

ECB Speak Wrap (June 24 – July 7)

July 7, by Emil Lundh

The ECB's annual forum in Sintra, Portugal was held last week, and as usual provided a platform for several Governing Council members to share views around current monetary policy. Amid the noise, the MNI Policy Team's latest sources piece nicely summarised the mood within the ECB: Officials are **virtually unanimous that their June projections are so far being confirmed by incoming data**, despite ongoing risks from global trade tensions, **paving the way to a likely September cut, though some more cautious policymakers would prefer to wait until December.**

- A reminder that the June macroeconomic projections were based on a market curve which embedded one more 25bp cut this cycle, with markets now focused on (1) the timing of this likely cut and (2) the scope for a terminal rate below 1.75%. A July cut appears very unlikely at this stage, with any lingering chance of such a move seemingly requiring an unexpected deterioration on the tariff/trade front.
- The most interesting thread of discussions in Sintra was on the **exchange rate**, after Vice President **de Guindos** surprisingly suggested a EURUSD exchange rate above 1.20 would be "*complicated*" for the Eurozone economy. Although de Guindos also noted that the speed of adjustment in the exchange rate, rather than the level, was most important to monitor, his comments meant that most speakers were asked to weigh in on the currency during the week.
 - While in interviews with MNI, **Centeno** and **Demarco** said euro appreciation could pose problems, other officials told MNI that de Guindos would have been better advised to stick to the mantra that the ECB does not target the exchange rate. The ECB will as always take note of how a strong euro could impact transmission of its monetary policy, and the higher it goes against the dollar, the more it will watch for impacts, one official said, noting that current levels aren't a reason for concern.
 - Note that President **Lagarde** has also seemed quite relaxed about the exchange rate. In comments to ARD, she noted that "*the value of a currency euro, for instance, is going to depend a lot on the strength of our economy, and we have to make our economy stronger*". Also on May 26, Lagarde said that "*increasing the international role of the euro can have positive implications for the euro area. It would allow EU governments and businesses to borrow at a lower cost, helping boost our internal demand at a time when external demand is becoming less certain.*"
- Belgium National Bank Governor **Wunsch** struck a more centrist tone than usual in his first comments since the June decision. Usually more hawkish leaning, Wunsch told MNI that "*while not expressly calling for a cut myself, I can understand and see why further easing is priced in by financial markets. The risk is probably to the downside*"
- Last week also saw the release of the ECB's latest Strategy Review, and the Minutes of the June decision. See [here](#), [here](#) and [here](#) for more on those.

Figure 1 OIS Implied ECB Rate Path

| Meeting Date | ESTR ECB-Dated OIS (%) | Difference Vs. Current Effective ESTR Rate (bp) | 1d ago | 1d chg | 2d ago | 2d chg | 5d ago | 5d chg |
|--------------|------------------------|---|--------|--------|--------|--------|--------|--------|
| Jul-25 | 1.913 | -0.7 | -0.8 | 0.1 | -1.0 | 0.3 | -0.5 | -0.2 |
| Sep-25 | 1.785 | -13.5 | -13.7 | 0.2 | -13.1 | -0.4 | -11.4 | -2.1 |
| Oct-25 | 1.748 | -17.2 | -17.5 | 0.3 | -16.9 | -0.3 | -14.8 | -2.4 |
| Dec-25 | 1.655 | -26.5 | -26.9 | 0.4 | -25.7 | -0.8 | -23.7 | -2.9 |
| Feb-26 | 1.641 | -28.0 | -29.5 | 1.5 | -26.7 | -1.3 | -24.3 | -3.6 |
| Mar-26 | 1.619 | -30.1 | -31.2 | 1.1 | -29.0 | -1.1 | -26.5 | -3.6 |
| Apr-26 | 1.624 | -29.7 | -30.8 | 1.1 | -28.4 | -1.3 | -25.9 | -3.7 |
| Jun-26 | 1.626 | -29.4 | -30.4 | 1.0 | -27.7 | -1.7 | -25.5 | -4.0 |

Source: MNI/Bloomberg Finance L.P.

Table 2 Reverse-Chronological Summary

| Date | Member | Next three votes | Monetary Policy Relevant Comments |
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| 07 Jul | Centeno | Jul, Sep, Oct | <p>* "We know inflation will decline further and we need it to move closer to 2%. Undershooting is the main risk now. If economic growth is flat in the next couple of quarters, investment doesn't pick up, and inflation remains close to 1%, we will have to do something."</p> <p>* "The amount and timing of further cuts are difficult to say. It all depends on how things play out in terms of investment, labour market, and of course prices at the end".</p> <p>* We must understand one thing: China means negative inflation. If you squeeze some of the international trade channel with China, these products will definitely go to other destinations. So, the impact for Europe will be significant".</p> <p>* "Public expenditures are usually overestimated because they take time to implement, and subject to delay, but we assume that they will be fully implemented. So, there is a big risk that the level of investment will fall short of what is projected".</p> <p>* "That is a market outcome, and it's difficult to comment on market outcomes. If the economy really does not have the strength to support this appreciation of the euro, there will be corrections or at least some attenuation of it. So, we need to see what is going to happen." (Interview with Econostream)</p> |
| 04 Jul | Makhlouf | Sep, Oct, Dec | <p>* "Structural changes will have substantial implications for inflation or the rate at which prices rise over time. Importantly, the scale of these changes will make inflation more volatile."...."stalling, and partial reversal, of global economic integration," emergence of artificial intelligence tools, impact of ageing population and ongoing digitalization, climate change".</p> <p>* "Forward guidance remains part of our toolkit but we will have to be more agile in how we use it." (Comments in blog post)</p> |

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| 04 Jul | Villeroy | Sep, Oct, Feb | <p>* On the exchange rate: "It could increase the risk of undershooting our target"... "this is a risk we must take into account," ... "I don't conclude from that any signal, decision for our July or September meeting."</p> <p>* "We are at present in a good position," "We will see where we go, but this is not a question limited to July or September."</p> <p>* "If we are on our target in inflation, obviously we should look at the growth path and we can support, which we did," (Interview with Bloomberg TV)</p> |
| 04 Jul | Lagarde | each meeting | <p>* "The value of a currency euro, for instance, is going to depend a lot on the strength of our economy, and we have to make our economy stronger,"</p> <p>* "Our determination, our commitment, our duty is to keep price stability — and price stability is around 2% inflation"... "We have delivered, inflation is measured at 2%, and we will continue doing so." (Comments to ARD)</p> |
| 04 Jul | Nagel | Jul, Sep, Dec | <p>* "The strategy review has once again emphasized the symmetry of our inflation target," "We shouldn't get nervous if the inflation rate in the euro area temporarily slips below 2%."</p> <p>* "I view efforts to resort to activism now with skepticism," ... "Given inflation at 2%, I see no reason for that."</p> <p>* "In the short term, US tariffs could also dampen inflation in the euro zone – but in the longer term, higher inflation could also be the result," "The effect is still not conclusively clear." (Interview with FAZ)</p> |
| 03 Jul | Kazaks | Jul, Dec, Feb | <p>* "The uncertainty remains high. More so due to geopolitical shifts, the risk of trade wars and all that kind of stuff, it's still there, and there is nothing normal about that in terms of recent history, in my view. But it is the new normal now," "But if I take a look at the monetary policy and the ECB, I can fully agree with President Lagarde saying that we are in a good place. We have delivered. We are at around 2% and I think we can, by and large, say that the high inflation episode has been resolved."</p> <p>* "Inflation expectations remain anchored at around target, policy rates are around neutral territory. So the next thing is to ensure that inflation remains at around the target, and we are in a situation that we can deal with any shocks that will potentially hit us -- and we have quite a lot of flexibility on our hands,"</p> <p>* "Was there a bit more debate about the toolkit? Of course there was discussion about that, especially in terms of the non-standard measures, QE, negative rates etc," "There is clarity on the [inflation] target, there is clarity on the instruments, we have more experience with some of the instruments. But implicitly, we will keep our minds</p> |

open and we will react flexibly in the spirit to do best as we can to deliver the target,(Interview with MNI Policy Team)

03 Jul

MNI Sources

n/a

* European Central Bank officials are virtually unanimous that their June projections are so far being confirmed by incoming data, despite ongoing risks from global trade tensions, paving the way to a likely September cut, though some more cautious policymakers would prefer to wait until December, Eurosystem sources told MNI.

* Fears over a possible diversion of Chinese goods away from the U.S. and into Europe have yet to be significantly confirmed, several officials told MNI, opening the way to a benign scenario and a more stable outlook. While risks from U.S. President Donald Trump's unpredictable trade policy of course continue, these are now better understood.

* Many Eurosystem officials were however surprised by comments in Sintra by ECB Vice President Luis de Guindos, who said that if the euro kept appreciating above USD1.20 it "would be much more complicated" for the eurozone. While, in interviews with MNI, Bank of Portugal Governor Mario Centeno and acting Bank of Malta Governor Alexander Demarco said euro appreciation could pose problems, other officials told MNI that de Guindos would have been better advised to stick to the mantra that the ECB does not target the exchange rate. (MNI SOURCES: Projections Confirmed So Far, Sept Cut Likely)

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| 03 Jul | Wunsch | Sep, Oct, Dec | <p>* "Several factors suggest that the inflation risk is tilted more to the downside than to the upside," The Belgian central bank chief cited, for example, falling energy prices, uncertain growth prospects in light of geopolitical risks, and the continued strength of the euro. The latter makes imports cheaper and thus dampens inflation.</p> <p>* On market expectations for one more rate cut: "I don't want to reinforce these expectations, but I don't feel uncomfortable about it either,"(Interview with Handelsblatt)</p> |
| 03 Jul | Wunsch | Sep, Oct, Dec | <p>* "While not expressly calling for a cut myself, I can understand and see why further easing is priced in by financial markets. The risk is probably to the downside,"</p> <p>* "I was one of the critics of the overuse of QE in the past, but I have never said we should close the door on it. It must remain in the toolkit, but its future implementation should be considered carefully,"(Interview with MNI Policy Team)</p> |
| 02 Jul | DeMarco | Jul, Sep, Oct | <p>* Leaving the key deposit facility rate at 2 percent would "hold the powder a bit dry," ... "Because of the high uncertainty you can always have some unexpected shock cropping up."</p> <p>* "The appreciation which we had in the last couple of months — it certainly also helps to keep inflation down through prices of imports," "It's something that we need to monitor, mostly, perhaps, the speed of the appreciation. But we're still not at a level where there are concerns." (Interview with Politico)</p> |
| 02 Jul | DeMarco | Jul, Sep, Oct | <p>* "I don't see big reasons to cut another time unless there are some changes. If we see that maybe inflation is going to turn out perhaps lower than expected then maybe another cut will be appropriate,"..."I think you'll have to be still watchful. I don't see anything in the data that really would compel us, you know, to cut at least for a couple of meetings</p> <p>* "Having a slight dip for a small period of time to 1.9% [inflation] is not the end of the world. I think we can tolerate it. It's not that you have to have 2% all the time. It's impossible,"</p> <p>* On the exchange rate: "That is not really a major concern. I mean, for example, in the country where I come from, usually exporters very much voice their concerns when they see the exchange rate appreciated, because a lot of their markets are also outside Europe. So, the exchange rate for that is important. So far, I have no issues, no complaints from that part" "Of course, it's something that we need to watch in the sense of how fast maybe it can go in one direction" (Interview with MNI Policy Team)</p> |

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| 02 Jul | Rehn | Sep, Oct, Dec | <p>* "I'm quite concerned about inflation being below target for an extended period of time,"...“We have to make sure that will not become persistent and become embedded in inflation expectations.”</p> <p>“The appreciation of the euro has indeed helped us reaching the 2% target for now,”“We are following closely the developments in the exchange rate.” (Comments to Bloomberg TV)</p> |
| 02 Jul | Rehn | Sep, Oct, Dec | <p>* "I am encouraged by recent movements. The German decision to massively increase defence and infrastructure spending is pivotal,""NATO countries' decision to also boost spending will provide an important fiscal stimulus and increase growth."..."The current environment represents an important moment for the euro and we shouldn't waste it,"</p> <p>* "There are risks to the outlook on both sides, but the risk of staying below target is greater in my view especially as our projections see price growth under target for 18 months,"....."The exchange rate, energy prices, tariffs are all disinflationary and hold back economic growth, so we need to be mindful of the risk of inflation staying persistently below 2%,"(Interview with Reuters)</p> |
| 02 Jul | Wunsch | Sep, Oct, Dec | <p>* "There is an argument for providing a mildly supportive policy stance,""If the recovery is delayed — and it has been delayed a few times — and output is below potential, then being supportive is rational."</p> <p>* "I am not overly concerned about growth,""Recent national PMI numbers were rather comforting. German fiscal plans are also game changing. Major fiscal expansion by a country that can afford it, provides a major boost." (Interview with Reuters)</p> |
| 02 Jul | Centeno | Jul, Sep, Oct | <p>* ""“We need to think about the current exchange rate as reflecting the strength of the euro, what’s going on globally,”...“We’re also pushing a lot to increase the international role of the euro debt. It will bring more investors to Europe. It will increase interest in the euro so that’s good.” (Interview with Bloomberg TV)</p> |

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| 02 Jul | Centeno | Jul, Sep, Oct | <p>* Market expectations for just one more cut in interest rates this year which formed the basis of the European Central Bank's June projections could turn out to be accurate if Q2 economic data is solid, confirming that inflation is around 2% and that the European economy is not slowing down, Bank of Portugal Governor Mario Centeno told MNI.</p> <p>* "If that materialises, we can be more confident that inflation can remain at 2% because my view on that is always that we need an economy that is compatible with inflation at 2%. And if this pickup in growth is confirmed, this is good news," Centeno said in an interview at the ECB's meeting in Sintra, Portugal, noting that data would need to confirm the good trajectory seen in the first quarter.</p> <p>* "The dynamics of public investment may be postponed, mostly related to the NextGeneration yield. And that will have an impact on the dynamics of the economy," he said. "We keep revising downwards our projections for public investment and public expenditure."</p> <p>* Asked whether a further appreciation of the euro against the U.S. dollar could pose a downside risk to inflation, Centeno acknowledged the effects on prices but said that as long as it correctly reflects market correlations, it should not worry the ECB. (Interview with MNI Policy Team)</p> |
| 01 Jul | Muller | Sep, Oct, Dec | <p>* "For the moment it's not obvious to me that we need to go into expansionary territory,"...."Growth is weak, but it's still gradually picking up. So, it's quite reasonable for now to keep rates where they are and to monitor further developments — also as the level of rates is low enough and not holding back the recovery."</p> <p>* "Where we are exactly in September is difficult to say today,"...."But we should at least have some more clarity when it comes to trade, perhaps also more on the fiscal plans and thereby be in a better position to make a new assessment."</p> <p>* "The appreciation of the euro has been quite fast,"...."But the level is still within historical ranges. I don't think we should be too worried at this point." (Interview with Bloomberg)</p> |
| 01 Jul | Lagarde | each meeting | <p>* "I'm not saying mission accomplished, but I say target reached." (Comments on Sintra panel)</p> |

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| 01 Jul | Kazaks | Jul, Dec, Feb | <p>* "If rates would move, then they might go down rather than up,"...."But nothing big – the economy is growing and inflation is close to our target. It's more about signaling and fine-tuning. It could also be an insurance cut, to ensure that inflation moves back to 2% after falling short in early 2026. But it's too early to say given the uncertainty."</p> <p>* "We don't target the exchange rate, but it does affect inflation dynamics and economic growth,"...."The exchange rate has moved significantly this year and this will also weigh on inflation. If the euro was to significantly appreciate further, this would weigh down on inflation and exports, which could tilt the balance toward another cut." (Interview with BBG)</p> |
| 01 Jul | Escriva | Jul, Sep, Oct | <p>* "New times call for patience in case of temporary events and vigorous policies at key moments,"...."This 'patience' in not reacting quickly to possible temporary deviations in inflation is essential."</p> <p>* "In a context as complex as the current one, these alternative scenarios can be very useful for being agile and prepared to make the most appropriate decisions," (OpEd in Expansion)</p> |
| 01 Jul | de Guindos | each meeting | <p>* On the EUR: "I think that \$1.17, even \$1.20, is not something,"...."We can overlook it a little bit. Something beyond that would be much more complicated. But \$1.20 is perfectly acceptable."...."We take into consideration the level and evolution of the exchange rate and we incorporate the level of the exchange rate into our projections"...."This is something that we're monitoring and looking at but it we do not target any concrete level of the exchange rate."</p> <p>* "An additional cut is not going to help the economy improve', he added. What we need is certainty about trade policies, tariffs, fiscal policy ... that's the kind of reform we need in Europe to foster growth" (Interview with Bloomberg TV)</p> |
| 01 Jul | Lane | each meeting | <p>* "We do think the last cycle is done, bringing inflation down from the peak of 10[%], back to 2%, that element is over, but on a forward-looking basis we do need to stand ready to make sure that any deviation we see does not become embedded, does not change the medium-term picture," (Interview with CNBC)</p> |

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| 01 Jul | Nagel | Jul, Sep, Dec | <p>* On inflation: "In the current situation, we are in calm waters,"...."complacency is not the way we should see it."</p> <p>* He called the euro, which has gained almost 14% against the dollar this year, "only one factor" in the ECB's thinking on inflation, describing its current level as "not exceptionally high" historically....."As a central banker we have to look at it,"</p> <p>* On the next rate cut: ""We have to be prepared for everything,"..."I will see what the data will tell me in autumn, and then we will see." (Interview and write-up with Bloomberg TV)</p> |
| 01 Jul | Simkus | Jul, Sep, Dec | <p>* ""The inflation outlook remains fragile,"...."We can't be sure whether the assumptions behind our forecast will actually materialize this way."</p> <p>* ""The speed at which the euro is strengthening is something we have to monitor,""In historic terms, the exchange rate isn't out of the ordinary, but the pace of adjustment means we have to take it seriously."</p> <p>* ""Most of the tariff impact on the economy is undoubtedly still to come," (Interview with BBG)</p> |
| 01 Jul | Simkus | Jul, Sep, Dec | <p>* "I don't know if we'll have all the information we need by September, but I remain open to every possibility,"..."I believe a move, if any, is more likely towards the end of the year." (Interview with Reuters)</p> |
| 01 Jul | Muller | Sep, Oct, Dec | <p>* "It makes sense for policy to stay on hold for a while,"...."It's reasonable not to change rates in July,""While it's too early to discuss the autumn, it's also reasonable to assume that we should not go much lower during the current cycle, unless the euro area economy will turn out to be much weaker than we expect."</p> <p>* "The euro exchange rate against the dollar is well within the historical range,"...."The appreciation this year has indeed been quick but we're not at a level where I am particularly concerned." (Interview with Reuters)</p> |
| 01 Jul | Vujcic | Jul, Oct, Dec | <p>* "We hope that by July 9 we have no more uncertainty, but it is not guaranteed"...."Defence spending - which will increase in Europe, the decision has been made - that will also contribute somewhat to the inflationary pressures"...."However we also emphasise it is a medium-term target, so we can allow oscillations around the 2% in this medium-term, because it's impossible to pin down inflation to exactly always 2%" (Interview with CNBC)</p> |
| 30 Jun | Lane | each meeting | <p>* On the ECB's 2025 strategy review: "The scale of the monetary-policy response depends on the scale of the problem," (ECB Strategy Review Press Conference)</p> |

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| 30 Jun | Lagarde | each meeting | * On the ECB's 2025 strategy review: "The recent inflation surge has revealed upside non-linearities - and with them, the need for a two-sided reaction function, both in terms of forcefulness or persistence" (ECB Strategy Review Press Conference) |
| 30 Jun | Wunsch | Sep, Oct, Dec | * "If we would have to do more, it would probably be on the downside, a further cut"... "I am not pleading for one, but I think if there's any discussion, it is more on that direction"... "We have only one objective, which is inflation, but if growth would remain on the downside, then there might be room for a little bit more action" (Interview with CNBC) |
| 30 Jun | de Guindos | each meeting | * 2nd and 3rd quarter growth ""will be almost flat."" , with the economy facing "brutal uncertainty". * "Rate policy is compatible with convergence toward our definition of price stability," * "Inflation data has been positive"... "we've also seen a deceleration" on services inflation" * "There are doubts about the role of the dollar in the global context,"... "if we Europeans do the things right there is an opportunity for the euro to gain ground in the global context as a reserve currency." (Comments at IADG Conference) |
| 30 Jun | Knot | n/a | * "I think the negative effect of uncertainty on demand is important. Clearly it is a downside risk for inflation," (Interview with Corriere della Sera) |
| 30 Jun | Rehn | Sep, Oct, Dec | * "There is no reason for self-complacency in Europe"... "We must be vigilant now to both directions. On one hand, of course, we have to closely monitor geopolitical developments and price developments in the energy markets in particular. On the other hand, risks of inflation undershooting our target should neither be underestimated" * "The ECB takes decisions each meeting on the basis of the recent data and analysis and of course our judgement"... "In many ways these days, monetary policy is as much art as it is a science. It's important to be consistent in its decisions, but at the same time to be agile" (Interview with SZ) |
| 27 Jun | Knot | n/a | * "It may well be that the ECB has to hold rates for quite some time to come as long as you don't know which way these shocks will actually play out on the medium-term outlook,. Another cut is "difficult for me to exclude." * "I have been positively surprised that the cost of fighting inflation has been so low this time around compared to the last time when we had such an enormous bout of inflation during the 1970s," (Interview with the FT) |

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| 27 Jun | de Guindos | each meeting | * "We are confident we will meet the inflation target, which is why we lowered interest rates" (Comments to Antena 3) |
| 26 Jun | de Guindos | each meeting | * "The outbreak of the Israel-Iran conflict adds some uncertainty about oil price developments,"... "It is therefore important to closely monitor developments in the real economy as an indicator of the inflation outlook." * "Higher tariffs are expected even if bilateral negotiations go well," * "We believe that we are very close to our target,".... "We believe that we are in a good position." (Interview with WSJ) |
| 24 Jun | Lane | each meeting | * "While headline inflation is currently around the target, services inflation still has some distance to travel,".... "Still, there has been sufficient progress in returning inflation to target to consider that this monetary-policy challenge is largely completed." * "This disinflation challenge has been superseded by a new set of challenges and monetary policymakers have to make sure that the medium-term inflation target is protected in a volatile environment in which, amongst other factors, there is high uncertainty about the future of long-standing international trade system. This uncertainty extends beyond the calibration of new tariff regimes and includes the possibility of a broader set of non-tariff barriers, a deeper intertwining of economic policies and security policies and possible revisions to the treatment of foreign portfolio investors and foreign direct investors" * "Especially under current conditions of high uncertainty, it is essential to remain data dependent and take a meeting-by-meeting approach in making monetary policy decisions, with no pre-commitment to any particular future rate path"... "Looking ahead, our monetary policy will have to take into account not only the most likely path (the baseline) but also the risks to activity and inflation. To this end, it will be important to explore how alternative rate paths hold up in various plausible sensitivity and scenario analyses, in order to make sure we minimise the risk of extended deviations from our medium-term target". (Speech at the Barclays-CEPR Monetary Policy Forum 2025) |
| 24 Jun | Kazimir | Jul, Sep, Oct | * "I belong to the governors who think we've reached our goal, that we are at the neutral range,".... "I personally would not touch rates before we'll have a much clearer picture regarding trade-war scenarios." (Speech in Bratislava) |

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| 24 Jun | de Guindos | each meeting | <p>* “If oil prices rise — but it looks like they are somehow contained — it’s something we’ll have to take into consideration,”....“But the process by which inflation is coming down is locked in. From what we’re seeing today, the process hasn’t gone off the rails — not at all.”</p> <p>* “We think our mandate of price stability will be fulfilled, but always taking into account that the level of uncertainty is brutal,”....“It forces us to be especially prudent.” (Speech in Santander)</p> |
| 24 Jun | Villeroy | Sep, Oct, Feb | <p>* “If we look at the present assessment of markets so far, inflation expectations remain moderate,”...“If that was confirmed, it could possibly lead in the next six months to a further accommodation.”</p> <p>* “A neutral rate and a terminal rate are by nature different animals. They can be the same but they are not identical.”</p> <p>* On Middle East tensions: “New major source of uncertainty” that “can go in both directions.”....the ECB “will closely monitor the oil price moves in the near future.” but the “oil price per se” is “not a sufficient guide for our reaction function.”....“If we were to see spillovers to underlying inflation and de-anchoring of inflation expectations, then we could possibly adapt monetary policy.” (Interview with the FT)</p> |

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| 23 Jun | Nagel | Jul, Sep, Dec | <p>* "Eurosysteem calculations based on various models estimate the nominal natural interest rate at the end of 2024 to be between 1.5 and 2.5 percent"... "By comparison, following the key interest rate cut at the monetary policy meeting in early June, the deposit rate relevant for the monetary policy stance is 2 percent. This is exactly in the middle of the aforementioned range. It is therefore likely that the Eurosysteem's monetary policy is currently within the neutral range, although the estimates are subject to high uncertainty".</p> <p>* "The biggest uncertainty factor for our future monetary policy course is - besides developments in the Middle East - undoubtedly the unpredictable US Trade policy".</p> <p>* "The uncertainty is exceptionally high. And this is the reason why the ECB Council is currently more data-dependent than ever and makes decisions from meeting to meeting. Therefore, if you were hoping for a detailed interest rate outlook from me, I regret to disappoint you".</p> <p>* "One thing is clear: the target volume of a structural portfolio should be in a reasonable proportion to the volume of bonds available for purchase. To avoid market distortions, only small portions of individual issues should be purchased"</p> <p>* "While the macroeconomic effects of quantitative easing have been extensively studied, quantitative tightening, particularly for the euro area, remains a largely unexplored field. However, the overall impact of quantitative tightening is likely to be weaker than that of quantitative easing".</p> <p>* "Taken together, the phasing out of our asset purchase programs should therefore have only a minor impact on the monetary policy stance. We also indirectly take this effect into account when setting the key interest rate level. Medium- and long-term interest rates are directly incorporated into the Eurosysteem's inflation forecasts, which form a key basis for our monetary policy decisions" (20th Walter Eucken Lecture)</p> |
| 23 Jun | Lagarde | each meeting | <p>* "At the current interest-rate levels, we believe that we are in a good position to navigate the uncertain circumstances,".... "Especially in the current conditions of exceptional uncertainty, we will follow a data-dependent and meeting-by-meeting approach to determining the appropriate monetary policy stance."</p> <p>* On oil prices: ""This is a source of concern and it's a point that we have to monitor very carefully,"</p> <p>* "Risks to the growth outlook remain tilted to the downside, however. In particular, growth could slow in the event of a further escalation in global trade tensions and the associated uncertainties, deteriorating financial market sentiment and continued geopolitical tensions" (Remarks at EU Parliament)</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 | <p>23 June - "At the current interest-rate levels, we believe that we are in a good position to navigate the uncertain circumstances,"...."Especially in the current conditions of exceptional uncertainty, we will follow a data-dependent and meeting-by-meeting approach to determining the appropriate monetary policy stance." (Remarks at EU Parliament)</p> <p>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).</p> |
| | | | Economic Growth | <p>23 June - "Risks to the growth outlook remain tilted to the downside, however. In particular, growth could slow in the event of a further escalation in global trade tensions and the associated uncertainties, deteriorating financial market sentiment and continued geopolitical tensions" (Remarks at EU Parliament)</p> <p>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)</p> <p>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)</p> |

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| | | | Inflation | <p>4 July - "Our determination, our commitment, our duty is to keep price stability — and price stability is around 2% inflation"...“We have delivered, inflation is measured at 2%, and we will continue doing so.” (Comments to ARD)</p> <p>1 July - “I’m not saying mission accomplished, but I say target reached.” (Comments on Sintra panel)</p> <p>23 June - On oil prices: ""This is a source of concern and it's a point that we have to monitor very carefully,"(Remarks at EU Parliament)</p> <p>14 June - "We are within reach of the 2% medium-term inflation target that we have defined as price stability". (Interview with Xinhua)</p> <p>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)</p> <p>7 June - On inflation “I think we are well calibrated to reach this medium-term goal,” (Interview with Monaco Info, write-up from BBG).</p> |
| | | | Exchange Rate/ Balance Sheet | <p>4 July - “The value of a currency euro, for instance, is going to depend a lot on the strength of our economy, and we have to make our economy stronger,” (Comments to ARD)</p> <p>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)</p> |
| | | | Operational Framework | <p>30 June - On the ECB's 2025 strategy review: "The recent inflation surge has revealed upside non-linearities - and with them, the need for a two-sided reaction function, both in terms of forcefulness or persistence" (ECB Strategy Review Press Conference)</p> |
| | Vice President | each meeting | July Decision | |

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| Luis de Guindos | | | Rate Outlook | <p>30 June - "Rate policy is compatible with convergence toward our definition of price stability," (Comments at IADG Conference)</p> <p>27 June - "We are confident we will meet the inflation target, which is why we lowered interest rates" (Comments to Antena 3)</p> <p>26 June - "We believe that we are very close to our target,"...."We believe that we are in a good position." (Interview with WSJ)</p> |
| | | | Economic Growth | <p>1 July - "An additional cut is not going to help the economy improve', he added. What we need is certainty about trade policies, tariffs, fiscal policy ... that's the kind of reform we need in Europe to foster growth" (Interview with Bloomberg TV)</p> <p>30 June - 2nd and 3rd quarter growth "'will be almost flat.'", with the economy facing "brutal uncertainty". (Comments at IADG Conference)</p> <p>26 June - "The outbreak of the Israel-Iran conflict adds some uncertainty about oil price developments,"..."It is therefore important to closely monitor developments in the real economy as an indicator of the inflation outlook."...."Higher tariffs are expected even if bilateral negotiations go well," (Interview with WSJ)</p> <p>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)</p> |
| | | | Inflation | <p>30 June - "Inflation data has been positive"... "we've also seen a deceleration" on services inflation" (Comments at IADG Conference)</p> <p>24 June - "If oil prices rise — but it looks like they are somehow contained — it's something we'll have to take into consideration,"...."But the process by which inflation is coming down is locked in. From what we're seeing today, the process hasn't gone off the rails — not at all.".... "We think our mandate of price</p> |

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| | | | | stability will be fulfilled, but always taking into account that the level of uncertainty is brutal,"...."It forces us to be especially prudent." (Speech in Santander) |
| | | | Exchange Rate/ Balance Sheet | 1 July - On the EUR: "I think that \$1.17, even \$1.20, is not something,"...."We can overlook it a little bit. Something beyond that would be much more complicated. But \$1.20 is perfectly acceptable."...."We take into consideration the level and evolution of the exchange rate and we incorporate the level of the exchange rate into our projections"...."This is something that we're monitoring and looking at but it we do not target any concrete level of the exchange rate." (Interview with Bloomberg TV) 30 June - "There are doubts about the role of the dollar in the global context,"... "if we Europeans do the things right there is an opportunity for the euro to gain ground in the global context as a reserve currency." (Comments at IADG Conference) |
| | | | Operational Framework | |
| Philip Lane | | each meeting | July Decision | |

Rate Outlook

Chief
Economist

24 June - "This disinflation challenge has been superseded by a new set of challenges and monetary policymakers have to make sure that the medium-term inflation target is protected in a volatile environment in which, amongst other factors, there is high uncertainty about the future of long-standing international trade system. This uncertainty extends beyond the calibration of new tariff regimes and includes the possibility of a broader set of non-tariff barriers, a deeper intertwining of economic policies and security policies and possible revisions to the treatment of foreign portfolio investors and foreign direct investors"... "Especially under current conditions of high uncertainty, it is essential to remain data dependent and take a meeting-by-meeting approach in making monetary policy decisions, with no pre-commitment to any particular future rate path"... "Looking ahead, our monetary policy will have to take into account not only the most likely path (the baseline) but also the risks to activity and inflation. To this end, it will be important to explore how alternative rate paths hold up in various plausible sensitivity and scenario analyses, in order to make sure we minimise the risk of extended deviations from our medium-term target". (Speech at the Barclays-CEPR Monetary Policy Forum 2025)

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)

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)

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)

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| | | | | <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> |
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| | | | Economic Growth | |
| | | | Inflation | <p>1 July - "We do think the last cycle is done, bringing inflation down from the peak of 10[%], back to 2%, that element is over, but on a forward-looking basis we do need to stand ready to make sure that any deviation we see does not become embedded, does not change the medium-term picture," (Interview with CNBC)</p> <p>24 June - "While headline inflation is currently around the target, services inflation still has some distance to travel,"...."Still, there has been sufficient progress in returning inflation to target to consider that this monetary-policy challenge is largely completed." (Speech at the Barclays-CEPR Monetary Policy Forum 2025)</p> <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> |

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| Isabel Schnabel | Exec Board | each meeting | Exchange Rate/ 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 | 30 June - On the ECB's 2025 strategy review: "The scale of the monetary-policy response depends on the scale of the problem," (ECB Strategy Review Press Conference) |
| | | | July Decision | |
| | | | 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) |

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| | | | 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) |
| | | | Exchange Rate/ 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 | |
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| Frank Elderson | Exec Board | each meeting | July Decision | |
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| | | | Economic Growth | |
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| | | | Exchange Rate/ Balance Sheet | |
| | | | Operational Framework | |
| Joachim Nagel | Germany | Jul, Sep, Dec | July Decision | |

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| Rate Outlook | 4 July - "I view efforts to resort to activism now with skepticism,"..."Given inflation at 2%, I see no reason for that." (Interview with FAZ) |
| | 1 July - On the next rate cut: ""We have to be prepared for everything,"..."I will see what the data will tell me in autumn, and then we will see." (Interview and write-up with Bloomberg TV) |
| Economic Growth | 23 June - "Eurosystem calculations based on various models estimate the nominal natural interest rate at the end of 2024 to be between 1.5 and 2.5 percent"..."By comparison, following the key interest rate cut at the monetary policy meeting in early June, the deposit rate relevant for the monetary policy stance is 2 percent. This is exactly in the middle of the aforementioned range. It is therefore likely that the Eurosystem's monetary policy is currently within the neutral range, although the estimates are subject to high uncertainty"...."The biggest uncertainty factor for our future monetary policy course is - besides developments in the Middle East - undoubtedly the unpredictable US Trade policy"..."The uncertainty is exceptionally high. And this is the reason why the ECB Council is currently more data-dependent than ever and makes decisions from meeting to meeting. Therefore, if you were hoping for a detailed interest rate outlook from me, I regret to disappoint you". (20th Walter Eucken Lecture) |
| | 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) |
| | 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) |
| | 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) |

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| | | | <p>Inflation</p> <p>4 July - "In the short term, US tariffs could also dampen inflation in the euro zone – but in the longer term, higher inflation could also be the result," "The effect is still not conclusively clear." (Interview with FAZ)</p> <p>1 July - On inflation: "In the current situation, we are in calm waters," "complacency is not the way we should see it." (Interview with BBG)</p> <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> |
| | | | <p>Exchange Rate/ Balance Sheet</p> <p>1 July - He called the euro, which has gained almost 14% against the dollar this year, "only one factor" in the ECB's thinking on inflation, describing its current level as "not exceptionally high" historically... "As a central banker we have to look at it," (Interview with BBG)</p> <p>23 June - "One thing is clear: the target volume of a structural portfolio should be in a reasonable proportion to the volume of bonds available for purchase. To avoid market distortions, only small portions of individual issues should be purchased" "While the macroeconomic effects of quantitative easing have been extensively studied, quantitative tightening, particularly for the euro area, remains a largely unexplored field. However, the overall impact of quantitative tightening is likely to be weaker than that of quantitative easing" "Taken together, the phasing out of our asset purchase programs should therefore have only a minor impact on the monetary policy stance. We also indirectly take this effect into account when setting the key interest rate level. Medium- and long-term interest rates are directly incorporated into the Eurosystem's inflation forecasts, which form a key basis for our monetary policy decisions" (20th Walter Eucken Lecture)</p> <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> |

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| | | | Operational Framework | 4 July - "The strategy review has once again emphasized the symmetry of our inflation target," "We shouldn't get nervous if the inflation rate in the euro area temporarily slips below 2%." (Interview with FAZ) |
| Francois Villeroy | France | Sep, Oct, Feb | July Decision | |
| | | | Rate Outlook | <p>4 July - "We are at present in a good position," "We will see where we go, but this is not a question limited to July or September."... "If we are on our target in inflation, obviously we should look at the growth path and we can support, which we did," (Interview with Bloomberg TV)</p> <p>24 June - "If we look at the present assessment of markets so far, inflation expectations remain moderate,"... "If that was confirmed, it could possibly lead in the next six months to a further accommodation..... "A neutral rate and a terminal rate are by nature different animals. They can be the same but they are not identical." (Interview with the FT)</p> <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 | 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) |

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| | | | Inflation | <p>24 June - On Middle East tensions: "New major source of uncertainty" that "can go in both directions."....the ECB "will closely monitor the oil price moves in the near future." but the "oil price per se" is "not a sufficient guide for our reaction function."...."If we were to see spillovers to underlying inflation and de-anchoring of inflation expectations, then we could possibly adapt monetary policy." (Interview with the FT)</p> <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> |
| | | | Exchange Rate/ Balance Sheet | <p>4 July - On the exchange rate: "It could increase the risk of undershooting our target"... "this is a risk we must take into account," ... "I don't conclude from that any signal, decision for our July or September meeting." (Interview with BBG TV)</p> |
| | | | Operational Framework | |
| José Luis Escrivá | Spain | Jul, Sep, Oct | July Decision | |
| | | | Rate Outlook | <p>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)</p> |

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| | | | Economic Growth | |
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| | | | Exchange Rate/ 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 | 1 July - "New times call for patience in case of temporary events and vigorous policies at key moments,"...."This 'patience' in not reacting quickly to possible temporary deviations in inflation is essential."...."In a context as complex as the current one, these alternative scenarios can be very useful for being agile and prepared to make the most appropriate decisions," (OpEd in Expansion) |
| 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) |
| | | | Exchange Rate/ Balance Sheet | |
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| Klaas Knot/Olaf Sleijpen | Netherlands | Jul, Oct, Dec | July Decision | |
| | | | Rate Outlook | 27 June (Knot) - It may well be that the ECB has to hold rates for quite some time to come as long as you don't know which way these shocks will actually play out on the medium-term outlook,. Another cut is "difficult for me to exclude." (Interview with the FT) |
| | | | Economic Growth | 30 June (Knot) - "I think the negative effect of uncertainty on demand is important. Clearly it is a downside risk for inflation," (Interview with Corriere della Sera) |
| | | | Inflation | 27 June (Knot) - "I have been positively surprised that the cost of fighting inflation has been so low this time around compared to the last time when we had such an enormous bout of inflation during the 1970s," (Interview with the FT) 18 June (Knot) - "Tariffs have a negative effect on the economy. On inflation, it's more ambiguous". (Comments at Young Factor International Conference) |
| | | | Exchange Rate/ Balance Sheet | |
| | | | Operational Framework | |
| Pierre Wunsch | Belgium | Sep, Oct, Dec | July Decision | |

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| | | | Rate Outlook | <p>3 July - "Several factors suggest that the inflation risk is tilted more to the downside than to the upside," The Belgian central bank chief cited, for example, falling energy prices, uncertain growth prospects in light of geopolitical risks, and the continued strength of the euro. The latter makes imports cheaper and thus dampens inflation.....On market expectations for one more rate cut: "I don't want to reinforce these expectations, but I don't feel uncomfortable about it either,"(Interview with Handelsblatt)</p> <p>3 July - "While not expressly calling for a cut myself, I can understand and see why further easing is priced in by financial markets. The risk is probably to the downside," (Interview with MNI Policy Team)</p> <p>2 July - "There is an argument for providing a mildly supportive policy stance,""If the recovery is delayed — and it has been delayed a few times — and output is below potential, then being supportive is rational." (Interview with Reuters)</p> <p>30 June - "'If we would have to do more, it would probably be on the downside, a further cut"... "I am not pleading for one, but I think if there's any discussion, it is more on that direction"... "We have only one objective, which is inflation, but if growth would remain on the downside, then there might be room for a little bit more action" (Interview with CNBC)</p> |
| | | | Economic Growth | <p>2 July - "I am not overly concerned about growth,""Recent national PMI numbers were rather comforting. German fiscal plans are also game changing. Major fiscal expansion by a country that can afford it, provides a major boost." (Interview with Reuters)</p> |
| | | | Inflation | |
| | | | Exchange Rate/ Balance Sheet | <p>3 July - "I was one of the critics of the overuse of QE in the past, but I have never said we should close the door on it. It must remain in the toolkit, but its future implementation should be considered carefully,"(Interview with MNI Policy Team)</p> |
| | | | Operational Framework | |
| Olli Rehn | Finland | Sep, Oct, Dec | July Decision | |

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| | | | Rate Outlook | <p>30 Jun - "The ECB takes decisions each meeting on the basis of the recent data and analysis and of course our judgement"... "In many ways these days, monetary policy is as much art as it is a science. It's important to be consistent in its decisions, but at the same time to be agile" (Interview with SZ)</p> <p>10 June - "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>2 July - "I am encouraged by recent movements. The German decision to massively increase defence and infrastructure spending is pivotal," "NATO countries' decision to also boost spending will provide an important fiscal stimulus and increase growth." ... "The current environment represents an important moment for the euro and we shouldn't waste it," (Interview with Reuters)</p> <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> |

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| | | | Inflation | <p>2 July - "I'm quite concerned about inflation being below target for an extended period of time,"...“We have to make sure that will not become persistent and become embedded in inflation expectations.” (Comments to BBG TV)</p> <p>2 July - "There are risks to the outlook on both sides, but the risk of staying below target is greater in my view especially as our projections see price growth under target for 18 months,"....."The exchange rate, energy prices, tariffs are all disinflationary and hold back economic growth, so we need to be mindful of the risk of inflation staying persistently below 2%,"(Interview with Reuters)</p> <p>30 June - "There is no reason for self-complacency in Europe"...“We must be vigilant now to both directions. On one hand, of course, we have to closely monitor geopolitical developments and price developments in the energy markets in particular. On the other hand, risks of inflation undershooting our target should neither be underestimated" (Interview with SZ)</p> <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> |
| | | | Exchange Rate/ Balance Sheet | 2 July - “The appreciation of the euro has indeed helped us reaching the 2% target for now,”“We are following closely the developments in the exchange rate.” (Comments to Bloomberg TV) |
| | | | Operational Framework | |
| | | | July Decision | |
| | Austria | Jul, Sep, Oct | July Decision | |

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| Robert Holzmann | | | 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 | |
| | | | Exchange Rate/ Balance Sheet | |
| | | | Operational Framework | |
| Mario Centeno | Portugal | Jul, Sep, Oct | July Decision | |

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| | | | Rate Outlook | <p>7 July - We know inflation will decline further and we need it to move closer to 2%. Undershooting is the main risk now. If economic growth is flat in the next couple of quarters, investment doesn't pick up, and inflation remains close to 1%, we will have to do something."..."The amount and timing of further cuts are difficult to say. It all depends on how things play out in terms of investment, labour market, and of course prices at the end". (Interview with Econostream)</p> <p>2 July - Market expectations for just one more cut in interest rates this year which formed the basis of the European Central Bank's June projections could turn out to be accurate if Q2 economic data is solid, confirming that inflation is around 2% and that the European economy is not slowing down, Bank of Portugal Governor Mario Centeno told MNI....."If that materialises, we can be more confident that inflation can remain at 2% because my view on that is always that we need an economy that is compatible with inflation at 2%. And if this pickup in growth is confirmed, this is good news," Centeno said in an interview at the ECB's meeting in Sintra, Portugal, noting that data would need to confirm the good trajectory seen in the first quarter. (Interview with MNI Policy Team)</p> <p>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)</p> <p>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)</p> |
| | | | Economic Growth | <p>7 July - "Public expenditures are usually overestimated because they take time to implement, and subject to delay, but we assume that they will be fully implemented. So, there is a big risk that the level of investment will fall short of what is projected". (Interview with Econostream)</p> <p>2 July - "The dynamics of public investment may be postponed, mostly related to the NextGeneration yield. And that will have an impact on the dynamics of the economy," he said. "We keep revising</p> |

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| | | | | downwards our projections for public investment and public expenditure.” (Interview with MNI Policy Team) |
| | | | Inflation | 7 July - We must understand one thing: China means negative inflation. If you squeeze some of the international trade channel with China, these products will definitely go to other destinations. So, the impact for Europe will be significant”.(Interview with Econostream) |
| | | | Exchange Rate/ Balance Sheet | 7 July - "That is a market outcome, and it's difficult to comment on market outcomes. If the economy really does not have the strength to support this appreciation of the euro, there will be corrections or at least some attenuation of it. So, we need to see what is going to happen." (Interview with Econostream) 2 July - ""We need to think about the current exchange rate as reflecting the strength of the euro, what's going on globally,"..."We're also pushing a lot to increase the international role of the euro debt. It will bring more investors to Europe. It will increase interest in the euro so that's good." (Interview with Bloomberg TV) 2 July - Asked whether a further appreciation of the euro against the U.S. dollar could pose a downside risk to inflation, Centeno acknowledged the effects on prices but said that as long as it correctly reflects market correlations, it should not worry the ECB. (Interview with MNI Policy Team) |
| | | | Operational Framework | |
| Gabriel Makhoul | Ireland | Sep, Oct, Dec | July Decision | |
| | | | Rate Outlook | |
| | | | Economic Growth | |

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| | | | Inflation | 4 July - "Structural changes will have substantial implications for inflation or the rate at which prices rise over time. Importantly, the scale of these changes will make inflation more volatile."...."stalling, and partial reversal, of global economic integration," emergence of artificial intelligence tools, impact of ageing population and ongoing digitalization, climate change". (Comments in blog post) |
| | | | Exchange Rate/ Balance Sheet | |
| | | | Operational Framework | 4 July - "Forward guidance remains part of our toolkit but we will have to be more agile in how we use it." (Comments in blog post) |
| 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

3 July - "The uncertainty remains high. More so due to geopolitical shifts, the risk of trade wars and all that kind of stuff, it's still there, and there is nothing normal about that in terms of recent history, in my view. But it is the new normal now,"...."But if I take a look at the monetary policy and the ECB, I can fully agree with President Lagarde saying that we are in a good place. We have delivered. We are at around 2% and I think we can, by and large, say that the high inflation episode has been resolved."..."Inflation expectations remain anchored at around target, policy rates are around neutral territory. So the next thing is to ensure that inflation remains at around the target, and we are in a situation that we can deal with any shocks that will potentially hit us -- and we have quite a lot of flexibility on our hands," (Interview with MNI Policy Team)

1 July - If rates would move, then they might go down rather than up,"...."But nothing big – the economy is growing and inflation is close to our target. It's more about signaling and fine-tuning. It could also be an insurance cut, to ensure that inflation moves back to 2% after falling short in early 2026. But it's too early to say given the uncertainty." (Interview with BBG)

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)

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)

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| | | | 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) |
| | | | Exchange Rate/ Balance Sheet | 1 July - "We don't target the exchange rate, but it does affect inflation dynamics and economic growth,"...."The exchange rate has moved significantly this year and this will also weigh on inflation. If the euro was to significantly appreciate further, this would weigh down on inflation and exports, which could tilt the balance toward another cut." (Interview with BBG) |
| | | | Operational Framework | 3 July - "Was there a bit more debate about the toolkit? Of course there was discussion about that, especially in terms of the non-standard measures, QE, negative rates etc,""There is clarity on the [inflation] target, there is clarity on the instruments, we have more experience with some of the instruments. But implicitly, we will keep our minds open and we will react flexibly in the spirit to do best as we can to deliver the target,(Interview with MNI Policy Team) |
| | Greece | Jul, Oct, Dec | July Decision | |

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| 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> |
| | | | Exchange Rate/ 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 | |

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| Gediminas Šimkus | | | Rate Outlook | <p>1 July - "I don't know if we'll have all the information we need by September, but I remain open to every possibility,"..."I believe a move, if any, is more likely towards the end of the year." (Interview with Reuters)</p> <p>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)</p> |
| | | | Economic Growth | 1 July - ""Most of the tariff impact on the economy is undoubtedly still to come," (Interview with BBG) |
| | | | Inflation | <p>1 July - "The inflation outlook remains fragile,"...."We can't be sure whether the assumptions behind our forecast will actually materialize this way." (Interview with Bloomberg)</p> <p>6 June - "We can rejoice that the unpleasant period of high inflation is over," (Comments to reporters in Vilnius)</p> |
| | | | Exchange Rate/ Balance Sheet | 1 July - "The speed at which the euro is strengthening is something we have to monitor,""In historic terms, the exchange rate isn't out of the ordinary, but the pace of adjustment means we have to take it seriously." (Interview with BBG) |
| | | | Operational Framework | |
| Primož Dolenc (acting Governor of Bank of Slovenia) | Slovenia | n/a | July Decision | |
| | | | Rate Outlook | |
| | | | Economic Growth | |
| | | | Inflation | |

| | | | Exchange Rate/ Balance Sheet | |
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| | | | 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 | 1 July - "We hope that by July 9 we have no more uncertainty, but it is not guaranteed" "Defence spending - which will increase in Europe, the decision has been made - that will also contribute somewhat to the inflationary pressures" "However we also emphasise it is a medium-term target, so we can allow oscillations around the 2% in this medium-term, because it's impossible to pin down inflation to exactly always 2%" (Interview with CNBC) |
| | | | Exchange Rate/ 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 | |

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| Madis Muller | Estonia | Sep, Oct, Dec | July Decision | |
| | | | Rate Outlook | <p>1 July - "For the moment it's not obvious to me that we need to go into expansionary territory,"...."Growth is weak, but it's still gradually picking up. So, it's quite reasonable for now to keep rates where they are and to monitor further developments — also as the level of rates is low enough and not holding back the recovery."... "Where we are exactly in September is difficult to say today,"...."But we should at least have some more clarity when it comes to trade, perhaps also more on the fiscal plans and thereby be in a better position to make a new assessment." (Interview with Bloomberg)</p> <p>1 July - "It makes sense for policy to stay on hold for a while,"...."It's reasonable not to change rates in July,""While it's too early to discuss the autumn, it's also reasonable to assume that we should not go much lower during the current cycle, unless the euro area economy will turn out to be much weaker than we expect." (Interview with Reuters)</p> <p>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 and comments in blog post)</p> |
| | | | Economic Growth | |
| | | | Inflation | <p>12 June - "*ECB'S MULLER: INFLATION LIKELY TO STAY AROUND 2% IN NEAR FUTURE" (Comments to Estonian radio, via Bloomberg headline)</p> <p>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)</p> |
| | | | Exchange Rate/ Balance Sheet | <p>1 July - "The appreciation of the euro has been quite fast,"...."But the level is still within historical ranges. I don't think we should be too worried at this point." (Interview with Bloomberg)</p> <p>1 July - "The euro exchange rate against the dollar is well within the historical range,"...."The appreciation this year has indeed been quick but we're not at a level where I am particularly concerned." (Interview with Reuters)</p> |

| | | | Operational Framework | |
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| Peter Kažimír | Slovakia | Jul, Sep, Oct | July Decision | |
| | | | Rate Outlook | <p>24 June - "I belong to the governors who think we've reached our goal, that we are at the neutral range,"...."I personally would not touch rates before we'll have a much clearer picture regarding trade-war scenarios." (Speech in Bratislava)</p> <p>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)</p> |
| | | | 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) |
| | | | Exchange Rate/ Balance Sheet | |
| | | | Operational Framework | |
| | Cyprus | Jul, Dec, Feb | July Decision | |

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| Christodoulos Patsalides | | | 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 | |
| | | | Exchange Rate/ Balance Sheet | |
| | | | Operational Framework | |
| Alexander Demarco | Malta | Jul, Sep, Oct | July Decision | |
| | | | Rate Outlook | 2 July - Leaving the key deposit facility rate at 2 percent would "hold the powder a bit dry,"..."Because of the high uncertainty you can always have some unexpected shock cropping up." (Interview with Politico) 2 July - "I don't see big reasons to cut another time unless there are some changes. If we see that maybe inflation is going to turn out perhaps lower than expected then maybe another cut will be appropriate,"..."I think you'll have to be still watchful. I don't see anything in the data that really would compel us, you know, to cut at least for a couple of meetings (Interview with MNI Policy Team) |
| | | | Economic Growth | |
| | | | Inflation | 2 July - "Having a slight dip for a small period of time to 1.9% [inflation] is not the end of the world. I think we can tolerate it. It's not that you have to have 2% all the time. It's impossible, (Interview with MNI Policy Team) |

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| | | | Exchange Rate/ Balance Sheet | 2 July - "The appreciation which we had in the last couple of months — it certainly also helps to keep inflation down through prices of imports,""It's something that we need to monitor, mostly, perhaps, the speed of the appreciation. But we're still not at a level where there are concerns." (Interview with Politico) 2 July - * On the exchange rate: "That is not really a major concern. I mean, for example, in the country where I come from, usually exporters very much voice their concerns when they see the exchange rate appreciated, because a lot of their markets are also outside Europe. So, the exchange rate for that is important. So far, I have no issues, no complaints from that part"...."Of course, it's something that we need to watch in the sense of how fast maybe it can go in one direction" (Interview with MNI Policy Team) |
| | | | Operational Framework | |
| Gaston Reinesch | Luxembourg | Jul, Sep, Dec | July Decision | |
| | | | Rate Outlook | |
| | | | Economic Growth | |
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All Signal, No Noise

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