



EUROPEAN CENTRAL BANK

EUROSYSTEM

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European Central Bank**

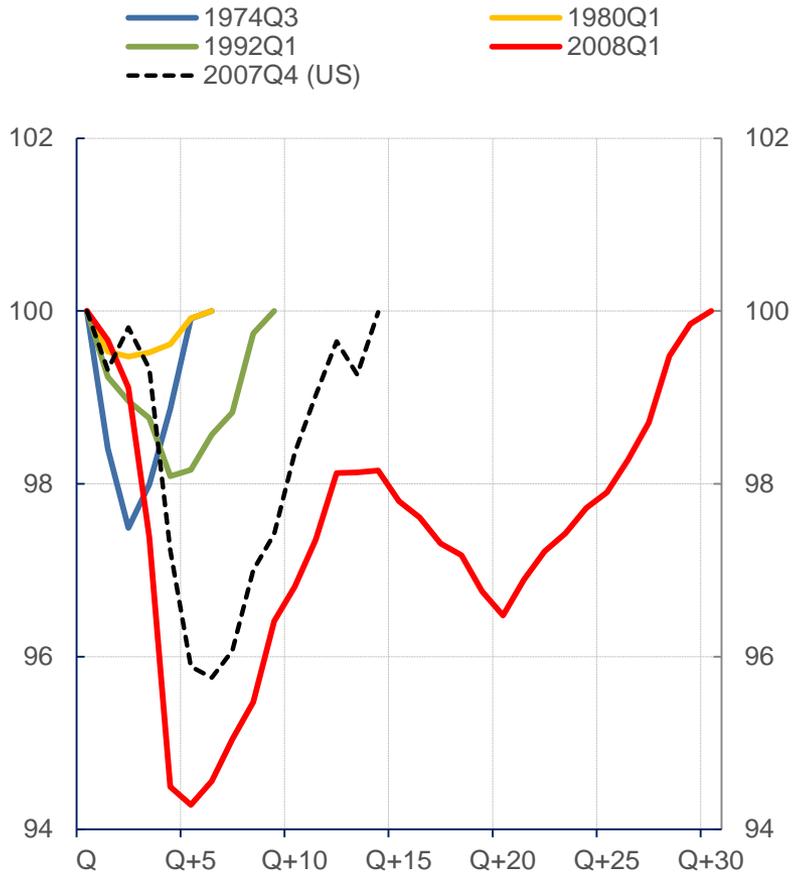
ECMI Annual Conference:

**Monetary policy and the
euro area banking system**

Brussels, 9 November 2016

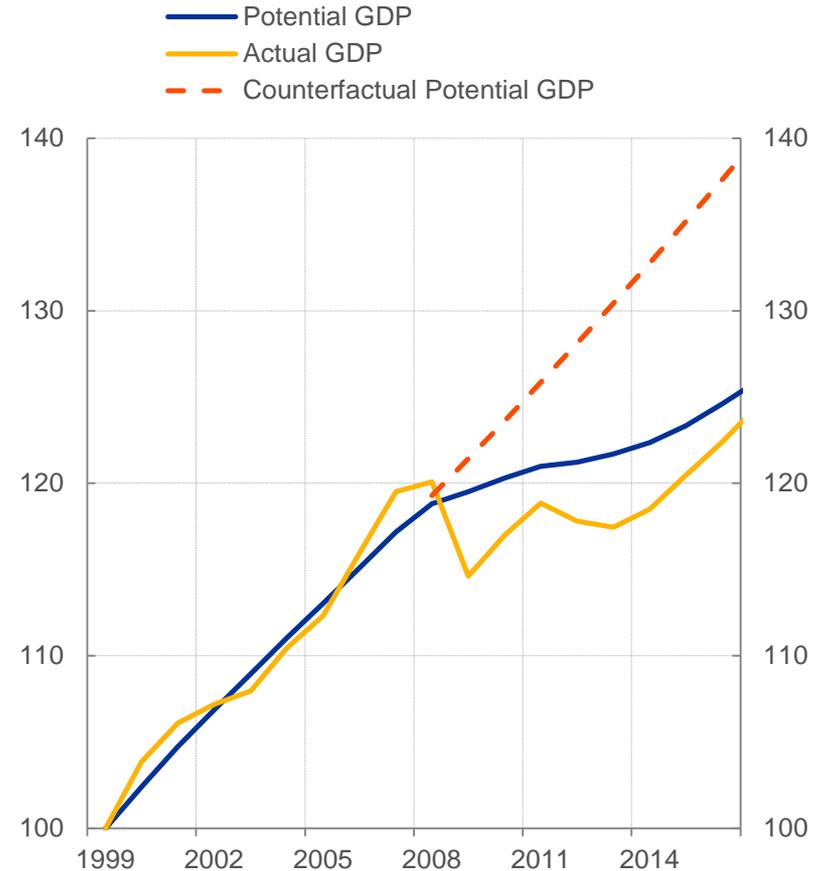
Past recoveries and the evolution of potential GDP

Euro area GDP growth across recoveries (peak of business cycle = 100)



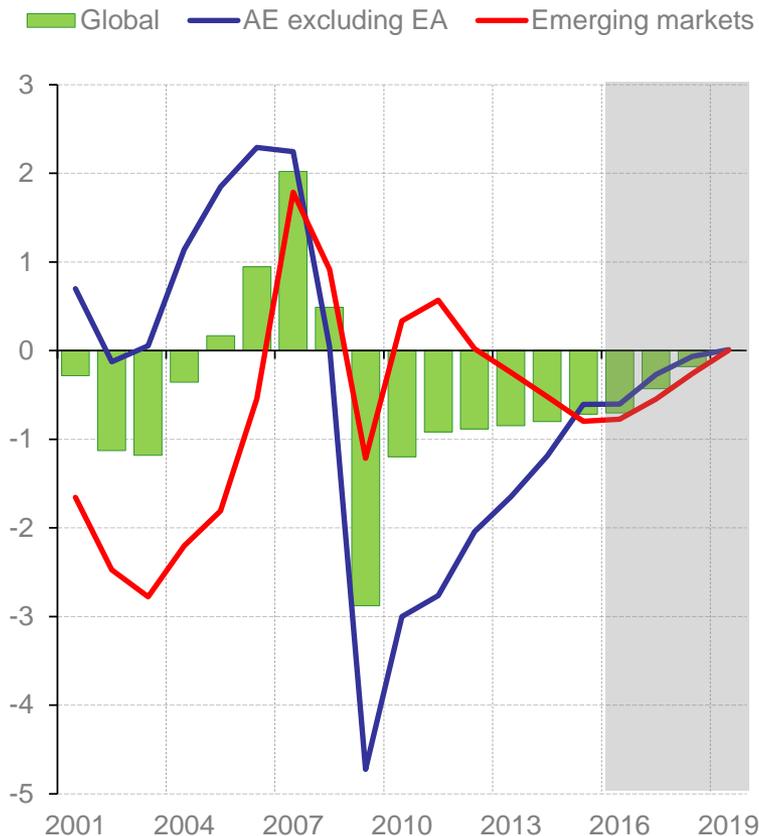
Sources: Eurostat, United States Census Bureau and ECB calculations.
Latest data: 2016Q3 for the euro area.

Euro area potential GDP (index; 1999=100)



Sources: European Commission Spring 2016 forecast, Output Gap Working Group. Note: Counterfactual potential GDP assumes that potential GDP continued to grow at its 2007 growth rate.

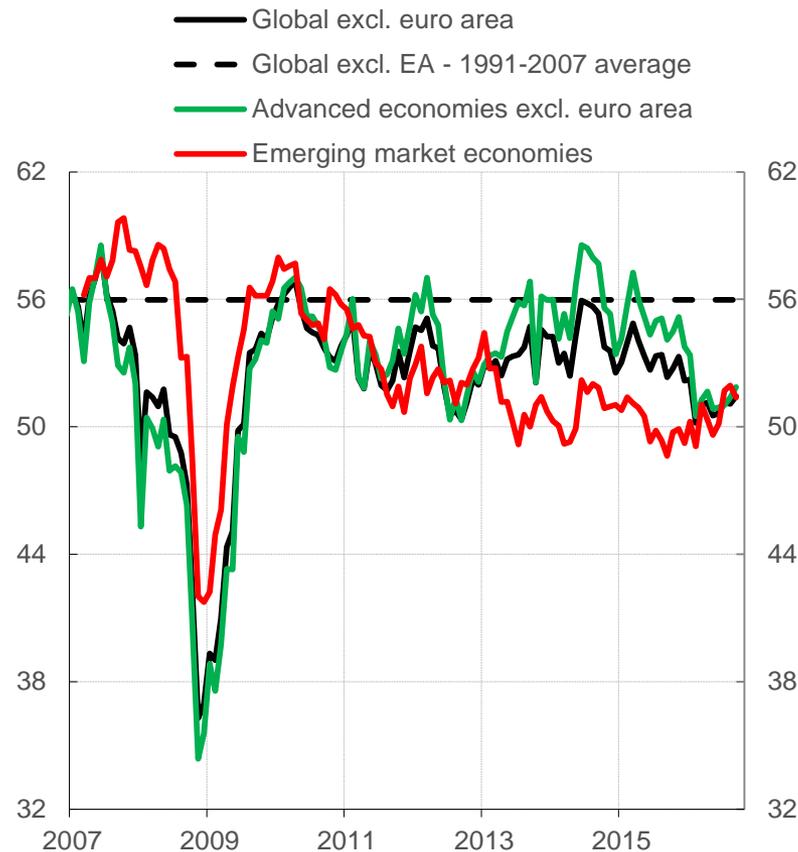
Output Gap Measures (percent of potential output)



Source: IMF WEO, ECB staff calculations.

Note: AE consists of United States, United Kingdom, Japan, Canada, Sweden, Switzerland, Denmark; EM7 consists of China, Brazil, Russia, India, Turkey, Korea, Mexico. The weights are calculated according to GDP share.

Global PMI Composite Output (diffusion index, seasonally adjusted)

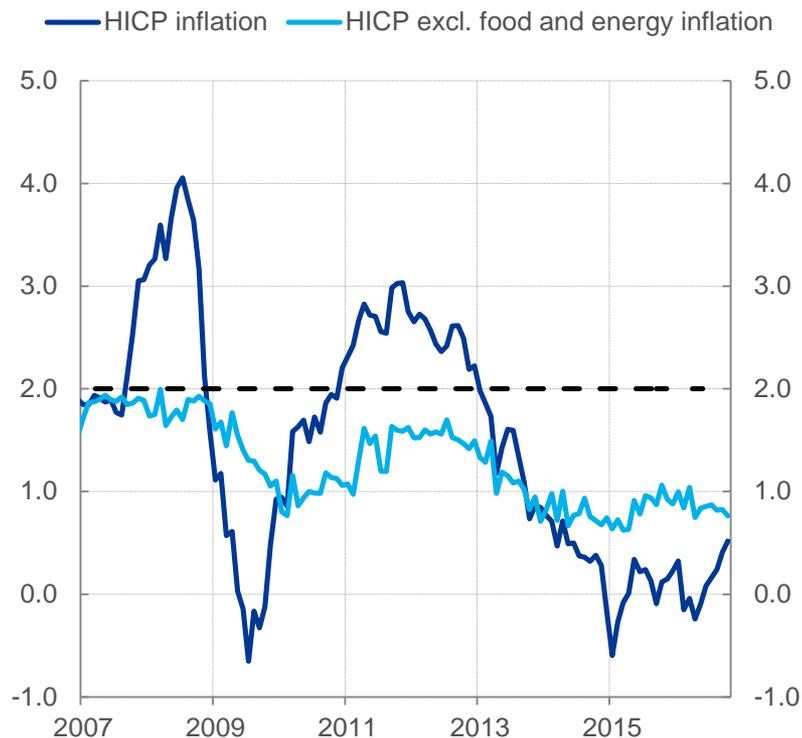


Source: Markit and ECB staff calculations.

Latest observation: September 2016.

HICP and HICP excluding energy and food

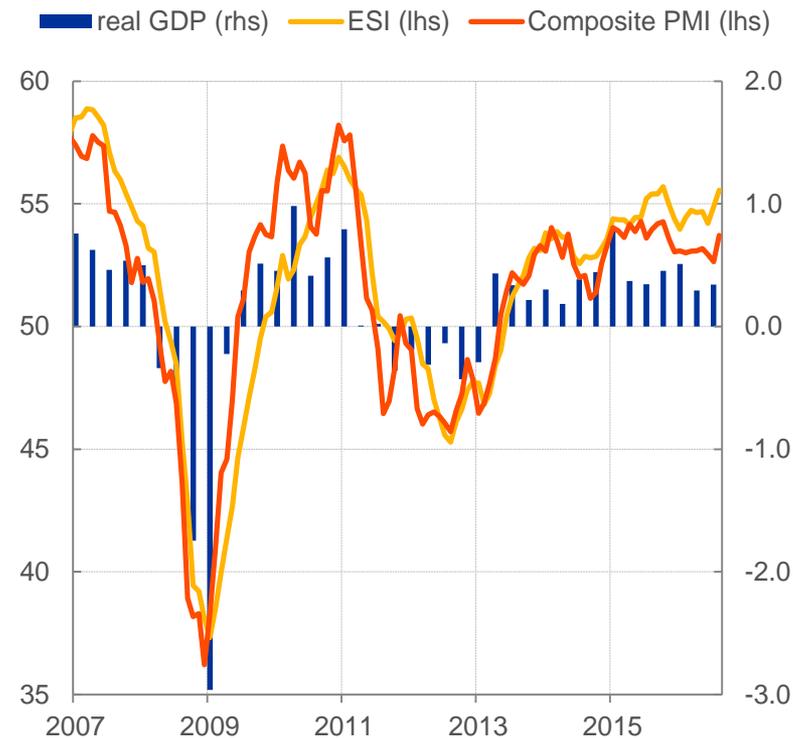
(annual percentage changes)



Source: Eurostat and ECB calculations.
Latest observation: October 2016 (flash estimate).

Real GDP, composite PMI and ESI

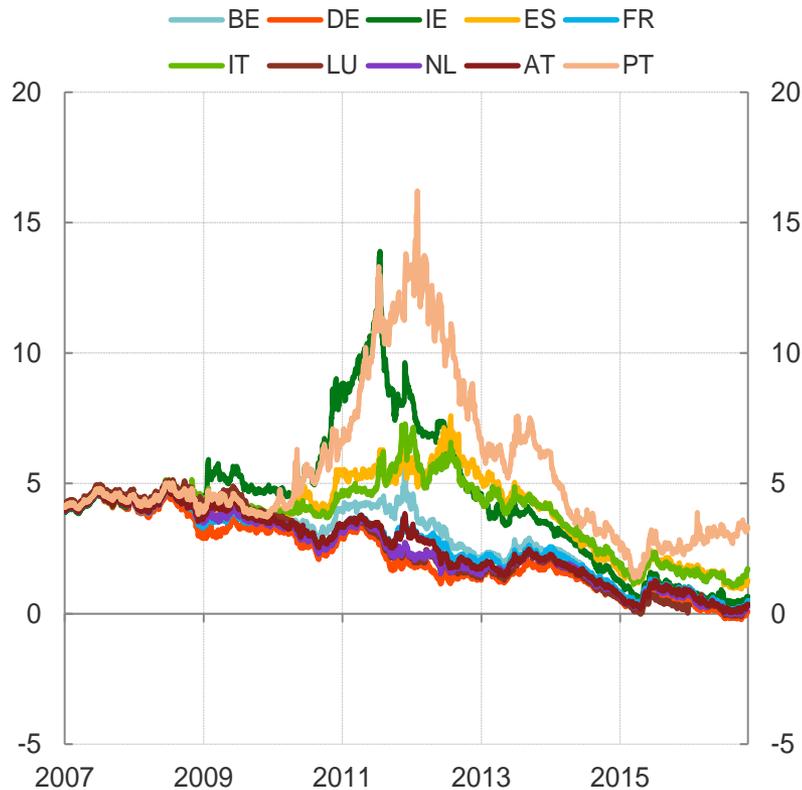
(q-o-q % change, index and percentage balance)



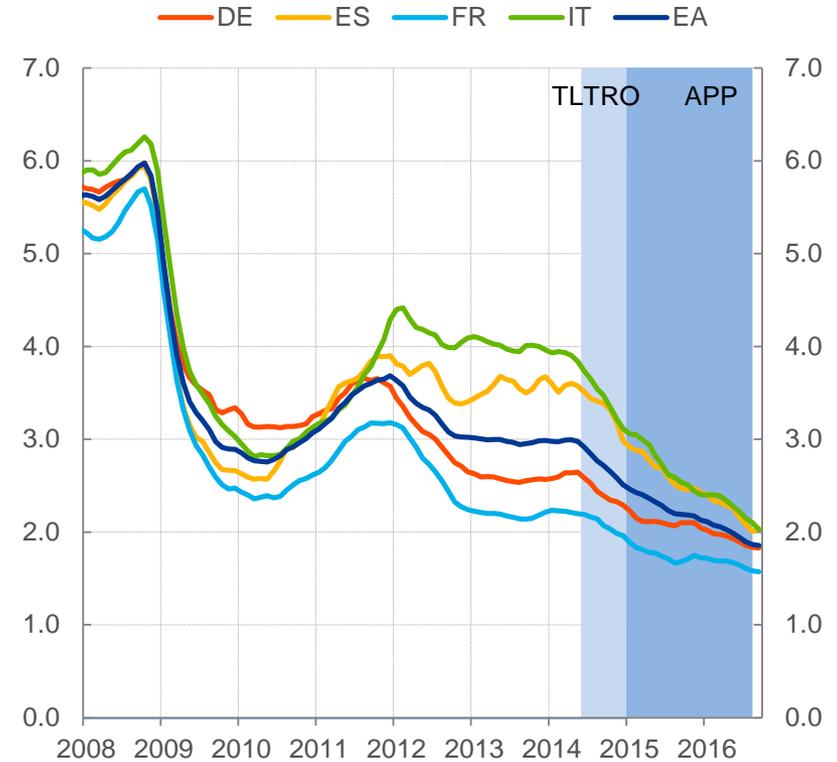
Sources: Markit, Eurostat and ECB.
Note: The ESI is normalised with the mean and standard deviation of the PMI.
Latest observations: 2016Q3 for GDP, October 2016 for the ESI and the PMI.

Euro area sovereign bond yields and bank lending rates for NFCs

10y bond yields (percent per annum)



Composite bank lending rates for non-financial corporations (percent per annum)



Source: ECB.
Latest observation: 3 November 2016.

Source: ECB.
Notes: Composite bank lending rates are calculated by aggregating short and long-term rates using a 24-month moving average of new business volumes.
Latest observation: September 2016.