Peter Praet

Member of the Executive Board of the ECB

Belgian Financial Forum
Colloquium on “The low interest rate environment”

4 May 2017
Global PMI composite output
(diffusion index; seasonally adjusted; monthly data)

Sources: Markit, ECB staff calculations.

Euro area GDP and sentiment indicators
(index, % q-o-q)

Sources: Eurostat, European Commission, Markit and ECB.
Latest observations: April 2017 (PMI, ESI), 2017Q1 (GDP).
Euro area nominal and real disposable income of households (% y-o-y; percentage point contributions)

Sources: Eurostat, ECB calculations.

Euro area real compensation of employees (% y-o-y; percentage point contributions)

Sources: Eurostat, ECB calculations.
HICP inflation and HICP excluding food and energy
(annual percentage changes)

Source: Eurostat.
Domestic producer prices and HICP for non-energy industrial goods
(annual percentage changes)

- HICP non-energy industrial goods (26.3%, lhs)
- Producer Price Index, domestic sales - non-food consumer goods (lhs)
- Producer Price Index - intermediate goods (rhs)

Services – inflation and wage growth
(annual percentage changes, quarterly data)

- HICP services
- Compensation per employee

Sources: Eurostat and ECB calculations.
Latest observations: April 2017 (HICP NEIG, flash estimate), March 2017 for the rest.

Source: Eurostat.
**Breakdown of the GDP deflator**
(annual percentage changes; percentage point contributions)

Sources: Eurostat and ECB calculations.

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**Unemployment**
(percentage of respective labour force)

Source: Eurostat (EU LFS).
**OIS spot term structure**
(percentages per annum)

- **OIS (04 Jun 2014)**
- **OIS (06 Mar 2015)**
- **OIS (2 May 2017)**

**Change in EONIA forward yield curve**
((percentages per annum)

- Change from 8 March to 16 March
- Change from 8 March to 21 April

Sources: Thomson Reuters and ECB calculations.

M3 and loan growth
(annual percentage changes)

Central bank balance sheets
(Jan. 2007 = 100)

Source: ECB.

Sources: ECB, Federal Reserve.
Composite lending rates to NFCs
(per cent per annum)

Changes in reference rates and NFCs’ cost of borrowing, May 2014 – Feb 2017
(basis points)

Source: ECB.
Notes: The indicator for the total cost of bank borrowing is calculated by aggregating short and long-term rates using a 24-month moving average of new business volumes. The cross-country dispersion displays the min and max range over a fixed sample of 12 euro area countries.
## ECB monetary policy measures since June 2014

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<tbody>
<tr>
<td><strong>Rate cuts</strong></td>
<td>MRO: 0.15%:</td>
<td>MRO: 0.05%:</td>
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<td>MLF: 0.40%;</td>
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<td>DRF: -0.10%</td>
<td>DRF: -0.20%</td>
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<td><strong>TLTROs</strong></td>
<td>Fixed rate (MRO)</td>
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<td>Fixed rate at</td>
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<td>Max. maturity:</td>
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<td>MRO or below if</td>
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<td>Sep. 2018</td>
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<td>lending &gt; benchmark (min. DFR)</td>
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<td>Uptake depends on net lending</td>
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<td>No mandatory early repayment</td>
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<td>Mandatory early repayment</td>
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<td><strong>Private asset purchases</strong></td>
<td>Broad portfolio of simple &amp; transparent ABS and CBs</td>
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<td>Purchase of inv.-grade NFC bonds</td>
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<td>APP recalibration I</td>
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<td>… with high pass-through to real economy</td>
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<td>• Extension to Mar. 2017</td>
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<td>• Reinvestment of principal payments</td>
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<td><strong>Public asset purchases</strong></td>
<td>Purchases in EA sov. debt markets</td>
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<td>APP recalibration II</td>
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<td>€60bn monthly purchases, incl. ABSPP/CBPP3</td>
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<td>• €80bn monthly purchases</td>
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<td>• Higher issue share limit for certain issuers</td>
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<td>• Purchases below DF rate allowed if necessary</td>
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