

## ECB Speak Wrap (Dec 4 – Dec 15)

By Emil Lundh, December 15

This week's ECB speak wrap provides a broader summary of Governing Council communication since October.

### MNI Policy Team Sources (Dec 9):

- The European Central Bank's December projection round to be unveiled at the 18 Dec. Governing Council meeting is not expected to depart significantly from September's figures, with communication as 2026 dawns balancing hawk-dove differences by seeking to reinforce two-way risks around the 2.0% policy rate, Eurosystem sources have told MNI.
- Policymakers could debate a tweak to the statement language, as some governors feel the need to stress the meeting-by-meeting (MBM) message and avoid a perception of a de facto return to the 'below but close to 2%' regime, highlighting again the symmetric nature of the current target, giving the ECB margin to react.
- While inflation risks are generally perceived as more balanced, a significant number of policymakers continue to see them tilted to the downside and believe the Governing Council needs to remain flexible and be ready to react quickly in case of persistent inflation undershooting.

**Rate Decision and Rate Outlook:** Since the October decision, Governing Council (GC) speakers have coalesced around President Lagarde's guidance that rates are in a "good place". Given recent hawkish repricing in EUR rates (which now assign a ~25-30% implied probability of a hike by end-2026), we will be interested in whether redeployment of this phrase would be considered a marginally net dovish signal – in contrast to prior meetings.

- The dovish GC cohort have become less vocal in recent weeks, owing to strengthening domestic activity data and somewhat sticky inflation readings. However, **Villeroy** continues to stress that the current position is "not a comfortable one nor a fixed one". **Rehn** similarly believes that "we must always look at medium-term inflation expectations, which by definition are not fixed".
- There was significant interest in ECB Executive Board member **Schnabel**'s interview with Bloomberg, where she said she was "comfortable" with market expectations for the next move to be a hike. However, we note that Schnabel had already said in September that central banks may need to pivot to hikes earlier than markets had been expecting. Additionally, she said that "interest rates are in a good place, and in the absence of larger shocks, I expect them to stay in this place for some time". That suggests her base case is for a deposit rate at 2.00% for the foreseeable future.
- The largest pivot in view relative to October instead came from **Simkus**. Previously, he had been relatively explicit in expressing a preference for an insurance rate cut in December. However, on December 10 he noted that "We have an inflation rate that is more or less close to the 2% target in the medium term, which suggests no need for a change in interest rates — not only at the next meeting in December but also in further meetings".
- **Simkus** nonetheless pushed back on the idea of hikes following the reaction to Schnabel ("It's too soon to think about rate hikes, however, saying there's "no evidence" of inflation exceeding the 2% goal"), alongside **Villeroy** ("As seen today, there is really no reason to envisage a rate increase in the near future").

**Updated Macroeconomic Projections:** The December decision communication will be shaped by an updated set of macroeconomic projections. We think GC policymakers will pay most attention to the core inflation projections.

- Chief Economist **Lane** remarked on December 3 that "An intermediate-category broad-based inflation deviation likely calls for an incremental adjustment in the monetary stance"....However, if the origin of the inflation deviation is a supply-driven relative price level shock, the case for an active monetary policy response is more nuanced. In particular, a supply shock to the relative price level of energy does not pose the same risk to medium-term inflation as a shock to domestic demand." While somewhat academic in nature, we think these comments can be viewed in the context of the ETS2-driven expected inflation undershoot in 2027. Lane is implicitly suggesting the ECB can look through a temporary force like ETS2.
- Supporting this view, **Schnabel** noted that "'Assuming these [ETS2] deviations were small, I would not be concerned in the current macroeconomic environment", and **Rehn** believes "ETS2 is important, but we must not exaggerate its impact...its impact is likely to be more on the level than on the dynamics of inflation."
- On growth, President **Lagarde** said that "In the last projection exercises, we have upgraded our [growth] projections," ...."My suspicion is that we might do that again in December".
- The December round will feature 2028 projections for the first time. Eurosystem Sources told the MNI Policy Team that "The 2028 projections will be important in framing the debate, but [...] for now will not be key in decision making". **Nagel** believes that the 2028 outlook will help the GC "see more clearly whether the monetary-policy stance remains appropriate". However, **Kocher** told the MNI Policy Team that "What I think is more important is whether there will be revisions to the projections for 2026 and 2027. I would put more weight on 2026, and perhaps on 2027, than 2028". This is a view supported by **Kazaks**.

Relative to our mid-October update, we've made a few net hawkish tweaks to our ECB Hawk/Dove matrix:

- Lagarde, Lane and de Guindos are shifted up 0.5 points each, reflecting strengthened guidance that rates are appropriate at current levels. Schnabel has not been revised following her Bloomberg interview, because the comments were in line with her prior stance.
- Simkus is shifted up 1 point, reflecting much clearer guidance that he is now happy with rates at current levels.
- Wunsch is shifted up 1.5 points. Although he hasn't made any commentary since the October decision, we no longer felt comfortable with his position on the matrix. Wunsch has not followed through on prior signals that he may support another cut, so we revert back to a completely neutral setting.
- We also made marginal hawkish tweaks to Kazaks, Rehn and Nagel's points.

Overall, these revisions are consistent with recent moves in Bloomberg's NLP-based ECB speak sentiment model, which crossed into net hawkish territory following Schnabel's recent interview.

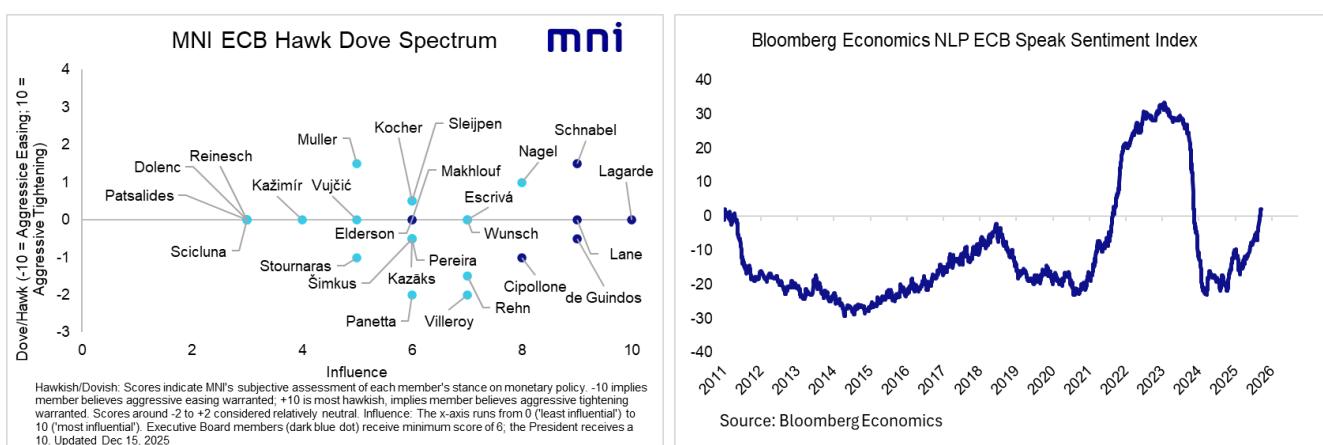


Table 1: Comments by date

Date	Member	Monetary Policy Relevant Comments
10 Dec	Makhlouf	* "The latest projections – from September – and the incoming data that I have seen so far lead me to feel confident that inflation will be at target over the medium term, in line with our price stability objective (although, again, there will be a new set of projections next week incorporating the latest data and information)." (Comments in Dublin)
10 Dec	Kazaks	* "Core inflation, in particular sticky services prices, requires continued monitoring," * "Monetary policy is "still in a good place — inflation close to 2%, interest rates at about the neutral level." * "'Short-term macro outlook somewhat better than expected, mainly due to resilient services sector and robust labor market'....'Medium-term macro outlook remains clouded by geopolitical, institutional and policy uncertainty; effectiveness of German fiscal expansion?" (Comments at MNI Connect Event)
10 Dec	Lagarde	* "In the last projection exercises, we have upgraded our [growth] projections," ...."My suspicion is that we might do that again in December" * "With a track record of around 2% inflation and a medium-term projection at 2%, I would say again, that we are in a good place" (Comments at FT Global Boardroom event)
10 Dec	Simkus	* "We have an inflation rate that is more or less close to the 2% target in the medium term, which suggests no need for a change in interest rates — not only at the next meeting in December but also in further meetings," * It's too soon to think about rate hikes, however, saying there's "no evidence" of inflation exceeding the 2% goal...."What the past few years have taught us is not to outline the very distant perspective and to say things will happen this way or another way," (Interview with Bloomberg)
10 Dec	Villeroy	* "It would probably be wise to maintain rates at the favorable level they are at currently, while remaining agile and open about future meetings," ..."As seen today, there is really no reason to envisage a rate increase in the

		near future, contrary to certain rumors and speculation that may have been heard" (Comments to Europe1 Radio)
09 Dec	MNI Sources	<p>* The European Central Bank's December projection round to be unveiled at the 18 Dec. Governing Council meeting is not expected to depart significantly from September's figures, with communication as 2026 dawns balancing hawk-dove differences by seeking to reinforce two-way risks around the 2.0% policy rate, Eurosystem sources have told MNI.</p> <p>* Policymakers could debate a tweak to the statement language, as some governors feel the need to stress the meeting-by-meeting (MBM) message and avoid a perception of a de facto return to the 'below but close to 2%' regime, highlighting again the symmetric nature of the current target, giving the ECB margin to react. (MNI SOURCES: No Significant Shift Seen In ECB Dec Projections)</p>
08 Dec	Kazimir	<p>"" I see no reason to move in the coming months, ...."Definitely not in December, then we'll see." ... "he labour market remains tight, growth is a bit better and wage moderation is somewhat slower than we expected, ...."the labour market remains tight, growth is a bit better and wage moderation is somewhat slower than we expected," (Interview with Reuters)</p>

08 Dec	Schnabel	<p>**The euro area economy has been much more resilient than could have been expected in the face of the greatest disruption of the international trade order since the Second World War. "...the outlook has brightened and the downside risks to growth have been reduced significantly."</p> <p>* "Inflation is in a good place. It's currently around 2%, and we also project medium-term inflation to be around 2%. ..."but risks to inflation are tilted to the upside."</p> <p>* On ETS2: "Assuming these deviations were small, I would not be concerned in the current macroeconomic environment"</p> <p>* "Interest rates are in a good place, and in the absence of larger shocks, I expect them to stay in this place for some time. The distribution of inflation risks has shifted to the upside, and accordingly, both markets and survey participants expect that the next rate move is going to be a hike, albeit not anytime soon." On market expectations for a hike: "I'm rather comfortable with those expectations."</p> <p>* "Our balance sheet normalisation – what I call quantitative normalisation, or QN – has been progressing smoothly. Banks have very high liquidity ratios and yields are not far from where they were when we started the runoff of our monetary policy bond portfolios"....we have not yet seen any significant moves in money market rates, suggesting that in the euro area, excess liquidity is still abundant."...."It's hard to predict when that is going to change. QN continues to run smoothly in the background, and eventually excess liquidity is going to diminish to a point when it becomes less ample. "</p> <p>* On succeeding President Lagarde: "If I was asked, I would stand ready." (Interview with Bloomberg)</p>
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06 Dec	Rehn	<p>* "We need to be aware of both upside and downside risks. The ECB's latest forecast in September indicated inflation in the medium term close to the 2% target, but it also predicted that inflation would remain slightly below 2% over the forecast horizon. Therefore, in my view, the risks are slightly tilted to the downside in the medium term."</p> <p>* "It is important to make a comprehensive assessment of inflation, and in December we will have forecasts for 2028 for the first time. ETS2 is important, but we must not exaggerate its impact, which is difficult to measure due to political and implementation risks. Furthermore, its impact is likely to be more on the level than on the dynamics of inflation."</p> <p>* "If deviations from the target remain small and are not long-lasting, then they do not necessarily justify any particular action by the ECB. Whether inflation is sufficiently close to the target or not is something we have to assess at each meeting."..." I agree with the President and I place particular emphasis on the words 'not fixed'. We must always look at medium-term inflation expectations, which by definition are not fixed".</p> <p>* "There is still some way to go in reducing the balance sheet and liquidity before these operations need to be launched. I agree with ECB board member Isabel Schnabel on this. However, it is important to have started analysing how this will work so that we are ready"...."I think it is very likely, but we should not have a definitive deadline in case there are reasons to reflect a little longer". (Interview with Milano Finanza, similar message in interview with Econostream on Dec 8)</p>
05 Dec	Villeroy	<p>* "The downside risks on the inflation outlook remain at least as significant as the upside risks, and we would not tolerate a lasting undershooting of our inflation target"</p> <p>* "Positive and negative deviations from 2%, if lasting, are equally undesirable,"... "Let me be clear: we are not 'keeping our powder dry' to create a buffer with the effective lower bound."</p> <p>* The ECB is "in a good place," but that that position "is not a comfortable one nor a fixed one."...."The name of the game for our future meetings remains full optionality," he said. "We don't exclude any policy action." (Speech at Banque de France)</p>



04 Dec	Cipollone	<p>* "Risks around inflation seem balanced and our central scenario seems more and more credible. So for the time being – as the President has said several times – we are in a good place. And we stand ready to react to any shock".... "There are still many risks in the pipeline. For example, we haven't seen the full effect of tariffs on the European economy. We know that there is pressure on the import side from the Chinese goods that are being redirected from the United States to Europe. The financial boost coming from higher expenditure, especially in Germany, might not manifest itself with the intensity that we are expecting. For the recovery of consumption, we are assuming that the savings rate will go down, but this assumption has yet to be tested. If it doesn't materialise, we will need to act." (Interview with Nikkei, similar comments at conference in Frankfurt)</p>
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Table 2: Comments by member

Member	Role	Topic	Monetary Policy Comments
Christine Lagarde	President	Rate Outlook	<p>10 Dec - "With a track record of around 2% inflation and a medium-term projection at 2%, I would say again, that we are in a good place" (Comments at FT Global Boardroom event)</p> <p>3 Dec - "We continue to follow a data-dependent and meeting-by-meeting approach to determining the appropriate monetary policy stance. In particular, our interest rate decisions will be based on our assessment of the inflation outlook and the risks surrounding it, as well as the dynamics of underlying inflation and the strength of monetary policy transmission. We are not pre-committing to a particular rate path." (Hearing of the Committee on Economic and Monetary Affairs of the European Parliament)</p> <p>28 Nov - "The interest rates we settled on at the last meetings are, in my view, set correctly," ...."I keep saying that we're in a good position given the inflation cycle, which we've managed to get under control." (Comments to JOJ24)</p> <p>22 Nov - "There is always the concern that a short-sighted government may be tempted to try to force the hand of a central bank to finance its debt — despite the lessons of history" (Speech at Trilateral Commission meeting)</p> <p>21 Nov - "We have cut interest rates by 200 basis points from their peak, and this is increasingly feeding through into easier financing conditions, which is helpful to support demand. ....We will continue to adjust our policy as needed to ensure that inflation remains at our target." (Speech at the 35th Frankfurt European Banking Congress)</p>

	Economic Growth	<p>10 Dec - "In the last projection exercises, we have upgraded our [growth] projections," .... "My suspicion is that we might do that again in December" (Comments at FT Global Boardroom Event)</p> <p>3 Dec - "Risks to the outlook have become more balanced thanks to the EU-US trade deal reached over the summer, the ceasefire in the Middle East and progress in the US-China trade negotiations. At the same time, the outlook remains uncertain – owing to a still volatile global trade environment, a potential deterioration in financial market sentiment and geopolitical tensions. (Hearing of the Committee on Economic and Monetary Affairs of the European Parliament)</p> <p>28 Nov - "The [growth] situation has exceeded our expectations," .... "At the start of 2025, we expect growth of 0.9%, rising to 1.2% by September, and I wouldn't be surprised if the growth rate ends up even higher by the end of the year." (Comments to JOJ24)</p> <p>21 Nov - "Europe has become more vulnerable, also due to our dependency on third countries for our security and the supply of critical raw materials. Global shocks have intensified, with rising US tariffs, Russia's invasion of Ukraine and stiffening competition from China."...."At the same time, our internal market has stood still, especially in the areas that will shape future growth, like digital technology and artificial intelligence, as well as the areas that will finance it, such as capital markets." (Speech at the 35th Frankfurt European Banking Congress)</p>
	Inflation	<p>3 Dec - "We expect inflation to stay around our 2% target in the coming months. Risks to the outlook continue to be two-sided, while uncertainty remains higher than usual owing to volatile global trade policies" (Hearing of the Committee on Economic and Monetary Affairs of the European Parliament)</p>

Luis de Guindos	Vice President	Rate Outlook	<p>1 Dec - "The current level of interest rates is appropriate ....given the level of uncertainty and unknowns in the international geopolitical environment, we are open to adjusting it" ( Interview with Periodico)</p> <p>27 Nov - Current interest rates are "adequate" (Comments in Zaragoza)</p> <p>26 Nov - "We are open," ...."If there are any changes in the circumstances in these elements, for sure we can adapt our monetary-policy stance." (Comments to Bloomberg TV)</p> <p>21 Nov - The current level of rate is "appropriate," (Speech in Bilbao)</p> <p>10 Nov - "The current level of interest rates is the right level for addressing the situation. There are three indicators that we assess very carefully: the evolution of inflation, our projections and monetary policy transmission. If this changes, if inflation developments deviate, or if projections are modified, and if transmission is not correct, then we may change. But so far, we firmly believe that the level of interest rates is correct." (Interview with Diário de Notícias)</p> <p>6 Nov - "We can be comfortable" with the current policy stance, but "things can change in the future." (Comments at Natixis event)</p>
		Economic Growth	<p>27 Nov - "The labor market is in a good position; unemployment is at a historic low since the euro was created, and jobs are still being created, though not at the pace of a year ago or a couple of years ago, but job creation is nonetheless continuing at a steady pace," (Comments in Zaragoza)</p> <p>26 Nov - "With respect to growth, the risks are balanced" (Comments to Bloomberg TV)</p> <p>21 Nov - "In mid-December, we'll release our new update of euro-area projections, but I can refer to those just published by the European Commission, which I believe won't be very different,".... "The European economy is performing better than we expected just three or four months ago," (Speech in Bilbao)</p> <p>17 Nov - "As in my remarks last November, we remain concerned about low growth, although we have seen an improvement in the overall macroeconomic environment compared with a year ago. " (Speech at the Frankfurt Euro Finance Week)</p> <p>10 Nov - "We see growth of a little over 1%, and that's quite a positive development because we'll have avoided a recession. But the real rate of growth is below the potential growth rate, so it is very low" (Interview with Diário de Notícias)</p>

6 Nov - "Growth is better than many projected only a couple of quarters ago," ...."So the European economy is showing a little bit of resilience." (Comments at Natixis event)

Inflation

26 Nov - "The risk of undershooting is limited, in my view," ,,,, "I do not see any sort of de-anchoring of inflation expectations." (Comments to Bloomberg TV)

17 Nov - "inflation is now close to 2% and we expect it to continue converging towards our medium-term target. " (Speech at the Frankfurt Euro Finance Week)

10 Nov - "We see from our surveys that, according to consumer expectations, inflation will be very close to the price stability target of headline inflation of around 2%. To achieve that, the evolution of services inflation is perhaps the main factor. You could say it's been a headache for us in the last few years, but it is falling and converging to a level consistent with the definition of price stability. Similarly, wage dynamics are also moving in the right direction." (Interview with Diário de Notícias)

Philip Lane	Chief Economist	Rate Outlook	3 Dec - "An intermediate-category broad-based inflation deviation likely calls for an incremental adjustment in the monetary stance. In essence, this is the standard prescription of monetary policy feedback rules (such as the "family" of Taylor rules). However, if the origin of the inflation deviation is a supply-driven relative price level shock, the case for an active monetary policy response is more nuanced. In particular, a supply shock to the relative price level of energy does not pose the same risk to medium-term inflation as a shock to domestic demand."....."Clearly, it is a judgement call to determine how to respond to intermediate-category inflation deviations. Such judgement calls are best made on a meeting-by-meeting, data-dependent basis that draws on a comprehensive and rigorous analytical framework to take account of the unfolding evidence in relation to the shocks driving inflation deviations, and whether there are incipient signs that relative price shocks are transforming into broader inflation dynamics. This meeting-by-meeting, data-dependent approach is especially helpful under conditions of elevated uncertainty." (Speech at 15th workshop on exchange rates, co-organised by Banka Slovenije and Bank of Italy)
		Inflation	26 Nov - "We do think there's more work to be done next year in terms of delivering non-energy inflation, getting down to target. And we think it's going to happen. But until that happens, there still remains, I think, a reasonable questions about the sustainability of being at target." (Podcast with Reuters, similar comments at Santander conference)
		Exchange Rate/ Balance Sheet	3 Dec - ". Simulations based on the ECB's semi-structural multi-country model indicate that a 10 per cent appreciation in the euro plays out over several years, with inflation markedly lower for about three years and a peak disinflation impulse of 0.6 percentage points after about a year. The level of GDP declines throughout this adjustment period, with a cumulative loss of about one per cent of GDP after three years. In relation to trade dynamics, the euro appreciation reduces export volumes by about 3 per cent over this horizon and import volumes by about 1.5 per cent." (Speech at 15th workshop on exchange rates, co-organised by Banka Slovenije and Bank of Italy)

Isabel Schnabel	Exec Board	Rate Outlook	<p>8 Dec - "Interest rates are in a good place, and in the absence of larger shocks, I expect them to stay in this place for some time. The distribution of inflation risks has shifted to the upside, and accordingly, both markets and survey participants expect that the next rate move is going to be a hike, albeit not anytime soon." On market expectations for a hike: "I'm rather comfortable with those expectations." (Interview with Bloomberg)</p> <p>12 Nov - "Rates are "absolutely" in a good place. ( Comments at BNP conference in London)</p>
		Economic Growth	<p>8 Dec - "The euro area economy has been much more resilient than could have been expected in the face of the greatest disruption of the international trade order since the Second World War. "...the outlook has brightened and the downside risks to growth have been reduced significantly." (Interview with Bloomberg)</p> <p>12 Nov - "My narrative is one of an economy that is recovering, with a closing output gap, expecting a significant fiscal impulse, which stimulates the economy," ..... "This leads me to the conclusion that if anything, risks are rather tilted a little bit to the upside." ( Comments at BNP conference in London)</p>
		Inflation	<p>8 Dec - "Inflation is in a good place. It's currently around 2%, and we also project medium-term inflation to be around 2%. ..."but risks to inflation are tilted to the upside.". On ETS2: "Assuming these deviations were small, I would not be concerned in the current macroeconomic environment" (Interview with Bloomberg)</p> <p>12 Nov - "I'm not panicking about a huge surge in inflation, but just the broad macro narrative is one where you do not see these sustained disinflationary pressures," .... "This is why I am not concerned." (Comments at BNP conference in London)</p>

	Exchange Rate/ Balance Sheet	8 Dec - "Our balance sheet normalisation – what I call quantitative normalisation, or QN – has been progressing smoothly. Banks have very high liquidity ratios and yields are not far from where they were when we started the runoff of our monetary policy bond portfolios"....we have not yet seen any significant moves in money market rates, suggesting that in the euro area, excess liquidity is still abundant."...."It's hard to predict when that is going to change. QN continues to run smoothly in the background, and eventually excess liquidity is going to diminish to a point when it becomes less ample. " (Interview with Bloomberg)  6 Nov - "Quantitative normalisation is proceeding smoothly, with strong liquidity positions of banks and abundant excess liquidity"..."We expect that our monetary policy bond portfolios will be run down completely, unless monetary policy considerations were to require renewed asset purchases at some point in the future."...."Considerations about stance neutrality, policy space and financial soundness suggest tilting the new structural securities portfolio towards shorter-term securities" (Comments in speech at ECB Conference on Money Markets 2025, similar comments at speech at Chicago Booth Conference on the Global Economy and Financial Stability in London, 15 Nov)
	Operational Framework	8 Dec - On succeeding President Lagarde: "If I was asked, I would stand ready." (Interview with Bloomberg)

Pierro Cipollone	Exec Board	Rate Outlook	<p>4 Dec - "Risks around inflation seem balanced and our central scenario seems more and more credible. So for the time being – as the President has said several times – we are in a good place. And we stand ready to react to any shock".... "There are still many risks in the pipeline. For example, we haven't seen the full effect of tariffs on the European economy. We know that there is pressure on the import side from the Chinese goods that are being redirected from the United States to Europe. The financial boost coming from higher expenditure, especially in Germany, might not manifest itself with the intensity that we are expecting. For the recovery of consumption, we are assuming that the savings rate will go down, but this assumption has yet to be tested. If it doesn't materialise, we will need to act." (Interview with Nikkei, similar comments at conference in Frankfurt)</p> <p>3 Dec - "Risks around inflation seem balanced and our central scenario seems more and more credible. So for the time being – as the President has said several times – we are in a good place. And we stand ready to react to any shock".... "There are still many risks in the pipeline. For example, we haven't seen the full effect of tariffs on the European economy. We know that there is pressure on the import side from the Chinese goods that are being redirected from the United States to Europe. The financial boost coming from higher expenditure, especially in Germany, might not manifest itself with the intensity that we are expecting. For the recovery of consumption, we are assuming that the savings rate will go down, but this assumption has yet to be tested. If it doesn't materialise, we will need to act." (Interview with Nikkei, similar comments at conference in Frankfurt)</p>
Frank Elderson	Exec Board	Rate Outlook	<p>11 Nov - "The current level is appropriate, but we will continue to be data-dependent and will decide one meeting at a time.".... "Our monetary policy is in a good place. It's true that the economic environment remains uncertain, so we cannot commit to a pre-determined interest rate path. What we need to do is to make sure that the rates are consistent with achieving our target, and so far they are." (Interview with Expansion)</p>

Joachim Nagel	Germany	Economic Growth	<p>11 Nov - "The news has been relatively good recently. Some of the risks that we've been talking about have gradually diminished. ...."However, there is still a lot of uncertainty and also downside risks to growth. For example, we could see a further deterioration in global trade relations, which could hinder economic activity. This could negatively affect supply chains, reduce exports, hit confidence and weigh on investment and consumption. Additionally, a deterioration in market sentiment could lead to tighter financial conditions, increase risk aversion and make firms and households less willing to invest and consume. And then, of course, there are ongoing geopolitical tensions, especially Russia's unjustified war in Ukraine." (Interview with Expansión)</p> <p>7 Nov - "If you look at the economy, some of the downside risks that we saw earlier in the year have been mitigated," ...."We assessed that the situation since our meeting in September had not changed a lot. Some things have slightly become better"...."Of course, there is still a lot of volatility and a lot of uncertainty," ...."We've seen that things can change and sometimes change very, very rapidly."</p> <p>* ""When we see more defense spending, we think this enhances aggregate demand, which might have an effect on inflation," (Comments at event in Frankfurt)</p>
		Inflation	<p>11 Nov - "I don't want to pre-empt the December projections. We'll have to wait and see what they indicate. For now, we're projecting that inflation will stabilise at around 2% in the medium term. The risks of inflation turning out higher than expected are balanced with those of inflation being lower than expected. " (Interview with Expansion)</p>
		Rate Outlook	<p>1 Dec - "Our projections also suggest that interest rates are currently in a good place," ...."Eurosystem monetary policy is broadly neutral right now.".... "The forecasts "will include an initial projection for 2028,"...."Based on these forecasts, we will be able to determine whether we are still on track to meet our medium-term inflation target." ( Speech in Seoul)</p> <p>24 Nov - "In December, we'll have more data, new projections for the next two years and — for the first time — 2028," ... "We'll then see more clearly whether the monetary-policy stance remains appropriate" (Speech in Frankfurt)</p> <p>31 Oct - "Since the last projections from September, the figures haven't fundamentally changed,"...."In December, we'll review the new projections — there'll be new projections then — and then make a decision at this meeting based on that new data. So, we're keeping all options open, and I think that's the most appropriate approach given the many uncertainties." (Comments in podcast)</p>

		Economic Growth	3 Nov - "We'll certainly see more growth next year," .... "If the spending on future investments is then properly directed, this fragile seedling can grow into something much bigger, and the economy can gain more momentum." (Comments in podcast)
		Inflation	2 Dec - "We have practically achieved (our goal), and the inflation rate will continue to fluctuate around this value in the near future," (Interview with Reuters) 24 Nov - On high food inflation: "The ECB is of course keeping an eye on this, as well as on the continued strong services inflation," (Speech in Frankfurt) 5 Nov - "I know that there's a discussion ongoing that maybe we are undershooting our target," .... "What I see at least for the moment is that we are pretty close to our target over the medium term." (Comments at event in Paris)
		Exchange Rate/ Balance Sheet	24 Nov - "The euro's current valuation level isn't worrying," (Speech in Frankfurt)
		Operational Framework	13 Nov - "In principle, every central banker on the ECB Governing Council probably has the right skills to take over the top job in the Eurosystem. And external candidates with other profiles are also contenders for the role." (Interview with Der Spiegel)
Francois Villeroy	France	Rate Outlook	10 Dec - "It would probably be wise to maintain rates at the favorable level they are at currently, while remaining agile and open about future meetings," ... "As seen today, there is really no reason to envisage a rate increase in the near future, contrary to certain rumors and speculation that may have been heard" (Comments to Europe1 Radio) 5 Dec - "Positive and negative deviations from 2%, if lasting, are equally undesirable," ... "Let me be clear: we are not 'keeping our powder dry' to create a buffer with the effective lower bound.....The ECB is "in a good place," but that that position "is not a comfortable one nor a fixed one." .... "The name of the game for our future meetings remains full optionality," he said. "We don't exclude any policy action." (Speech at Banque de France) 5 Nov - There was "no room for complacency" in rates. Being in a good position doesn't mean "comfortable" or "fixed" (Comments at event in Paris) 31 Oct - "It's a good position, but it's of course not a fixed position," .... "We must maintain full optionality

			to act as needed"..."More than ever, agile pragmatism, guided by data and forecasts, will be essential in our upcoming meetings," (Statement)
		Inflation	5 Dec - "The downside risks on the inflation outlook remain at least as significant as the upside risks, and we would not tolerate a lasting undershooting of our inflation target" (Speech at Banque de France)
Olaf Sleijpen	Netherlands	Rate Outlook	17 Nov - "If you take our projections, the sensitivities around those projections, and the information that we have received since September, then there is no reason to move [interest rates]." (Interview with the FT)
		Economic Growth	25 Nov - "The European economy is not doing badly," ,,, "I expected it to do worse, to be honest, at the beginning of this year. It is more resilient than at least I thought." (Comments at conference in Dublin)
		Operational Framework	11 Nov - "Extreme disparities [in fiscal policy] can weaken how monetary policy works across the EMU,"...."On top of that, we are also facing increased political uncertainty,".... "This could threaten financial stability and hinder the effectiveness of monetary policy." (Speech at DNB conference)

Olli Rehn	Finland	Rate Outlook	<p>6 Dec - "If deviations from the target remain small and are not long-lasting, then they do not necessarily justify any particular action by the ECB. Whether inflation is sufficiently close to the target or not is something we have to assess at each meeting."..." I agree with the President and I place particular emphasis on the words 'not fixed'. We must always look at medium-term inflation expectations, which by definition are not fixed". (Interview with Milano Finanza, similar message in interview with Econostream on Dec 8)</p> <p>4 Nov - "In this environment, it's crucial to maintain full flexibility in decision-making — we're not committing to any specific rate path," (Interview with Bloomberg)</p> <p>31 Oct - "The impact of the tariffs on growth and inflation in the euro area is still uncertain. The effects on growth are negative, and even in the case of inflation, it seems that there are mainly slowing forces at work. Since such tariffs and a trade war have not been seen in the global economy for some time, the direction and scale of the effects are largely open". ...." The actual statistical data did not support a rate cut at the October meeting. In this situation, it was reasonable to wait for new data and especially for our comprehensive business cycle forecast in December, which includes an estimate of inflation in 2028 for the first time." (Blog post)</p>
		Economic Growth	4 Nov - "Growth in the euro area remains sluggish but resilient" (Interview with Bloomberg)

	Inflation	<p>6 Dec - "We need to be aware of both upside and downside risks. The ECB's latest forecast in September indicated inflation in the medium term close to the 2% target, but it also predicted that inflation would remain slightly below 2% over the forecast horizon. Therefore, in my view, the risks are slightly tilted to the downside in the medium term." ..."It is important to make a comprehensive assessment of inflation, and in December we will have forecasts for 2028 for the first time. ETS2 is important, but we must not exaggerate its impact, which is difficult to measure due to political and implementation risks. Furthermore, its impact is likely to be more on the level than on the dynamics of inflation." (Interview with Milano Finanza, similar message in interview with Econostream on Dec 8)</p> <p>15 Nov - "Low energy prices, a stronger euro, and easing wage and services inflation pose a risk that total inflation slows excessively relative to our 2% target." ...."This risk shouldn't be underestimated," (Interview with Helsingin Sanomat)</p> <p>4 Nov - While inflation risks are two-sided — upward from goods and food prices, and possible supply disruptions; downward from cheaper energy, a stronger euro and easing wage pressures,"...."What matters is that we act in line with our strategy to ensure inflation returns to 2% sustainably over the medium term". (Interview with Bloomberg)</p> <p>31 Oct - "There is considerable uncertainty about the inflation outlook for the coming years". (Blog post)</p>
	Exchange Rate/ Balance Sheet	<p>6 Dec - "There is still some way to go in reducing the balance sheet and liquidity before these operations need to be launched. I agree with ECB board member Isabel Schnabel on this. However, it is important to have started analysing how this will work so that we are ready"...."I think it is very likely, but we should not have a definitive deadline in case there are reasons to reflect a little longer". (Interview with Milano Finanza, similar message in interview with Econostream on Dec 8)</p>
	Operational Framework	<p>4 Nov - On Vice Presidency bid: " I believe I could make a meaningful contribution to the ECB as vice president, drawing on my broad experience in European decision-making," .... "I've received encouragement and messages from colleagues and friends across Europe to stand." (Interview with Bloomberg)</p>

Martin Kocher	Austria	Rate Outlook	<p>2 Dec - "I believe that slight deviations above or below the two percent target should not yet trigger any need for action, because we cannot and do not want to engage in this kind of monetary policy micromanagement. We should keep enough powder dry to be able to react quickly if necessary." (Interview with Kurier)</p> <p>21 Nov - "We are always talking about vigilance and it seems like an empty phrase, but it's not an empty phrase,"...."So it's time to be vigilant and just watch what's going on," .... "At the moment we seem to be in a good place what monetary policy concerns." (Comments in Vienna)</p> <p>12 Nov - As things stand, he said, the ECB would need to "see some risk materializing that would reduce ... the GDP projection to a significant extent, and that would lead perhaps to some disinflationary effects" before it discussed cutting again. (Interview with Politico)</p> <p>11 Nov - ""We are in a good position on interest-rate policy," ...."The expectation is that not much more will happen in the next months."..."But we have always said that, should the conditions or risk change, risks manifest, it is important to be able to react," .... "Therefore it's good to maintain this maneuvering room and to only react when it is necessary." (Speech in Vienna)</p> <p>6 Nov - Were a deterioration in the growth outlook and the outlook for inflation to occur in coming weeks a rate cut would be "more likely than now," Martin Kocher said in an interview, though last week's slightly better-than-expected data may point in the opposite direction...."If that momentum continues, there is more of an argument, not now or at the next meeting, but further down the road in 2026, for a rate hike, even." ....with the ECB essentially at target "there would have to be substantial developments to argue for a change." (Interview with the MNI Policy Team)</p> <p>31 Oct - "Both a cut and a hike are likely or not likely at all," (Comments to Bloomberg TV)</p>
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	Economic Growth	<p>12 Nov - "We have not seen the strong reduction in growth rates and the inflationary effects of the trade conflicts that were anticipated in March and April,"...."The difficulty is to assess whether most of the effects of the trade conflicts have already materialized or whether we will see them trickle down in the economy over the next couple of months and perhaps even years," ... "I'm convinced that we'll see more effects over time. But whether they will be overall inflationary, or rather disinflationary in the euro area, is difficult to tell." (Interview with Politico)</p> <p>6 Nov - ""Some would have said the growth outlook was already balanced a couple of weeks ago, in which case 'more balanced' would mean, importantly, positive. That's what I think the phrase is referring to – especially thinking back to the spring, when there were a lot of negative risks to the outlook stemming largely from the first round of U.S. tariffs,"....."Since then several of these risks have not materialised, or not to the extent we thought they would this year. So in this sense I would completely agree that the outlook is more balanced."(Interview with MNI Policy Team)</p> <p>31 Oct - "If anything, some of the data we have been getting since the last monetary-policy meeting in September have turned to the slightly better," (Comments to Bloomberg TV)</p>
	Inflation	<p>6 Nov - While it is "very difficult to think in terms of a cap or a floor for permissible undershooting or overshooting" of the 2% target level, it is important to recognise that there will always be fluctuations that have to be looked through...."There is no asymmetric assessment for undershooting or overshooting. We still have two months' worth of data outstanding before the end of the year, and we are still waiting for the December projections, at which point we'll see to what extent the slight undershoot that we currently expect for 2026 and 2027 continues into 2028,"....."What I think is more important is whether there will be revisions to the projections for 2026 and 2027. I would put more weight on 2026, and perhaps on 2027, than 2028." (Interview with MNI Policy Team)</p> <p>3 Nov - On inflation projections: "2028 will be interesting," .... "that is a difficult projection," ....."It's much more important that we have somewhat more clarity about 2026 and 2027," (Comments to media)</p> <p>31 Oct - "The 2028 projection is of course a projection that is far out into the future," ...."So putting too much weight on this projection, on this single data point, I think would not be appropriate." (Comments to Bloomberg TV)</p>
	Exchange Rate/ Balance Sheet	<p>12 Nov - "I don't really expect [the appreciation of the Euro ] to continue,"..."But we have to wait and see, and it is among the many risks." (Interview with Econostream)</p>

Alvaro Santos Pereira	Portugal	Rate Outlook	21 Nov - "Should there be another shock or crisis, central banks must have the buffer to act decidedly to reduce interest rates and help the economy," .... "monetary policy is appropriate for the moment." (Comments to CNN Portugal)
Gabriel Makhlouf	Ireland	Rate Outlook	<p>20 Nov - "My expectations are that there won't be significant change based on what's happened in the real economy," .... "Actual outcome seems to be pretty consistent with projections." .... "I'm comfortable with where we are right now," .... "I'll need to see pretty compelling evidence to move." (Interview with Reuters)</p> <p>17 Nov - "Because of the levels of uncertainty that continue to exist, the approach we are taking to look at everything, meeting by meeting, remains the right one." .... "At the moment in time I think we are in a good place," ... "Our latest projections show us to be on track." (Speech in Dublin, write-up from Bloomberg)</p>
		Inflation	<p>10 Dec - "The latest projections – from September – and the incoming data that I have seen so far lead me to feel confident that inflation will be at target over the medium term, in line with our price stability objective (although, again, there will be a new set of projections next week incorporating the latest data and information)." (Comments in Dublin)</p> <p>25 Nov - "It would be a mistake to conclude that the inflation target has been achieved full stop," ... "I do worry a bit about services inflation, which is higher than it should be. I do worry a bit about what I see happening to food inflation. But expectations appear to be pretty well grounded" (Comments at conference in Dublin)</p> <p>20 Nov - On inflation projections: "I'm completely relaxed about what's going to happen, with what the numbers are showing for next year, because it's coming back the following year," .... "We should be very cautious about reacting to small deviations in the projections... expectations are anchored." ... "If the projections are at 1.8%, I'd be less worried about it," (Interview with Reuters)</p> <p>17 Nov - "I would not get too obsessed about what might or might not happen with ETS2 — I'm not," ..Makhlouf said it would be "an exaggeration" to say he's concerned about the trajectory for prices. (Speech in Dublin, write-up from Bloomberg)</p>

Mārtiņš Kazāks	Latvia	Rate Outlook	<p>10 Dec - "Monetary policy is "still in a good place — inflation close to 2%, interest rates at about the neutral level." (Comments at MNI Connect Event)</p> <p>2 Dec - "Soon we will have a first projection for 2028. That is a very important piece of information to digest, analyze and discuss. But a projection three years out under current uncertainty is subject to very wide confidence intervals. So, I would not consider the 2028 forecast a reason in itself for us to act or not act. I would pay much more attention to 2026 and 2027 to shape monetary policy decisions..... "The current outlook sees inflation below 2% early next year, and if there were a negative shock on top of this, then the outcome would be a greater deviation from target to the downside that could argue for a policy reaction. On the other hand, a shock of similar magnitude to the upside could put inflation closer to 2%, leading to a less immediate need to move..... "We are in a good place. Given all the information that I currently have on where inflation is and how it's likely to develop going forward, I think 2% is appropriate for the situation." ( Interview with Econostream)</p> <p>27 Nov - ""Given the data we have received up to now, I don't think the time is ripe for discussing a rate cut"..."Of course, we have to see the new projections first and I would put the stress on 2026 and 2027 because monetary policy plays out over one or two years, and a projection three years out has a wide margin of error, particularly with this level of uncertainty" (Interview with Reuters)</p> <p>14 Nov - "The information currently available suggests that the current level of interest rates is in line with inflation. If the economic situation changes, we will also change the euro interest rates accordingly." (Interview with Tvnnet)</p> <p>7 Nov - "The modus operandi that we have -- meeting-by-meeting, dependent data – remains appropriate. We are following what happens and uncertainty remains high"...."In December, we will see one more year added to our forecast and inflation outlook, and that is going to be a very important data to look at, but don't over emphasise it," ...."Don't ignore the 2028 forecast, but don't take it as a major reason for decision making." (Interview with MNI Policy Team)</p> <p>31 Oct - "The 2028 forecast will be very important to look at, to see where inflation dynamics are going, but I would not overestimate the importance,"...."Uncertainty remains high and is unlikely to disappear, so forecasts will come with a very large margin of error"...."If we see that we need to move, then we move - but we don't need to be jumpy,"..."The steadiness of our policy decisions is an advantage.". (Interview with Bloomberg)</p>
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		Economic Growth	<p>10 Dec - "Short-term macro outlook somewhat better than expected, mainly due to resilient services sector and robust labor market"...."Medium-term macro outlook remains clouded by geopolitical, institutional and policy uncertainty; effectiveness of German fiscal expansion?" (Comments at MNI Connect Event)</p> <p>31 Oct - " Risks to growth as well because some - including those related to trade - have diminished for now. But I would still say they're tilted somewhat to the downside. Growth is quite weak and vulnerable rather than solid, and uncertainty is very high."(Interview with Bloomberg)</p>
		Inflation	<p>10 Dec - "Core inflation, in particular sticky services prices, requires continued monitoring," (Comments at MNI Connect Event)</p> <p>2 Dec - "I think there's better awareness of downside risks, but this does not mean that there are not still upside risks. I would say known unknowns - most notably ETS 2, Chinese trade flows, and possible further strengthening of the euro - are concentrated on the downside. But given the geopolitical environment, there are certainly unknown unknowns that might push inflation higher." (Interview with Econostream)</p> <p>14 Nov - "In the euro area as a whole, inflation is close to 2%, so the ECB has fulfilled its task of achieving its long-term inflation target — as we know, our aim is to have inflation at 2% in the medium term," (Interview with Tvnnet)</p> <p>7 Nov - "We are delivering the target ... we were spot on [headline inflation] for three months. September was at 2.2%, the flash reading for October says we are at 2.1%, so we are delivering,"....""[ETS2] is a political decision both in terms of the time scale when it comes into play, and in terms of the level,"....."Of course we need to monitor when and how ETS2 is implemented, especially as its impact is estimated at quite sizeable 0.3 percentage points." (Interview with MNI Policy Team)</p>
Yannis Stournaras	Greece	Rate Outlook	<p>5 Nov - "You will see most of the arguments are in favour of inflation and growth becoming lower but despite that we don't jump to the conclusion that we should cut in the next meeting,"...."So we are at equilibrium. So why should we reduce interest rates? This is one question. If it continues to become weaker, okay, then we will consider it."..."Why should we enter into accommodating monetary policy when we expect the fiscal side to be, I wouldn't say explosive, but expansionary?" (Interview with MNI Policy Team)</p>

		Economic Growth	4 Nov - Monetary policy easing has contributed significantly to improving financial conditions, however the euro area's growth prospects "are subject to multiple downside risks," (Speech, write-up from Bloomberg)
		Inflation	5 Nov - December's staff projections for 2028 will be a "key input" for the ECB to assess whether inflation will stabilise at the 2% target in the medium term, but they will be considered alongside other data, he noted, adding that judgement will play an important role in future decisions.....Asked how big an undershoot in its projections could be tolerated without prompting a cut, Stournaras said: "When it [actual inflation] starts becoming less than 2%, call me again." (Interview with the MNI Policy Team)
Gediminas Šimkus	Lithuania	Rate Outlook	10 Dec - "We have an inflation rate that is more or less close to the 2% target in the medium term, which suggests no need for a change in interest rates — not only at the next meeting in December but also in further meetings"..." It's too soon to think about rate hikes, however, saying there's "no evidence" of inflation exceeding the 2% goal...."What the past few years have taught us is not to outline the very distant perspective and to say things will happen this way or another way," (Interview with Bloomberg) 31 Oct - "If we look at the medium term, the projected indicators are aligned with the 2% target, and this is the main reason why the interest rate remains unchanged," ...."Markets are currently not expecting a significant change — I myself will refrain from making an assessment" (Comments to LRT)
		Inflation	3 Nov - ""If we look systematically and holistically, inflation is shifting around 2% both now and in the future," ...."If we talk about the future and inflation, then I would say we are talking more about marginal differences rather than some fundamental deviations." (Comments to reporters)

Boris Vujčić	Croatia	Rate Outlook	<p>26 Nov - "We have a good understanding of where inflation is or where it's going to be," he said. "Inflation is expected to be slightly lower in 2026 and 2027. At the beginning of 2026, due to the base effects to a large extent. And this is something which looks good enough that we can say that we are in a good place." (Comments in Copenhagen)</p> <p>26 Nov - "I don't have a special scenario in mind for a rate cut or a rate hike. Everything is circumstantial. We have many things we look at to determine the inflation outlook and interest rate action" ... "We should not try to micromanage inflation. If we don't see persistent pressure for inflation to come up or down, we should not change interest rates. Doing too much would just create unnecessary volatility. As I said, for the time being we are in a good place" (Interview with BZ)</p> <p>11 Nov - "We are in a good place in terms of the balance of risks" ...."Risks are balanced around the inflation forecast at the moment". (Comments in London)</p> <p>7 Nov - Policy is "in a good place," ...."we feel that we have done our job" (Comments at event in Miami)</p>
		Economic Growth	<p>11 Nov - "Growth has proven to be more resilient than we thought at the beginning of the year." (Comments in London)</p>
		Inflation	<p>26 Nov - On the December inflation projections: "If you don't see large enough persistent deviation or an increasing downward trend, then it is fine. Thinking two or three years ahead, you always have increasing uncertainty. We better stick to the more visible future and make sure that the data we get is consistent with our projections. If they are, we are fine." (Interview with BZ)</p> <p>26 Nov - "Inflation has also been a bit higher than expected but that has only been a notch. We are still good at forecasting inflation. And we have been particularly good at forecasting wage growth, which is important for the service inflation. Wage pressure should continue to be moderate, which should lead to an inflation in the eurozone around our target." (Interview with BZ)</p>

Madis Muller	Estonia	Rate Outlook	<p>21 Nov - "What the markets are expecting and what we are expecting ourselves, it really seems that it is likely that we will have inflation close enough to 2% also in the foreseeable future," .... policy is "now in the place where it's consistent with the economic cycle and outlook for the inflation.". However, policymakers "always have to remain vigilant — you don't know what will happen." (Comments in Vienna)</p> <p>31 Oct - "Given that the pace of inflation in the euro area remains close to 2% and the economic situation has gradually improved, the current level of interest rates is appropriate. Interest rates do not hold back the economic recovery and do not add to inflation" (Blog post)</p>
		Inflation	26 Nov - December projections "We shouldn't let ourselves be swayed too much, even if in the short term we're a little under 2%," (Interview with Bloomberg)
Peter Kažimír	Slovakia	Rate Outlook	<p>8 Dec - " I see no reason to move in the coming months,"...."Definitely not in December, then we'll see."..."he labour market remains tight, growth is a bit better and wage moderation is somewhat slower than we expected,"...."the labour market remains tight, growth is a bit better and wage moderation is somewhat slower than we expected," (Interview with Reuters)</p> <p>3 Nov - "The mosaic of data contains elements that should serve as a reminder of why letting one's guard down wouldn't be advisable at this stage," ...."good position to face the challenges of the current turbulent environment."....."We should not try to over-engineer our policy and fine-tune inflation dynamics to perfection with small moves,".... "In trying to be overly precise, the central bank could itself become a source of volatility rather than the pillar of stability our economy needs."...."Data-dependent' means keeping all options open," he said. "It means our next move — when it comes — could, in principle, be in either direction, depending on the signals we receive." (Op-ed)</p>
Primož Dolenc (acting Governor of Bank of Slovenia)	Slovenia	Rate Outlook	<p>3 Dec - "The interest rate level set by the ECB is appropriate for the continued maintenance of inflation at the target. This means that conducting our monetary policy neither fuels inflationary pressures on one hand, nor is restrictive to economic activity on the other, which could lead to a sustained deviation of inflation below our target." (Speech at 15th workshop on exchange rates, co-organised by Banka Slovenije and Bank of Italy)</p> <p>31 Oct - "Inflation in the euro area continues to move close to the inflation target, and economic activity remains relatively resilient to shocks in the international environment." ...."Financial market conditions</p>

			have remained favourable since September"..."The monetary policy stance will continue to be decided at each meeting separately." (Blog post)
Christodoulos Patsalides	Cyprus	Economic Growth	4 Nov - "The European economy it's still exhibiting resilience,".....but "It's evident that the euro zone and the European Union in general needs to become more competitive." (Comments in speech)
Edward Scicluna	Malta	Rate Outlook	11 Nov - The ECB "don't have any [specific] cycle in mind",...""If we're close to the 2% target, why mess up?" ... "If it ain't broke, don't fix it." (Comments at Bank of Albania conference)

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All Signal, No Noise

