

# MNI ECB Review: March 2026

## Executive Summary

- The ECB kept rates on hold as expected including the deposit rate at 2.0% (in 1.75-2.25% neutral range).
- The suite of communications showed a non-committal stance but one clearly wary of inflation risks posed from the Middle East conflict.
- With more time needed to assess the war impact, the overall tone was one that played into market pricing that had looked for no action today before growing odds of an April hike (more than 50% chance shortly pre-meeting) after a further hawkish shift ahead of the meeting on oil, Fed and BoE grounds.
- Some areas Lagarde put particular weight on in the press conference could take some time to materialise, yet April hike odds climbed further with 17bp priced following sources updates looking specifically at April and June meetings for a potential hike.
- The economic projections saw a larger than expected rise in inflation forecasts in a baseline that is already outdated despite a later technical cut-off than most assumed. More realistic scenarios demonstrated acute sensitivity to more extensive disruption to Strait of Hormuz flows but notably assumed constant policy rates at 2% rather than even the ~40bp of tightening in the baseline.
- ECB-dated OIS prices 17bp for April (vs 14.5bp pre-decision), 35bp for Jun (vs 31bp) and 71bp by end-2026 (vs 62bp).

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## MNI View: Starting From A Good Base As War Impact Monitored

March 19, 2026 - By Chris Harrison and Emil Lundh

The ECB left rates on hold at 2% as fully expected while the suite of communications showed a non-committal stance but one clearly wary of inflation risks posed from the Middle East conflict. With more time needed to assess how the war will affect the outlook, the overall tone was one that played into market pricing that had looked for no action today before growing odds of a April hike (more than 50% chance shortly pre-meeting) after a further hawkish shift ahead of the meeting on oil, Fed and BoE grounds. Some areas Lagarde put particular weight on in the press conference could take some time to materialise yet April hike odds climbed further with 17bp priced after sources updates with Bloomberg seeing possibility of a rate hike in April and Reuters seeing April as too early but with June more likely.

- Non-committal: The GC is not pre-committing to a particular rate path, noting a close monitoring of the situation in the Middle East and with its data-dependent approach to “help it set monetary policy as appropriate.”
- Monitoring developments: Implications for medium-term inflation crucially depend on “the magnitude of indirect and second-round effects of a stronger and more persistent energy shock.” As such, “The incoming information in the period ahead will help the Governing Council assess how the war will affect the inflation outlook and the risks surrounding it.”
- Not necessarily in a good place but well positioned: “We are starting from a good base. I'm not saying that we are in a good place. We are both well positioned and well equipped to deal with the development of a major shock that is unfolding, and we will continue doing that.” Today's decision to leave rates on hold was unanimous.
- Multiple focal points for tracking impact: Will be particularly attentive to developments in all commodity markets, supply bottlenecks, selling price expectations of firms (through the corporate telephone survey in particular and others that it holds in good value), all demand indicators (PMIs, consumer confidence etc) and wage trackers.
- Warning on inflation expectations: The situation is very different to the 2022 energy price shock (inflation already 6% then and not 1.9%, labour market quite different and had pent up demand as well) but inflation expectations might be faster to react with high inflation now in recent memory.

## Sharp Rise In Inflation Forecast Already Outdated, Rate Caveat To Scenarios

- **Strong near-term inflation revisions:** The baseline economic projections saw a surprisingly large upward revision to headline inflation for 2026 (2.6% vs analyst median 2.25 after 1.9 in Dec) and accordingly second round effects on core inflation in 2027 (2.2% vs analyst median 2.0% after 1.9 in Dec).
- Core inflation at 2.1% in 2028 (vs 2.0 in Dec) was somewhat downplayed in the Q&A. "You have to remember that we include in that ETS2 applying as of 2028 and you still have a little bit of base effects, and a little bit of second round effects."
- **Delayed baseline already outdated:** The baseline scenario used a later than usual cut-off date of Mar 11, later than a most common analyst assumption of Mar 6 and our assumed Mar 9, which would have embedded about 40bp of hikes into the forecast. That compares with more than 60bp of hikes to end-2026 currently whilst the \$81/bbl oil and E46/MWh for natural gas for 2026 is clearly outdated.
- **More realistic energy scenarios but no embedded rate reaction:** Adverse and severe scenarios saw more material energy disruptions but importantly didn't assume any rate tightening (i.e. with rates on hold at 2% rather than even the tightening in the market-based baseline scenario).
- "Adverse" sees headline inflation +0.9pp in 2026 and +0.1pp in 2027 (oil hits almost \$120/bbl and gas E90/MWh in Q2 on 40% disruption of Strait of Hormuz trade that normalizes after Q3). "Severe" sees headline +1.8pp in 2026 and +2.8pp in 2027 (oil hits almost \$150/bbl and gas E110/MWh with 60% disruption of oil and LNG flows along with damage of energy infrastructure with supply only gradually normalising in 1Q27)

OIS developments including after the traditional sources pieces which boosted hawkish April and June pricing.

Meeting Date	ESTR ECB-Dated OIS (%)	Difference Vs. Current Cut-adjusted Effective ESTR Rate (bp)	Pre ECB press conference		
			ESTR ECB-Dated OIS (%)	Difference Vs. Current Effective ESTR Rate (bp)	Diff
Apr-26	2.100	16.8	2.078	14.6	2.2
Jun-26	2.285	35.3	2.242	31.0	4.3
Jul-26	2.406	47.4	2.339	40.7	6.7
Sep-26	2.542	61.0	2.445	51.3	9.7
Oct-26	2.604	67.2	2.499	56.7	10.5
Dec-26	2.642	71.0	2.553	62.1	8.9
Jan-27	2.659	72.7	2.579	64.7	8.0
Mar-27	2.677	74.5	2.603	67.1	7.4

Source: MNI/Bloomberg Finance L.P.

## Macroeconomic Projections: Higher Inflation Than Expected, Scenarios Have Rate Caveat

Projection Cut-Off 11 March, Inflation Higher Than Expected As A Result

March Projections: "The new ECB staff projections exceptionally incorporate information up to 11 March,"

- **Headline:** "This is because energy prices will be higher owing to the war in the Middle East. "
- **Core:** "This is also higher than the path in the December projections, mainly owing to higher energy prices feeding into inflation excluding energy and food.
- **Growth:** "This implies a downward revision, especially for 2026, reflecting the global effects of the war on commodity markets, real incomes and confidence. At the same time, low unemployment, solid private sector balance sheets, and public spending on defence and infrastructure should continue to underpin growth.

- So that's a larger upward revision to both headline and core inflation projections than expected, though the cutoff date of March 11 is later than a lot of the analyst previews we had seen (W/C March 2, and specifically March 6 was the most common assumption)
- As expected, the March projection report will include scenarios: "The scenario analysis suggests that a prolonged disruption in the supply of oil and gas would result in inflation being above, and growth being below, the baseline projections. The implications for medium-term inflation depend crucially on the magnitude of indirect and second-round effects of a stronger and more persistent energy shock."

		ECB Dec'25 Projections	ECB Mar '26 Projections (MNI Median)	ECB Mar '26 Projections	Change vs Previous	Change vs Median
Core Inflation	2026	2.2	2.20	2.3	↑ 0.1	↑ 0.1
	2027	1.9	2.00	2.2	↑ 0.3	↑ 0.2
	2028	2.0	2.00	2.1	↑ 0.1	↑ 0.1
Headline Inflation	2026	1.9	2.25	2.6	↑ 0.7	↑ 0.35
	2027	1.8	1.95	2.0	↑ 0.2	↑ 0.05
	2028	2.0	2.00	2.1	↑ 0.1	↑ 0.10
GDP	2026	1.2	1.10	0.9	↓ -0.3	↓ -0.20
	2027	1.4	1.30	1.3	↓ -0.1	→ 0.00
	2028	1.4	1.40	1.4	→ 0.0	→ 0.00

Source: Analyst previews seen by MNI, ECB. Note: Median comprised of analysts who assumed the technical assumption cutoff was pushed back

### March Projections: Baseline Energy Price Assumptions Already Out Of Date

As noted by President Lagarde in the press conference, ECB staff have put together an "adverse" and "severe" scenario for the Middle East War. For context, the baseline scenario assumes a 2026 oil price of \$81/bbl and a natural gas price of E46/MWh - already well out of date versus current spot prices.

- "The scenarios incorporate stronger indirect and second-round inflation effects than those implied by standard model-based elasticities in order to account for non-linearities in the transmission of large inflationary shocks to prices and wages, such as those seen during the 2021-22 energy crisis."
- "These scenario analyses do not include any monetary or fiscal policy responses, which would mitigate the inflation impacts, as well as other channels that could affect the macroeconomic impact."
- ""The scenarios incorporate stronger indirect and second-round inflation effects than those implied by standard model-based elasticities in order to account for non-linearities in the transmission of large inflationary shocks to prices and wages, such as those seen during the 2021-22 energy crisis."

### March Projections: Stagflationary Tones In Severe Scenario

Adverse Scenario: "This assumes that in the second quarter of 2026 40% of oil and LNG flows transiting through the Strait of Hormuz are disrupted." The disruptions are assumed to persist until the third quarter of 2026, after which supply volumes normalise. As the disruption is assumed to reflect a blockade rather than destruction of infrastructure, supply recovers relatively quickly once the restrictions are lifted"

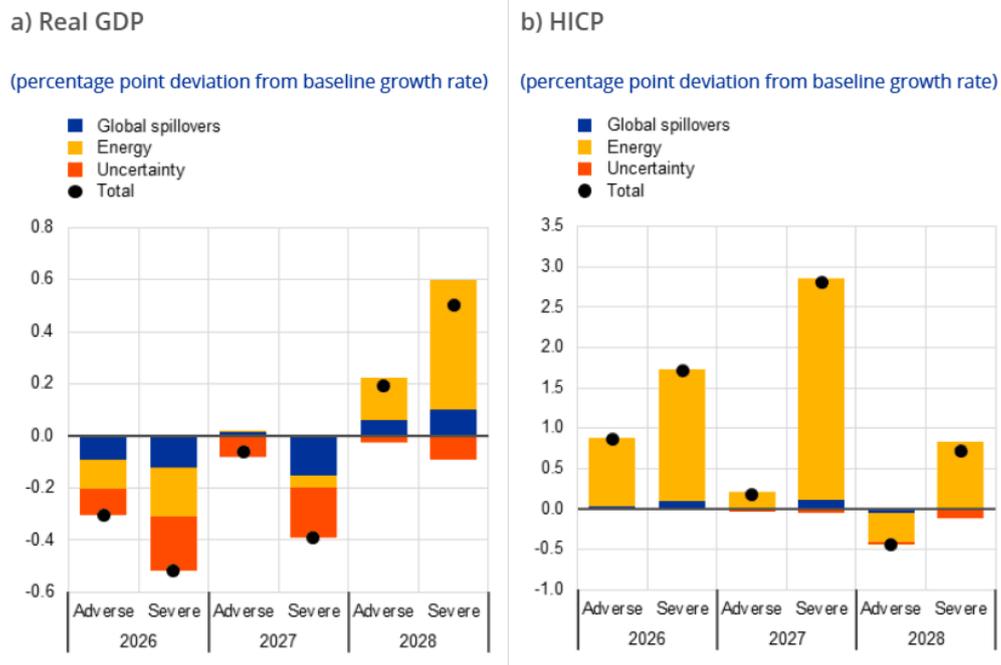
- "Supply disruptions trigger further sharp increases in energy prices, with the oil price rising to almost USD 120 per barrel and gas prices approaching 90 per MWh in the second quarter of 2026"
- "Real GDP growth is around 0.3 percentage points lower than in the baseline in 2026 and about 0.1 percentage points lower in 2027. As energy prices and uncertainty normalise, GDP growth recovers some of the losses and stands 0.2 percentage points above the baseline in 2028."
- "Headline HICP inflation is 0.9 percentage points higher in 2026 owing to higher energy prices. As energy prices decline rather rapidly from high levels, headline HICP inflation is 0.1 percentage points higher in 2027 but 0.5 percentage points lower in 2028"
- Core inflation is seen settling back at 2.0-2.1% by 2028 once second round effects fade while the unemployment rate peaks at 6.5% in 2027 before falling back to 6.2% by end-2028.

**Severe Scenario:** "The shock to the energy supply is larger, with 60% of oil and LNG flows (in the second quarter) transiting through the Strait of Hormuz assumed to be disrupted. In addition, part of the disruption is assumed to result from military action that damages energy infrastructure, delaying the restoration of supply. As a result, supply volumes only begin to return to normal in the first quarter of 2027 and this normalisation proceeds more gradually than in the adverse scenario. Uncertainty increases more sharply and is more persistent."

- "The much stronger initial supply shock pushes oil and gas prices up to almost USD 150 per barrel and 110 per MWh respectively in the second quarter of 2026."
- "Real GDP growth is 0.5 and 0.4 percentage points lower in 2026 and 2027 respectively, with negative quarterly growth rates in the second and third quarters of 2026".
- "HICP inflation is 1.8 percentage points higher in 2026 and remains elevated, at 2.8 percentage points above the baseline in 2027 and 0.7 percentage points above the baseline in 2028."
- Core inflation is seen at 3.9% in Q4 2027 and 2.4% in Q4 2028 in this scenario, while unemployment rises to 6.8% by the end of the forecast horizon.

**Chart 14**

Impact on the euro area by channel in the adverse and severe scenarios



Source: ECB staff calculations based on ECB-BASE model simulations.

Note: Simulations are conducted under a forecast setting using the ECB-BASE model and the rest of the model system responds endogenously. Uncertainty also includes financial shocks in the severe scenario as described in section 3.2.2.

*Additional comments on the ECB's Middle East war scenarios*

- Given how energy markets have moved since March 11, the "adverse" scenario's oil/gas assumptions appear to be more reflective of the current situation than the baseline.
- The "adverse" scenario assumes 40% of Strait of Hormuz flows are disrupted, while the "severe" scenario assumes 60% disruption - both these figures seem too small given the current level of disruption seen in the Strait.
- Both alternative scenarios assume no ECB policy response (i.e. rates unchanged at 2.00% ahead), whereas the baseline scenario incorporates the Euribor-implied curve as of March 11. In reality, fiscal

policies may be utilised to limit the direct impact of energy price rises on consumers (this has already been seen in recent weeks from some countries), and tighter monetary policy would be employed to limit passthrough to core inflation.

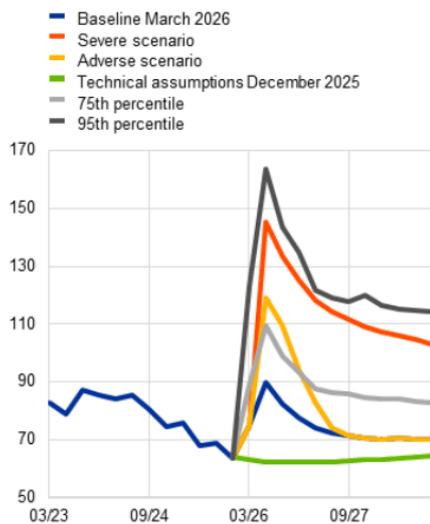
- The ECB's assumptions on stronger second-round and indirect effects highlights the lessons learnt from the Russia/Ukraine shock. That could suggest that the Governing Council will act quicker than in 2022 to respond to persistent core inflation risks if the severe scenario plays out. Of course, concerns around the growth outlook (and the associated dampening impact this would have on core inflation) would also need to be factored in to such deliberations.

**Chart 11**

Assumptions for the paths of energy commodity prices

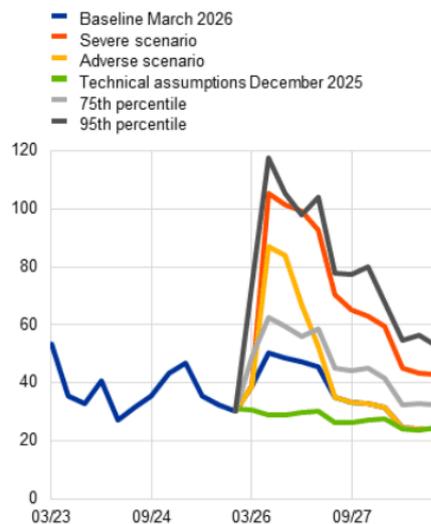
a) Oil

(price level, USD/barrel)



b) Gas

(price level, EUR/MWh)



Sources: ECB and ECB calculations.

Notes: The oil price scenarios are constructed based on the elasticity of the oil price to oil supply shocks as estimated in Caldara et al. (2019), while the gas price scenarios are constructed based on the elasticity of the gas price to gas supply shocks as estimated in Albrizio et al. (2023). The 95th and 75th percentiles refer to the option-implied neutral densities for the oil and gas prices on 11 March 2026.

## Rate Decision Statement Changes

Changes in the ECB's Monetary Policy Decisions statement in the March 2026 release, versus prior (February):

### Monetary policy decisions

5 February 19 March 2026

The Governing Council today decided to keep the three key ECB interest rates unchanged. ~~Its updated assessment reconfirms~~ It is determined to ensure that inflation should stabilise at its 2% target in the medium term. The war in the Middle East has made the outlook significantly more uncertain, creating upside risks for inflation and downside risks for economic growth. It will have a material impact on near-term inflation through higher energy prices. Its medium-term implications will depend both on the intensity and duration of the conflict and on how energy prices affect consumer prices and the economy remains resilient in a challenging.

The Governing Council is well positioned to navigate this uncertainty. Inflation has been at around the 2% target, longer-term inflation expectations are well anchored, and the economy has shown resilience over recent quarters. The incoming information in the period ahead will help the Governing Council assess how the war will affect the inflation outlook and the risks surrounding it. The Governing Council is closely monitoring the situation, and its data-dependent approach will help it set monetary policy as appropriate.

The new ECB staff projections exceptionally incorporate information up to 11 March, a later cut-off date than usual. In the baseline, headline inflation is seen to average 2.6% in 2026, 2.0% in 2027 and 2.1% in 2028. Inflation has been revised up compared with the December projections, especially for 2026. This is because energy prices will be higher owing to the war in the Middle East. For inflation excluding energy and food, staff project an average of 2.3% in 2026, 2.2% in 2027 and 2.1% in 2028. This is also higher than the path in the December projections, mainly owing to higher energy prices feeding into inflation excluding energy and food. Staff expect economic growth to average 0.9% in 2026, 1.3% in 2027 and 1.4% in 2028. This implies a downward revision, especially for 2026, reflecting the global environment. Low effects of the war on commodity markets, real incomes and confidence. At the same time, low unemployment, solid private sector balance sheets, the gradual rollout of and public spending on defence and infrastructure and the supportive effects of the past interest rate cuts are underpinning growth. At the same time, the outlook is still uncertain, owing particularly to ongoing global trade policy uncertainty and geopolitical tensions should continue to underpin growth.

The Governing Council is determined to ensure that inflation stabilises at its 2% target in the medium term. In line with the Governing Council's monetary policy strategy commitment to incorporate risks and uncertainty into its decision-making, staff also assessed how the war in the Middle East could affect economic growth and inflation under some alternative illustrative scenarios. These scenarios will be published with the staff projections on the ECB's website. The scenario analysis suggests that a prolonged disruption in the supply of oil and gas would result in inflation being above, and growth being below, the baseline projections. The implications for medium-term inflation depend crucially on the magnitude of indirect and second-round effects of a stronger and more persistent energy shock.

The Governing Council will follow a data-dependent and meeting-by-meeting approach to determining the appropriate monetary policy stance. In particular, the Governing Council's interest rate decisions will be based on its assessment of the inflation outlook and the risks surrounding it, in light of the incoming economic and financial data, as well as the dynamics of underlying inflation and the strength of monetary policy transmission. The Governing Council is not pre-committing to a particular rate path.

### Key ECB interest rates

The interest rates on the deposit facility, the main refinancing operations and the marginal lending facility will remain unchanged at 2.00%, 2.15% and 2.40% respectively.

### Asset purchase programme (APP) and pandemic emergency purchase programme (PEPP)

The APP and PEPP portfolios are declining at a measured and predictable pace, as the Eurosystem no longer reinvests the principal payments from maturing securities.

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The Governing Council stands ready to adjust all of its instruments within its mandate to ensure that inflation stabilises at its 2% target in the medium term and to preserve the smooth functioning of monetary policy transmission. Moreover, the Transmission Protection Instrument is available to counter unwarranted, disorderly market dynamics that pose a serious threat to the transmission of monetary policy across all euro area countries, thus allowing the Governing Council to more effectively deliver on its price stability mandate.

## Monetary Policy Statement Highlights

Downside risks to growth and upside risks to inflation, both especially so in the near-term, compared to previously just noting higher volatility/uncertainty. MNI emphasis below.

*"The risks to the growth outlook are tilted to the downside, especially in the near term. The war in the Middle East is a downside risk to the euro area economy, adding to the volatile global policy environment. A prolonged war could increase energy prices further and for longer than currently expected, and also weigh on confidence. These factors would erode incomes and make firms and households more reluctant to invest and spend. A worsening of global financial market sentiment could further dampen demand. Additional frictions in international trade could disrupt supply chains, reduce exports and weaken consumption and investment. Other geopolitical tensions, in particular Russia's unjustified war against Ukraine, remain a major*

source of uncertainty. By contrast, growth could turn out to be higher if the economic repercussions of the war in the Middle East proved to be more short-lived than currently expected. Moreover, planned defence and infrastructure spending, reforms to enhance productivity, and euro area firms adopting new technologies may drive up growth by more than expected. New trade agreements and a deeper integration of the Single Market could also boost growth beyond current expectations.”

*“The risks to the inflation outlook are tilted to the upside, especially in the near term. A prolonged war in the Middle East could lead to a larger and longer-lasting upward shift in energy prices than currently expected, raising euro area inflation further. This could be reinforced and become more persistent if inflation expectations and wage growth were to rise in response, if the energy price increase were to spill over to non-energy inflation to a larger extent than assumed in the baseline, or if the war disrupted global supply chains more broadly. Ongoing trade tensions could also give rise to more fragmented global supply chains, curtail the supply of critical raw materials and tighten capacity constraints in the euro area economy. By contrast, inflation could turn out to be lower if the economic repercussions of the war in the Middle East proved to be more short-lived or if indirect and second-round effects proved less pronounced than currently expected. Inflation could also be lower if tariffs reduced demand for euro area exports by more than expected and if countries with overcapacity increased further their exports to the euro area. More volatile and risk-averse financial markets could weigh on demand and thereby lower inflation as well.”*

## Press Conference Q&A

### Highlights:

- Lagarde won't say policy is in a good place but ECB starting from a good base
- Policy well positioned with 2% inflation near target, 2% medium term inflation expectations and 2% interest rates
- ECB will be attentive to all usual indicators including liaison surveys and wage tracking
- It's a different situation to 2022 but inflation expectations could be faster to change
- Core inflation at 2.1% in 2028 projection somewhat downplayed

The following is taken mainly from MNI real-time coverage of the ECB press conference Q&A, with the official transcript available [here](#) from tomorrow (i.e. March 20<sup>th</sup>).

### Policy Not In A Good Place. But Well Positioned

*Q: How did the discussion go inside the GC on the very uncertain outlook for mon pol?*

- A: We had an in-depth discussion. The cut-off of Mar 11 was exceptional and I don't wish to impose that exercise on a regular basis.
- We had a defence and military affairs professor who briefed us the day before the GC meeting, and by you know, the randomness of calendar scheduling, we also had a very good presentation of climate change impact on the ocean. And it's not unrelated in many ways but it's totally random.
- I would characterize the overall mood of the group as being calm, being determined and being laser focused on the information that we have, the projections that we received, and all data that can be analysed and factored into our decision-making process. Our decision was unanimous. There was no range of views, it was a unanimous decision that was taken.

*Q: The markets are trying to understand how fast you're willing to act? When do you think is time?*

- A: We are starting from a good base. I'm not saying that we are in a good place. We are well positioned. And actually, you find that in the monetary policy statement, I think we are both well positioned and well equipped. to deal with the development of a major shock that is unfolding, and we will continue doing that. You probably have heard me at nauseum say, meeting by meeting, data dependent, no preset pace, and this was embedded in our strategy review of last July.
- I cannot give you a timeline, a date, but I can assure you that we will proceed on the basis of this analysis, and on the basis of the hard work produced by staff to make sure that we have not only the baseline that you will see after this press conference because it will be published, but also the scenarios that you will also see after the press conference.

ECB Will Be Attentive To All The Usual Indicators

*Q: What could trigger action: is it core inflation, wage growth?*

- A: Will be particularly attentive to developments in all commodity markets, supply bottlenecks, selling price expectations of firms (through the corporate telephone survey in particular and others that we hold in good value), all demand indicators (PMIs, consumer confidence etc) and wage trackers.
- All of that which is unfolding at the moment, which is a severe shock, will depend on the duration, the intensity and the propagation. And by propagation I mean the indirect effects and the second-round effects. And we need to have the best sensors and the best way to anticipate where these indirect effects and where the second-round effects are going, if at all, that's what we will be attentive to.

Lagarde Reiterates Why The ECB Is Well Positioned

*Q: Is the threshold to hike lower than in the past?*

- A: I think we are well positioned. And I would call it the 3x2: 2% inflation at around target, medium term, 2% medium term inflation expectations and 2% interest rates.
- So Target, Target, broadly neutral. That leads me to say that we start from a good position, and we are well positioned to demonstrate our capacity to apply our strategy and to be agile.
- When I say also that we are well equipped. I think that, you know, in those four years, we have learned. We have improved our models, we have changed our strategy, and we are now, in particular, more attentive to risks around the outlook.
- We are developing scenarios sensitivity analysis to make sure that that we are as well informed as possible in order to assess the situation. So I would say that you know this, this enables us to better understand and better make our determination. I think we also understand better the mechanism of the pass through into indirect and second-round effects.

Lagarde Plays Down 2.1% 2028 Inflation Projection

*Q: On core inflation projections above 2% throughout the forecast horizon and extent of second round effects*

- A: I'm proud of the projections that have been delivered. Granted on core we are 2.1% in 2028 and you have to remember that we include in that ETS2 applying as of 2028 and you still have a little bit of base effects, and a little bit of second round effects.

De Guindos Speaks On Private Credit Risks

*Q: Are you worried about US private credit exposure?*

- A: VP de Guindos: If you look at our recent financial stability reports, we have been dealing with private credit quite a lot, and we have paid a lot of attention to private credit and the potential risks that private create and private equity private markets in general have posed for financial stability.
- While the exposure in Europe is much more limited than in the US, nevertheless we have seen that the market is growing. And this kind of activities are exponentially growing recently.
- The main problems are i) opacity/lack of transparency. There are some difficulties in order to know the valuations of the assets that they have in their portfolios. And even lately, you have seen that some of them, they have started to incorporate what they call continuation funds. It's an indication that there were some problems in terms of the liquidity and the valuation of these assets
- Some private creative credit funds have started to limit redemptions and to impose what they call gates. This is an indication of all the problems that I have indicated before and it's a clear indication that there are liquidity mismatches in this kind of funds.

Different Situation To 2022 But Inflation Expectations Could Be Faster To Change

*Q: On core inflation and expanding on the translation from energy shocks*

- A: We're back to differences with 2022. Keep in mind that back in 2022 when the shock hit, inflation was already at 6% that's a big difference with where we are at the moment, where latest reading was 1.9 and we had inflation

at target in the medium term. So that's a major difference. The labour market is also quite a bit different. And I'm not saying that to avoid your question, but I think all this actually matters. And the fact that we have a labour market which is solid, but not as hot as it was back in 22 where we had shortages of labour and a different bargaining position, will also play a role.

- A caveat though, inflation expectations have a lot to do with the memory that people and corporates have of inflation. And back in 22 the memory was dating way back, now the memory is rather fresh because people have seen inflation. So the reaction function that they will have in terms of investment, in terms of wages, negotiations, in terms of consumption, that is going to be informed by fresher memory of inflation that went high and that we managed to bring back to 2% I think the third element we will have to be attentive to is that while it was a major supply shock to begin with in 22, we had the pent up demand.

#### Lagarde: Scenarios Don't Include Monetary Policy Response

- Now, there's one thing that I want to mention - when you look at the scenario analysis that will be published later on, don't forget to keep in mind that our scenario work does not factor in any monetary policy measures. So the numbers that you will see are without monetary policy, whereas the baseline includes what is anticipated by markets as at the cut-off date. So that's a big difference before you jump to conclusions.
- I wanted to just mention that before I say goodbye and see you on the 30th of April.

#### Media Post-ECB Sources Pieces

##### *BBG and Reuters Sources Suggest April Hike Can't Be Ruled Out*

Both Bloomberg and Reuters post-ECB sources story hit at once. Content of the pieces is quite similar, despite some nuances in headline wording. Suggestions that the ECB could consider hiking in April has generated some fresh hawkish repricing at the front-end. ECB-dated OIS now price 16bps of hikes through April (vs 14.5bps before the ECB decision), while there are 67.5bps of hikes priced through December (vs 65bps pre decision and ~60bps just after the press conference concluded).

The main messages are:

- A hike in April can't be ruled out, but would require a continued surge in energy prices and evidence of second round effects. A Reuters source noted \$200/bbl oil as a potential trigger.
- A later hike is more likely, with June including an updated set of projections.