmed by the latest data. "...We clearly see that wage dynamics are cooling. But, even when you take all these factors into consideration, compensation per employee will be around 3% over time. So, the risk of undershooting is very limited in my view."..."Our assessment is that risks for inflation are balanced. Clearly, 1.4% is below target. But we look at the medium term, and in the medium term there are other factors that can compensate for the short-term elements that can temporarily bring inflation down". (Interview with Reuters)</p>
			Markets/Financial Stability / Balance Sheet	<p>16 June - "The role of the euro as a reserve currency in the global arena will depend on actions taken in Europe. If we can achieve a much more integrated goods and services market, then the capital markets union and the banking union will come about much more easily. It's very difficult to make progress in the capital markets union or the banking union if you do not advance in the integration of the goods and services market". (Interview with Reuters)</p> <p>11 June - "The stability of the euro bond market reflects a high conviction that euro area inflation is strongly anchored at the two per cent target and that the euro area business cycle should be relatively stable, such that the likely scale of cyclical interest rate movements is contained. It also reflects growing confidence that the scope for the materialisation of national or area-wide fiscal risks is quite contained, in view of the shared commitment to fiscal stability among the member countries and the demonstrated capacity to react jointly to fiscal tail events"..."Structural changes in the design of the euro area bond market would foster stronger global demand for euro-denominated safe assets. A comprehensive strategy to expand the international role of the euro and underpin a European savings and investment union should include making progress on this front". (Speech at 2025 Government Borrowers Forum)</p>
			Operational Framework	
	Exec Board	each meeting	July Decision	

Isabel Schnabel			Rate Outlook	12 June - "Monetary policy cycle is coming to an end as medium-term inflation stabilises at target"...."Monetary easing is transmitted to financing conditions, which are no longer restrictive" (Slide titles from speech at House of the Euro)
			Economic Growth	12 June - "Growth outlook broadly stable despite trade conflict with medium-term inflation near target" (Slide title from speech at House of the Euro)
			Inflation	12 June - ""Trade diversion from China to the EU is expected to be limited" is consistent with prior remarks. "...Labour market remains resilient as wage growth is expected to slow further" (Slide titles from speech at House of the Euro) 7 June - On inflation: "I think we've made great progress"... "We do see that even the more persistent components are coming down, and that is very good news".... "The argument goes that if China can no longer export to the United States, they're going to flood the rest of the world and especially Europe with cheap goods — and that could then lead to high inflation in the US and low inflation in Europe,"... "I would argue that this effect is actually quantitatively quite small." (Comments at Dubrovnik Economic Conference)
			Markets/Financial Stability / Balance Sheet	7 June - On the Euro: There's a "window of opportunity" to increase the international role of the euro (via BBG). (Comments at Dubrovnik Economic Conference)
			Operational Framework	
Pierro Cipollone	Exec Board	each meeting	July Decision	
			Rate Outlook	
			Economic Growth	
			Inflation	

			Markets/Financial Stability / Balance Sheet	
			Operational Framework	
Frank Elderson	Exec Board	each meeting	July Decision	
			Rate Outlook	
			Economic Growth	
			Inflation	
			Markets/Financial Stability / Balance Sheet	
			Operational Framework	
Joachim Nagel	Germany	Jul, Sep, Dec	July Decision	

			Rate Outlook	<p>19 June - This year we are coming close to our 2% target"... "We are now in a neutral territory of monetary policy, 2% is our deposit rate"... "So, I believe that we are on the right track when it comes to monetary policy" (Comments at Young Factor International Conference)</p> <p>16 June - "Since crucial factors can change quickly in the current environment, we are well advised to remain flexible,"... "This means that pre-determining the future — neither a further interest-rate cut nor a pause in monetary policy — is not sensible.".... "In my view, this interest rate level puts us in a very good starting position to react to a wide range of developments,"... "With the current key interest rates, monetary policy certainly no longer appears restrictive." (Comments at Frankfurt Euro Finance Summit)</p> <p>8 June - "We have now reached neutral territory with our monetary policy and rates — this means that we are no longer restrictive, we can now take our time,"... "We now have maximum flexibility at this rate level." (Interview with Deutschlandfunk)</p>
			Economic Growth	
			Inflation	<p>16 June - * It is important to keep our eyes and ears open for risks to price stability," ... "This is also true in light of current developments in the Middle East,"... Even though inflation in the eurozone is back at around 2% and is likely to remain there in the medium term after a dip, there is no reason for monetary policy to ease"... "A sustained undershoot is unlikely, he said. Underlying inflation, and especially the increase in services costs, is too high for that." (Comments at Frankfurt Euro Finance Summit)</p> <p>8 June - Inflation "is now close to our target,"... "We will also get there this year. All in all, this is good news as far as inflation is concerned." (Interview with Deutschlandfunk)</p>
			Markets/Financial Stability / Balance Sheet	<p>8 June - "From a European perspective, we need to make the euro stronger,".... "We want to make Europe more attractive for foreign investors. But of course we also need to keep an eye on the US dollar and have an interest in it remaining stable." (Interview with Deutschlandfunk)</p>
			Operational Framework	
	France	Sep, Oct, Feb	July Decision	

Francois Villeroy			Rate Outlook	<p>19 June - "Barring a major exogenous shock, including possible new military developments in the Middle East, if monetary policy were to move in the next six months, it would be more in the direction of accommodation,"... "This return to "2 and 2" should not give way to complacency and passivity,"... "Back to normal is a very positive step; nevertheless, in still abnormal times, it does not necessarily mean an end to the journey." (Speech at speech at the European University Institute)</p> <p>17 June - "We should be agile and pragmatic,".... "There is no pre-set course." (FT Live Conference)</p> <p>12 June - "For future rates, we'll see depending on how inflation evolves,"... "I never have a fixed position in advance — I believe in pragmatism and agility on monetary policy, we'll see." (Comments to Franceinfo Radio)</p> <p>10 Jun - Since last Thursday, we have been in the favorable '2 and 2' zone, with inflation forecast at 2% this year – which is our target – and our key rate at 2%,"... "But in such an uncertain environment, this favorable zone does not mean a comfortable zone or a static zone: We will remain pragmatic and data-driven, and as agile as necessary." (Speech at Europlace conference)</p>
			Economic Growth	<p>11 June - "The chaos sown by the Trump administration firstly penalizes American growth, but it also weighs on global growth,".... "This unpredictability amplifies the French and European challenge of sluggish growth, which has been sluggish for too long." (Interview with Les Echos)</p>
			Inflation	<p>17 June - On oil price moves: "we see changes, we have seen between yesterday and today, we will see tomorrow," . The exchange rate "plays against inflation because we have seen an appreciation not since last Thursday but in the more recent weeks. We should incorporate this analysis of the exchange-rate in our monetary-policy decision." (FT Live Conference)</p> <p>11 June - "I always call for agile pragmatism, depending on data,".... "But I don't believe there is deflation, although if ever it materialized the ECB would have the necessary tools to react." (Interview with Les Echos)</p> <p>6 June - "We don't have - and this is very important to say - we don't have an effect of increasing inflation in Europe"... "We have won the battle against inflation in Europe". On deflation: "I don't believe in that risk"... "There are other economic diseases that we must treat" (Interview with France 2 TV)</p>

			Markets/Financial Stability / Balance Sheet	
			Operational Framework	
José Luis Escrivá	Spain	Jul, Sep, Oct	July Decision	
			Rate Outlook	8 June - "I'm very comfortable with [current] gradualism, that is, accompanying improvements in inflation with successive 25-basis-point rate cuts. And I verify its effectiveness each time, with the most recent data in hand, in consolidating that 2% inflation rate. When the situation is full of uncertainties, it's wise to keep all options open. The central scenario we're operating with—GDP growth around 1%, 2% inflation—could require, if it is confirmed, some fine-tuning". (Interview with El Pais)
			Economic Growth	
			Inflation	
			Markets/Financial Stability / Balance Sheet	8 June - "The dollar's dominance as an international reserve currency appears to have peaked"...." The euro has the potential to compete with the dollar, especially if it maintains its macroeconomic and institutional stability. With a solid economy and a trade volume greater than that of the United States, Europe has room to strengthen the euro's role as a reserve and reference currency in an international trade still dominated by the dollar." (Interview with El Pais)
			Operational Framework	
Fabio Panetta	Italy	Jul, Sep, Oct	July Decision	
			Rate Outlook	18 June - "The macroeconomic outlook remains subject to substantial and difficult-to-quantify risks,""These arise, on the one hand, from conflicting signals in US trade policy and, on the other, from the recent escalation of the conflict between Israel and Iran." (Speech in Milan)

			Economic Growth	
			Inflation	18 June - "Central banks have started to use forecasts more cautiously, integrating them with alternative analyses and indicators – particularly those relating to core inflation – and paying increasing attention to actual data" (Speech in Milan)
			Markets/Financial Stability / Balance Sheet	
			Operational Framework	
Klaas Knot	Netherlands	Jul, Oct, Dec	July Decision	
			Rate Outlook	
			Economic Growth	
			Inflation	18 June - "Tariffs have a negative effect on the economy. On inflation, it's more ambiguous". (Comments at Young Factor International Conference)
			Markets/Financial Stability / Balance Sheet	
			Operational Framework	
Pierre Wunsch	Belgium	Sep, Oct, Dec	July Decision	
			Rate Outlook	

			Economic Growth	
			Inflation	
			Markets/Financial Stability / Balance Sheet	
			Operational Framework	
Olli Rehn	Finland	Sep, Oct, Dec	July Decision	
			Rate Outlook	<p>10 Jun - "We must not grow overconfident — instead we must stay vigilant and monitor the risks in both directions," "The ECB team must remain alert and ready to act with agility as and if needed." (Comments to reporters in Helsinki)</p> <p>6 June - "Uncertainty continues to highlight the importance of meeting-specific decision-making. The Governing Council will not commit to any interest rate path at this time, but will retain full discretion in its interest rate decisions at all future meetings". (Comments in blog post)</p>
			Economic Growth	<p>6 June - "The conditions remain favourable for a strengthening of growth in the euro area, despite tariffs and tariff threats. This is good news. In particular, strong real wage and employment developments and the easing of financing conditions due to lower interest rates support a gradual strengthening of growth. The positive growth impact of increased defence spending also offsets the adverse impact of tariffs". (Comments in blog post)</p>

			Inflation	<p>19 June - "In the short term, inflation is expected to slow below the ECB's target, particularly due to falling energy prices - unless the Israeli-Iranian conflict leads to significant disruptions to crude oil production and a prolonged and significant increase in oil prices"... "If the conflict in the Middle East continues, it could pose a stagflationary shock to the euro area - the risk that inflation will accelerate at the same time as growth weakens and unemployment rises" (Speech in Helsinki)</p> <p>6 June - "We should take into account that the overall impact of tariffs on inflation in the euro area is highly uncertain in the medium term. It depends not only on the magnitude of the tariffs implemented, but also on the target countries and sectors of the tariffs, and on the reorientation of international trade". (Comments in Blog post)</p>
			Markets/Financial Stability / Balance Sheet	
			Operational Framework	
Robert Holzmann	Austria	Jul, Sep, Oct	July Decision	
			Rate Outlook	<p>9 June - "The inflation goal is already in reach, so for me it made sense maybe not to cut rates until the autumn to be sure that — given the uncertainty we have everywhere about the economy — we don't experience another bout of inflation"... "decisions are always made individually at each meeting, based on new data, so it could be that the pause takes longer, or if the economic situation takes a turn for the worse there could be more rate cuts". (Interview with ORF)</p> <p>6 June - (via BBG) The only objection to this week's decision came from Austria's Robert Holzmann, who told reporters Friday in Vienna that a rate cut won't spur investment when unpredictability is so high. (via Econostream) Interest rates were now in accommodative territory. The nominal neutral rate was currently around 3%, according to Holzmann. (Comments to reporters in Vienna)</p>
			Economic Growth	

			Inflation	
			Markets/Financial Stability / Balance Sheet	
			Operational Framework	
Mario Centeno	Portugal	Jul, Sep, Oct	July Decision	
			Rate Outlook	22 June - "The level of rates must be compatible with an economy that generates stable inflation at 2%,"...."Today, in my opinion, that economy does not yet exist in the euro area. The supply and demand conditions are still too weak to allow a return to the target without further stimulus"...."Today GDP is below potential, which indicates that the economy is not in equilibrium,"...."If the neutral rate is at 2% but the output gap is negative, then rates should be below neutral to help the economy return to equilibrium." (Interview with La Stampa) 6 June - "Monetary policy is in a cycle of reducing rates" ..."all data indicates that cycle will continue in 2025. We don't know at what pace. It's meeting by meeting, depending on the data." (Comments in Lisbon)
			Economic Growth	
			Inflation	
			Markets/Financial Stability / Balance Sheet	
			Operational Framework	
	Ireland	Sep, Oct, Dec	July Decision	

Gabriel Makhoulouf			Rate Outlook	
			Economic Growth	
			Inflation	
			Markets/Financial Stability / Balance Sheet	
			Operational Framework	
Mārtiņš Kazāks	Latvia	Jul, Dec, Feb	July Decision	11 June - "What we'll do in July we will see in July, and clear forward guidance would be counterproductive. That said, the macroeconomic data flow is thinner in July, though there can always be political developments". (Interview with Econostream)
			Rate Outlook	<p>11 June - "Are we done cutting rates? Not necessarily. We have to see. Uncertainty is very high, meaning we can't give forward guidance. We must decide on a data-dependent, meeting-by-meeting basis...."we've covered a lot of ground in terms of reducing interest rates. It was always so that the series of uninterrupted rate cuts would come to an end at some point, and we would pause. If we remain within the baseline scenario, then further policy moves are going to be fine-tuning" (Interview with Econostream)</p> <p>6 June - "I don't think the market should expect the trajectory of cutting rates at every meeting to continue,"..."There is no need and there is value in maintaining policy space.". "We don't get much data between now and the July meeting so it may well be the case that we pause,"... "But uncertainty remains very high, the political situation may change every day. So forward guidance isn't your friend in these circumstances.". "In terms of the rate cutting, we've done a lot,"..."If there are further cuts, they will be fine-tuning, unless we shift out of the baseline scenario." (Interview with Reuters)</p>

			Economic Growth	11 June - "Growth is weak. The first quarter was strong, but part of that was frontloading due to possible tariffs. So, the first half is likely to be relatively good. The third quarter however is likely to be a victim of this, but we should still see growth in the neighbourhood of 1% for the year overall, followed by gradual strengthening in 2026 and 2027...At the same time, there are downside risks to growth, mainly driven by geopolitics. One good thing is that despite all the volatility, a US recession seems less likely. But uncertainty remains very high". (Interview with Econostream)
			Inflation	11 June - "There is a lot of uncertainty in this regard. Trade tensions can lead to price pressures in either direction. They can be deflationary, but if they lead to supply chain problems, then they can also cause inflation. So far, we do not see massive supply chain problems for Europe, and it seems that the deflationary effect could dominate, but the final outcome is still an open question". (Interview with Econostream) 6 June - "We are in a good place, we have delivered inflation at 2%, but it's important to maintain it at around 2%,"..."The staff forecast expects inflation to remain below 2% for some time so we have to remain vigilant and see what happens in the economy." (Interview with Reuters)
			Markets/Financial Stability / Balance Sheet	
			Operational Framework	
	Greece	Jul, Oct, Dec	July Decision	

Yannis Stournaras			Rate Outlook	<p>17 June - "It seems we have reached inflation of 2%, interest rates of 2% so the central bank's real rate is zero,"... "We are at a first point of equilibrium. We don't know whether this equilibrium will be maintained".... "If the European economy weakens further, if inflation decreases further, below the target — something we don't want — then we may proceed to further rate cuts but we are data dependent, meeting by meeting".... "There is so much uncertainty you can't say in advance if we have finished or not" (Comments to Greek State TV)</p> <p>6 June - "The bar for another rate cut is high, in July and beyond,"... "It would need big downward surprises to cut again — so, much weaker growth or much stronger disinflation. But we keep all options open as uncertainty is high and there are many known and unknown unknowns."... "If the economy continues as we have forecast, I think we'll stay at 2%"... "If the economy weakens, we might go below. If the economy strengthens, we might change course." (Interview with BBG)</p>
			Economic Growth	
			Inflation	<p>6 June - "I'm not worried about a temporary undershooting of inflation, and at the moment I don't see a risk of ending up in a too-low inflation scenario as pre-pandemic,"... "If there's a reversal in US tariff policy and a more careful fiscal policy in the US, the strength of the euro may quickly reverse." (Interview with BBG)</p>
			Markets/Financial Stability / Balance Sheet	<p>10 Jun - "The US is turning global trade rules upside down by attempting to drastically reduce imports through tariffs,".... "the euro area's heads state and government are committed to stability, free markets, democracy and the rule of law."... "The euro is supported by a politically independent ECB, which is committed to price stability and has which has demonstrated its credibility under adverse conditions and external shocks." (Interview with Handelsblatt)</p>
			Operational Framework	
	Lithuania	Jul, Sep, Dec	July Decision	

Gediminas Šimkus			Rate Outlook	12 June - "We've arrived at the neutral level — it's now important to maintain the freedom of potential decision, not to commit to one direction or another,"...."The economic situation is very unclear — no one knows what the US decisions will be on July 9."..."I believe it's important to take a pause and to look at where we're moving systemically,"...."I don't reject a possibility of another rate cut this year because I see an increased risk that inflation may be lower than the medium-term target." (Comments at Press Conference)
			Economic Growth	
			Inflation	6 June - "We can rejoice that the unpleasant period of high inflation is over," (Comments to reporters in Vilnius)
			Markets/Financial Stability / Balance Sheet	
			Operational Framework	
Primož Dolenc (acting Governor of Bank of Slovenia)	Slovenia	n/a	July Decision	
			Rate Outlook	
			Economic Growth	
			Inflation	
			Markets/Financial Stability / Balance Sheet	
			Operational Framework	

Boris Vujčić	Croatia	Jul, Oct, Dec	July Decision	
			Rate Outlook	10 Jun - "We feel that we are now in a very good position,"..."It's worth now waiting to get more data and in my view, to get another projection before we decide where we want to go and hopefully by that time get more clarity on the on the trade relationships." (Interview with write-up from BBG) 7 June - "I would agree that we are nearly done,""If our projections materialize as they are in June, I would think that this is the right qualification of the monetary policy stance at the movement.". Rates "are broadly in neutral territory at the level of 2%, not restraining growth anymore."..."The main uncertainty as we all know is around trade policy, tariffs,"...."Unfortunately, it is very difficult to have any kind of firm opinion or even a guess on how that's going to end and that was also a characteristic of discussion that we had in the Governing Council." (Comments to reporters)
			Economic Growth	
			Inflation	
			Markets/Financial Stability / Balance Sheet	10 Jun - Due to "erratic" US policy, investors "have simply decided to diversify away from dollar — the obvious choice is the euro." (Interview and write-up from BBG)
			Operational Framework	
Madis Muller	Estonia	Sep, Oct, Dec	July Decision	
			Rate Outlook	6 June - "We have almost finished the rate-reduction cycle this time around,"... "Regarding what lies ahead — no one can say anything for certain yet." (Interview with Aripaev Radio anc comments in blog post)
			Economic Growth	

			Inflation	12 June - "ECB'S MULLER: INFLATION LIKELY TO STAY AROUND 2% IN NEAR FUTURE" (Comments to Estonian radio, via Bloomberg headline) 6 June - "It can be said that the European Central Bank's 2% inflation target has essentially been achieved. The price increase in the euro area in May was 1.9%, and no acceleration in price increases is expected in the near future". (Interview with Aripaev Radio and comments in blog post)
			Markets/Financial Stability / Balance Sheet	
			Operational Framework	
Peter Kažimír	Slovakia	Jul, Sep, Oct	July Decision	
			Rate Outlook	9 June - "Looking at current events, I think we are almost at the end of the cycle of reducing key interest rates, if not already at the end of it"... "Our future decision-making on interest rates will depend solely on economic developments and our assessment of these developments"... "We lowered rates to a neutral range, but at the same time did not compromise our ability to react and intervene if inflation were to pick up again". (Comments in blog post)
			Economic Growth	9 June "I continue to see clear risks of weaker economic growth in the euro area." (Comments in blog post)
			Inflation	9 June - "Today, it is safe to say that confidence is growing that we are winning the fight against inflation"... "We are seeing real progress towards achieving price stability, as we promised. The great news is that the pace of price increases is easing, even for those goods and services where we needed to see it"... "Uncertainty remains about future price developments. It would therefore be a mistake to overlook the risks of inflation accelerating again. We cannot automatically assume that the path we are taking will be without obstacles". (Comments in blog post)

			Markets/Financial Stability / Balance Sheet	
			Operational Framework	
Christodoulos Patsalides	Cyprus	Jul, Dec, Feb	July Decision	
			Rate Outlook	12 June - "Our approach as the Governing Council is flexible and agile and under the current conditions of high uncertainty will continue to be based on the assessment of the latest economic data and developments at each meeting with a view to shaping the appropriate monetary policy stance" (Speech at Association of Cyprus Banks)
			Economic Growth	
			Inflation	
			Markets/Financial Stability / Balance Sheet	
			Operational Framework	
	Malta	Jul, Sep, Oct	July Decision	

Alexander Demarco			Rate Outlook	
			Economic Growth	
			Inflation	
			Markets/Financial Stability / Balance Sheet	
			Operational Framework	
Gaston Reinesch	Luxembourg	Jul, Sep, Dec	July Decision	
			Rate Outlook	
			Economic Growth	
			Inflation	
			Markets/Financial Stability / Balance Sheet	
			Operational Framework	



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