



EUROPEAN CENTRAL BANK

EUROSYSTEM

The February 2026 ECB monetary policy decision

Lecture at Maynooth University

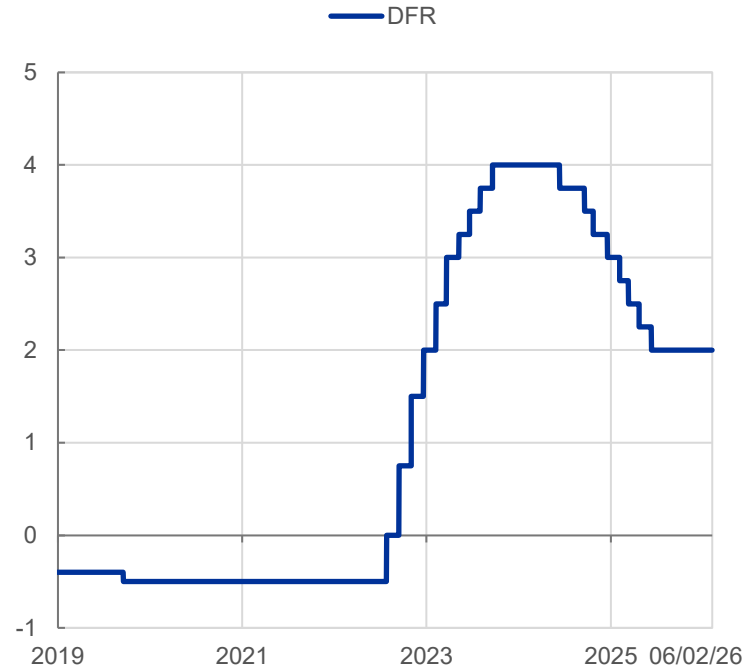
9 February 2026

Philip R. Lane
Member of the Executive Board



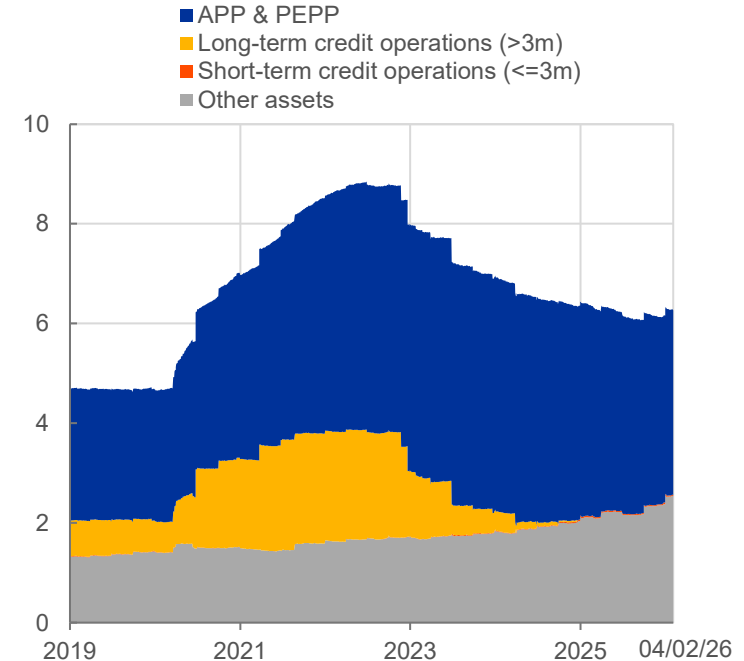
Monetary policy in the euro area

Deposit facility rate (percentages per annum)



Source: ECB.

Asset side of the Eurosystem balance sheet (EUR trillions)



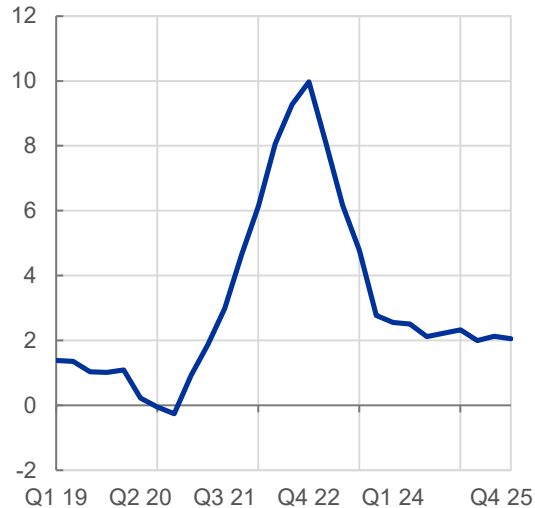
Source: ECB.

Notes: Short-term credit operations refer to three-month longer-term refinancing operations (LTROs) and main refinancing operations (MROs); long-term credit operations refer to LTROs with a maturity longer than three months, targeted longer-term refinancing operations (TLTROs) and other lending operations. Other assets and other liabilities cover all other, non-monetary policy components. APP stands for asset purchase programme and PEPP for pandemic emergency purchase programme. The latest observations are for 4 February 2026.

Inflation developments

HICP inflation

(annual percentage points)

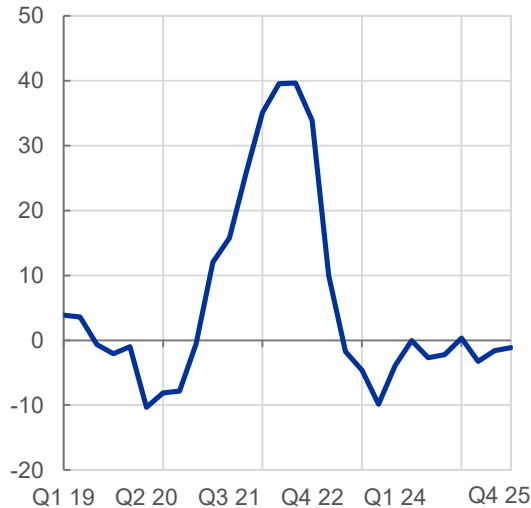


Sources: Eurostat, December 2025 Eurosystem staff macroeconomic projections and ECB calculations.

Note: The latest observations are for the fourth quarter of 2025.

Energy inflation

(annual percentage points)

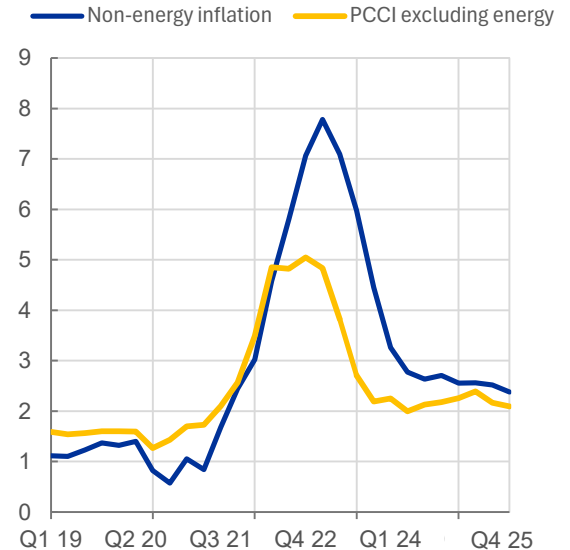


Sources: Eurostat, December 2025 Eurosystem staff macroeconomic projections and ECB calculations.

Note: The latest observations are for the fourth quarter of 2025.

Non-energy inflation

(annual percentage points)



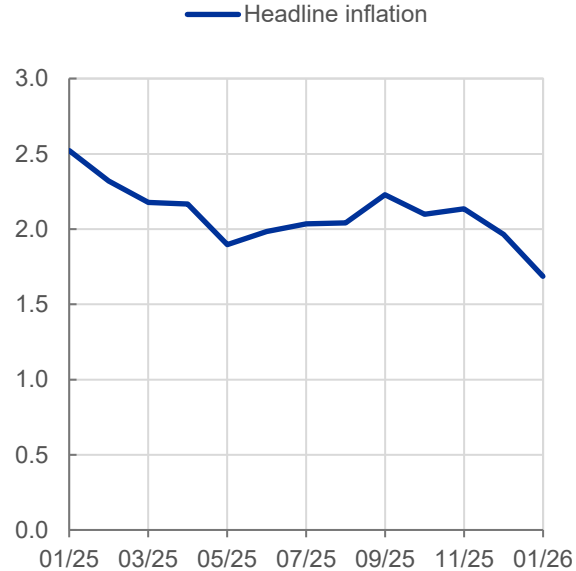
Sources: Eurostat, December 2025 Eurosystem staff macroeconomic projections and ECB calculations.

Notes: PCCI refers to the Persistent and Common Component of Inflation. PCCI excluding energy is computed taking the quarterly average of monthly series. The latest observations are for the fourth quarter of 2025.

Inflation developments

HICP inflation

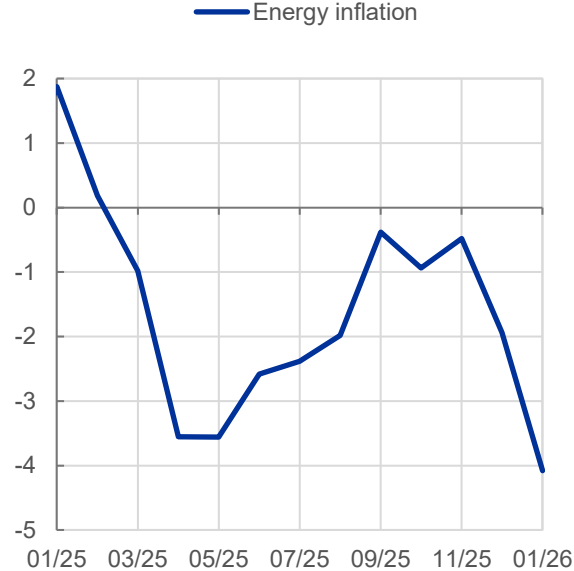
(annual percentage points)



Sources: Eurostat and ECB calculations.
Note: The latest observations are for January 2026 (flash estimate) (ECOICOP 2).

Energy inflation

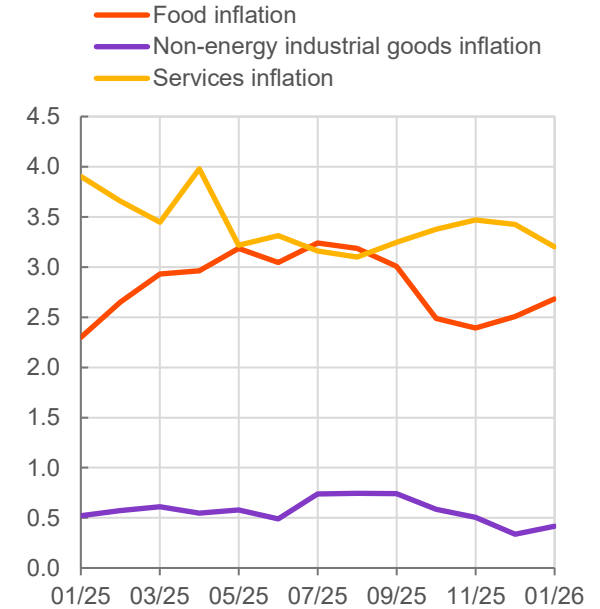
(annual percentage points)



Sources: Eurostat and ECB calculations.
Note: The latest observations are for January 2026 (flash estimate) (ECOICOP 2).

Food, NEIG and services inflation

(annual percentage points)



Sources: Eurostat and ECB calculations.
Note: The latest observations are for January 2026 (flash estimate) (ECOICOP 2).

Inflation developments and outlook

HICP inflation – annual averages

(annual percentage changes)

	December 2025 projections							
	2021	2022	2023	2024	2025	2026	2027	2028
HICP inflation	2.6	8.4	5.4	2.4	2.1	1.9	1.8	2.0
HICP energy inflation	13.0	37.0	-2.0	-2.2	-1.4	-1.0	0.0	2.2
HICP excluding energy inflation	1.5	5.1	6.3	2.9	2.5	2.2	2.0	2.0

Source: December 2025 Eurosystem staff macroeconomic projections for the euro area.

Notes: The latest observations are for 2024. The cut-off date of the December 2025 Eurosystem staff macroeconomic projections was 3 December 2025.

HICP inflation – Q4-on-Q4 profile

(Q4-on-Q4 percentage changes)

	December 2025 projections							
	Q4 2021	Q4 2022	Q4 2023	Q4 2024	Q4 2025	Q4 2026	Q4 2027	Q4 2028
HICP inflation	4.6	10.0	2.7	2.2	2.1	1.9	1.9	2.1
HICP energy inflation	25.7	33.9	-9.8	-2.2	-1.0	-0.3	0.2	3.1
HICP excluding energy inflation	2.4	7.0	4.4	2.7	2.4	2.1	2.1	2.0

Source: December 2025 Eurosystem staff macroeconomic projections for the euro area.

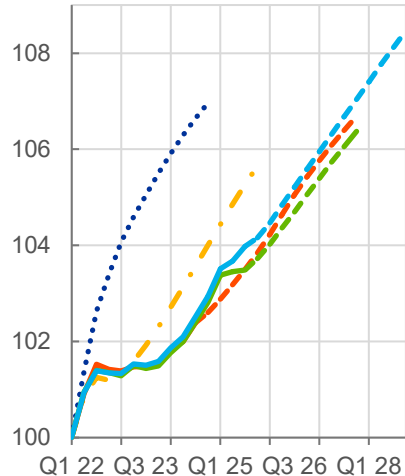
Notes: The latest observations are for the fourth quarter of 2024. The cut-off date of the December 2025 Eurosystem staff macroeconomic projections was 3 December 2025.

GDP and components across different projection rounds

Real GDP

(index: Q1 2022 = 100)

- December 2021 (pre-tightening)
- . - June 2023 (pre-loosening)
- December 2024
- September 2025
- December 2025

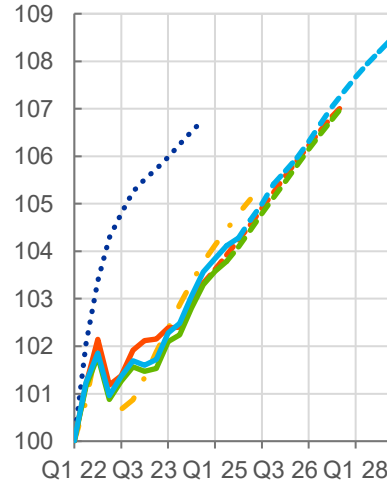


Sources: December 2021, June 2023, December 2024, September 2025 and December 2025
ECB/Eurosystem staff macroeconomic projections.

Real private consumption

(index: Q1 2022 = 100)

- December 2021 (pre-tightening)
- . - June 2023 (pre-loosening)
- December 2024
- September 2025
- December 2025

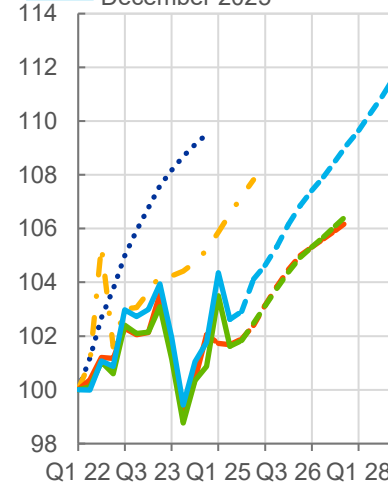


Sources: December 2021, June 2023, December 2024, September 2025 and December 2025
ECB/Eurosystem staff macroeconomic projections.

Real total investment

(index: Q1 2022 = 100)

- December 2021 (pre-tightening)
- . - June 2023 (pre-loosening)
- December 2024
- September 2025
- December 2025

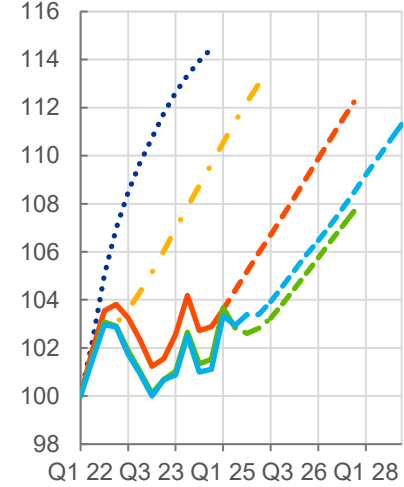


Sources: December 2021, June 2023, December 2024, September 2025 and December 2025
ECB/Eurosystem staff macroeconomic projections.

Real exports

(index: Q1 2022 = 100)

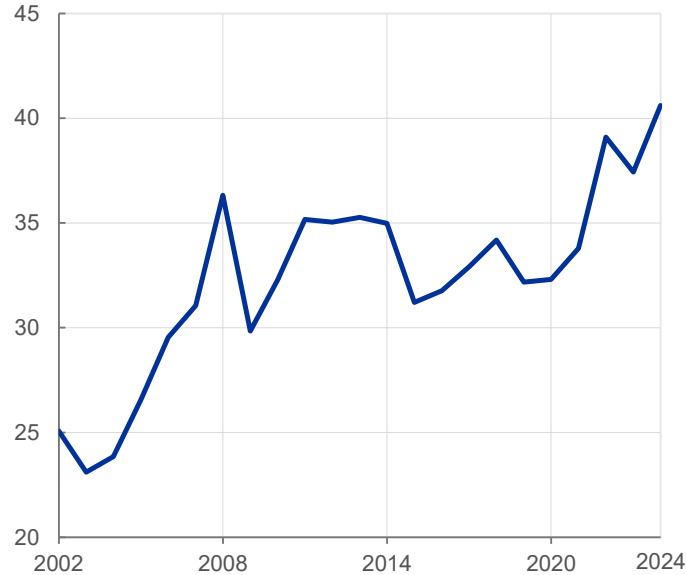
- December 2021 (pre-tightening)
- . - June 2023 (pre-loosening)
- December 2024
- September 2025
- December 2025



Sources: December 2021, June 2023, December 2024, September 2025 and December 2025
ECB/Eurosystem staff macroeconomic projections.

Euro area export similarity with China

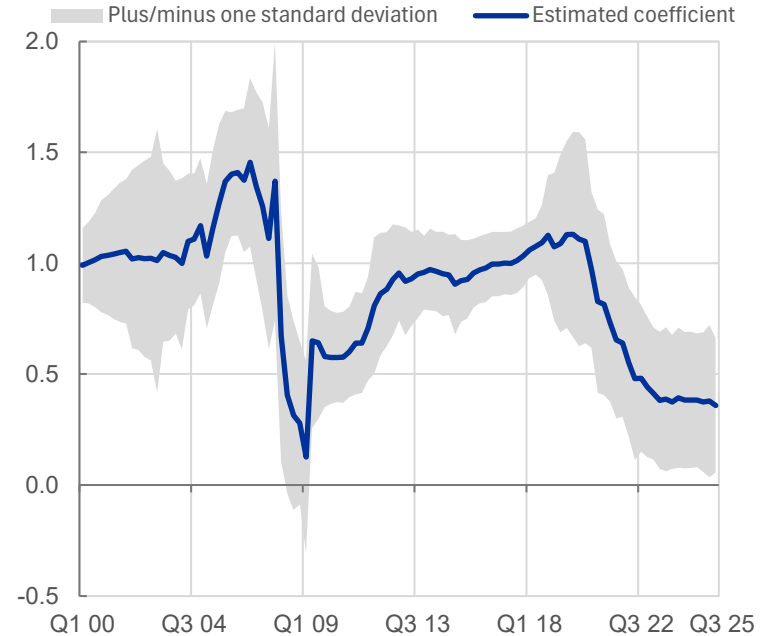
Share of sectors where both euro area and China display a high comparative advantage (index)



Sources: UN Trade and Development and ECB staff calculations.

Notes: The chart displays the percentage of sectors with a revealed comparative advantage (RCA) of greater than one in both the euro area and China as a share of the number of sectors in which the euro area has an RCA of greater than one. A total of 259 sectors are considered for each year. Euro area aggregate computed as a weighted average based on export value weights. The latest observations are for 2024.

China: long-run import elasticity to GDP (rolling estimate over 40 quarters)



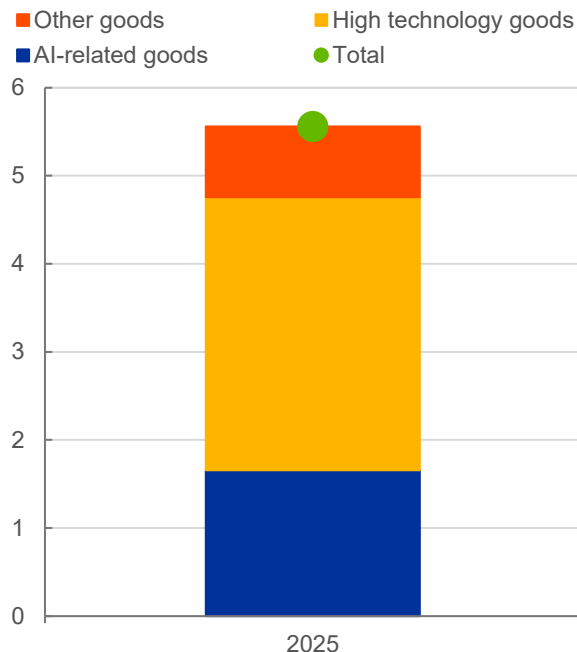
Sources: Al-Hashimi, A., Dvořáková, N., Le Roux, J. and Spital, T. (2025) based on Haver Analytics data and ECB staff calculations.

Notes: Estimates, based on a rolling window over 40 quarters, of the long-run coefficient of an error correction model containing an index of domestic demand. The point estimate reported at date t corresponds to an estimation over the period from $t-40$ to t . The latest observations are for Q3 2025.

Semiconductors and high-tech products

Decomposition of global trade growth

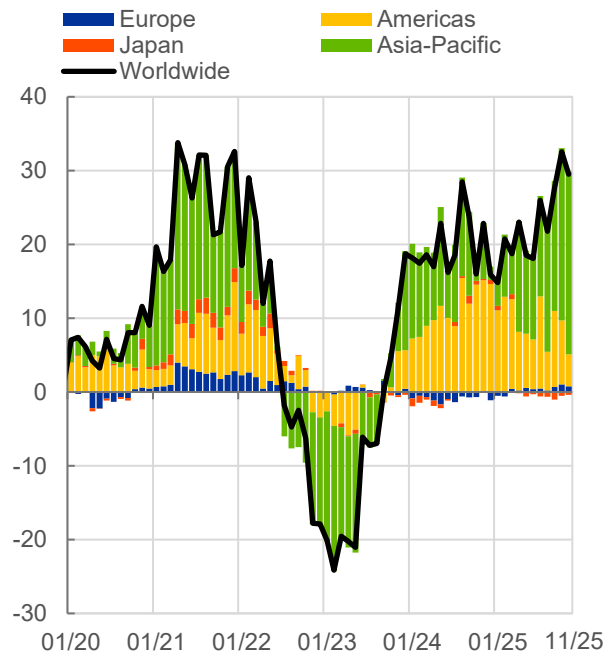
(annual growth rate, percentage points)



Sources: Trade Data Monitor and ECB staff calculations.
Notes: Based on imports for 2024 and 2025 data through January-October. High technology goods correspond to the classification by the European Commission.

Global semiconductor revenues by region

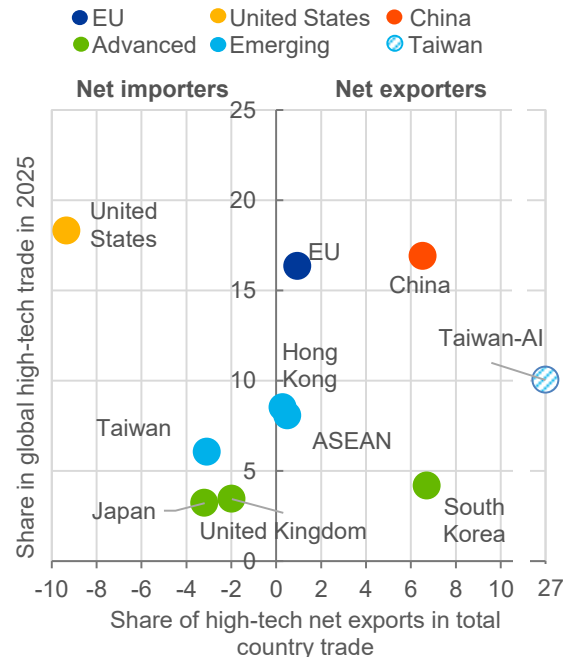
(annual percentage changes, percentage points)



Sources: World Semiconductor Trade Statistics (WSTS) and ECB staff calculations.
Notes: The Asia-Pacific region accounts for 55% of global revenues, followed by the Americas (32%), Europe (7%) and Japan (6%). All types of semiconductors are considered. The latest observations are for November 2025.

Global trade in high-tech goods

(percentage shares)

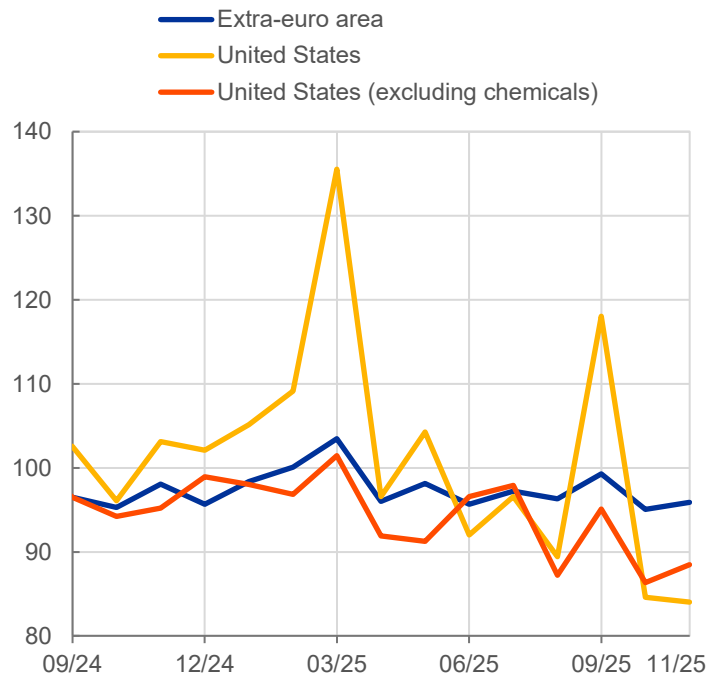


Sources: Trade Data Monitor and ECB staff calculations.
Notes: The axes refer to the net export share of high-tech products in the country total trade and country's share in global trade between January and October in 2024 and 2025. High-tech goods correspond to the classification by the European Commission. "Taiwan-Al" observation shows AI-related goods only. ASEAN stands for Association of Southeast Asian Nations.

Euro area exports

Euro area goods export volumes

(index: January 2024 = 100)

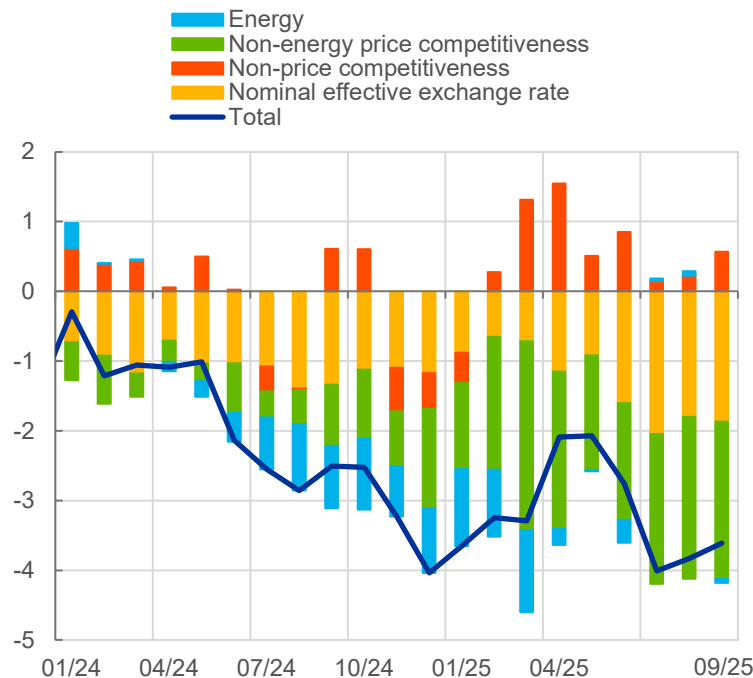


Sources: Eurostat and ECB staff calculations

Notes: As extra-euro area export volume data for November are not available, the latest data point is approximated by deflating November values with industrial export prices. The data are presented as an index constructed from monthly observations. The latest observations are for November 2025.

Drivers of euro area export market share

(percentage deviations from trend; percentage point contributions)



Sources: Eurostat, Haver and ECB staff calculations

Notes: Structural vector autoregression estimated at a monthly frequency over the period from January 2004 to September 2025. It includes the following variables: extra-euro area export market shares (de-trended), euro area nominal effective exchange rate (increase = appreciation), euro area relative export prices excluding energy, and the ratio of TTF and Henry Hub gas prices. The model includes supply bottlenecks (Global Supply Chain Pressure Index) as an exogenous variable.

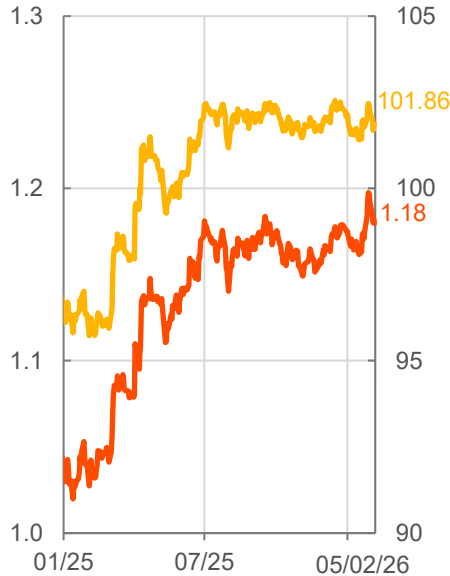
Exchange rates and commodity prices

USD/EUR and NEER

(left-hand scale: level; right-hand scale: index: 1999 = 100)

— USD/EUR — NEER 17 (rhs)

December projections: 1.17 (USD/EUR)
102.1 (NEER)



Source: ECB calculations.

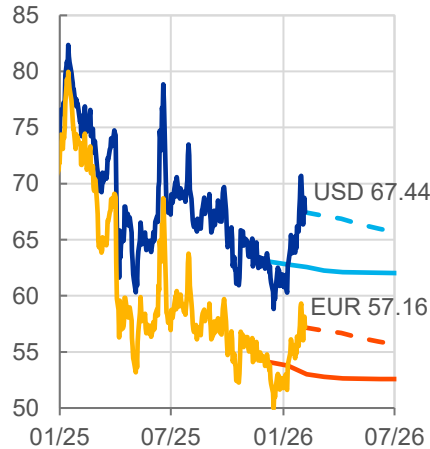
Notes: Nominal effective exchange rate denoted in euro for 17 trading partners (NEER 17). The latest observations are for 5 February 2026.

Brent crude oil

(USD/barrel and EUR/barrel)

— December projections (USD)
- - - Futures (latest, USD)
— December projections (EUR)
- - - Futures (latest, EUR)
— Spot (USD)
— Spot (EUR)

December projections: 51.37 (EUR)
60.37 (USD)



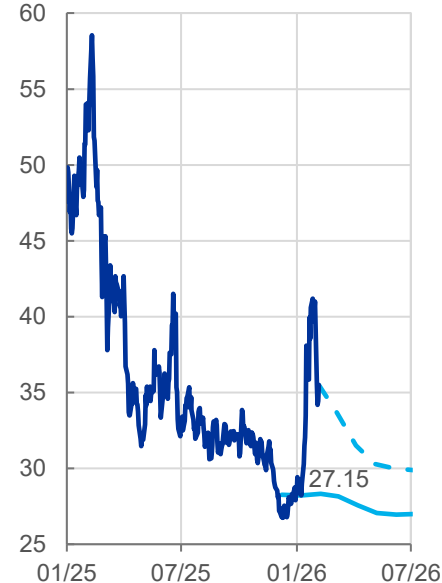
Sources: LSEG and ECB calculations.

Notes: Historical prices in euro are obtained from prices converted at historical exchange rates. Future prices are converted at the latest USD/EUR exchange rate. The latest observations are for 5 February 2026.

Gas

(EUR/MWh)

— December projections
- - - Futures (latest)
— Spot



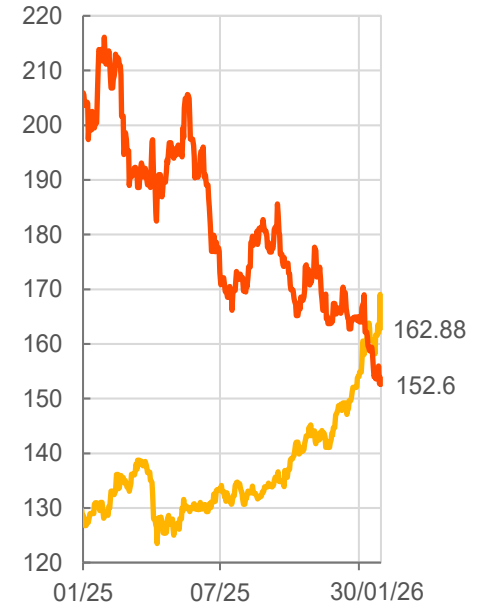
Sources: LSEG and ECB calculations.

Note: The latest observations are for 5 February 2026.

Non-energy commodities

(index: 2020 = 100)

— Metals — Food



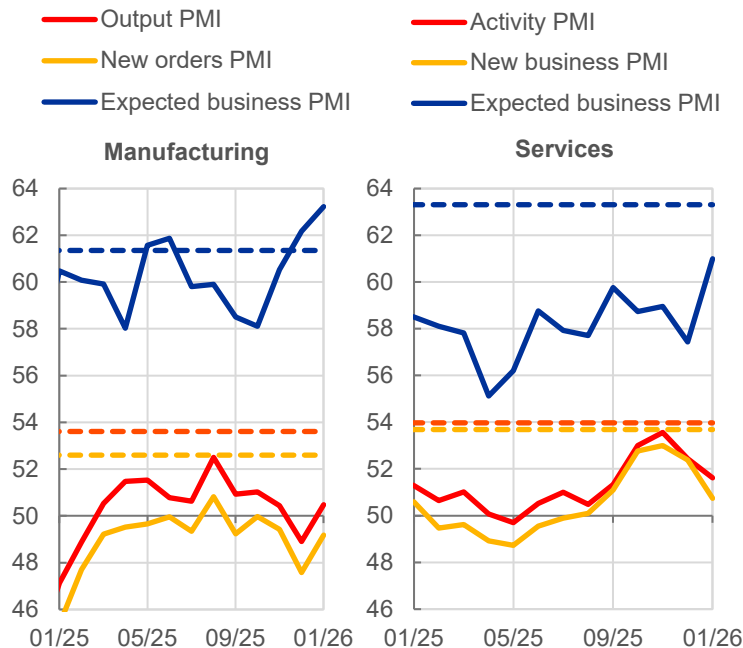
Sources: LSEG, HWWI and ECB calculations.

Note: The latest observations are for 30 January 2026 (weekly data).

PMIs, GDP and short-term estimates

Purchasing Managers' Index (PMI)

(diffusion indices)

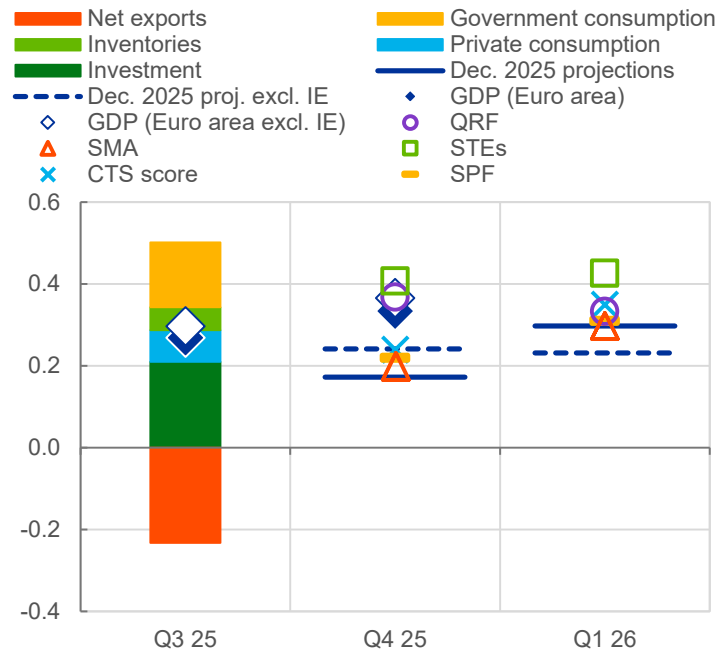


Source: S&P Global.

Notes: Dashed lines indicate averages for 2015-19. The latest observations are for January 2026.

Real GDP and short-term estimates

(quarter-on-quarter percentage changes)

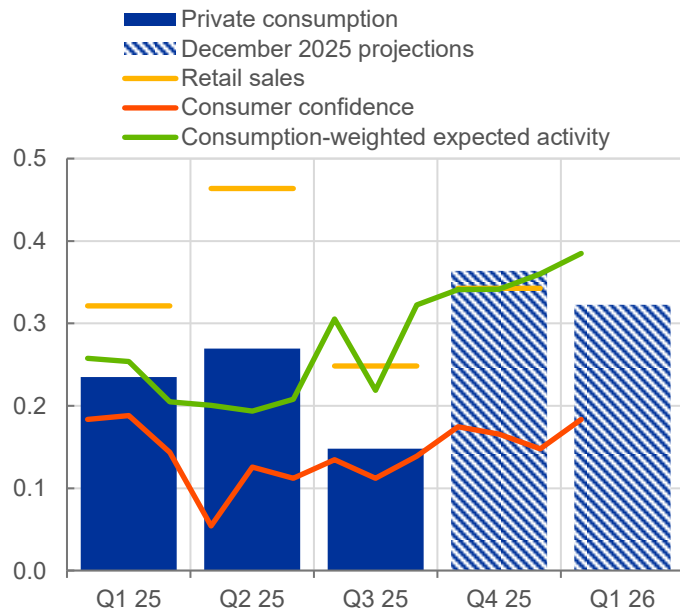


Sources: Eurostat, December 2025 Eurosystem staff macroeconomic projections, ECB and ECB staff calculations.

Notes: SMA refers to the Survey of Monetary Analysts, CTS to the Corporate Telephone Survey, QRF to quantile regression forest, STEs to short-term estimates and SPF to the Survey of Professional Forecasters, IE to Ireland. The latest observations are for the fourth quarter of 2025 for preliminary flash GDP, 16 January for SPF and CTS both under embargo until 6/2/2026, 22 January for SMA under embargo until 9/2/2026, and 30 January for STEs/QRF.

Private consumption and short-term indicators

(quarter-on-quarter percentage changes, percentage point contributions)



Sources: Eurostat, European Commission, December 2025 Eurosystem staff macroeconomic projections, ECB staff calculations.

Notes: Indicators measured by the fitted value of a bridge equation of private consumption on quarterly growth for hard data (level for soft data) for the period Q1 1999-Q3 2025 (excl. Q1 2020-Q4 2022); consumption weights are based on 2023 FIGARO I/O tables. The latest observations are for the third quarter of 2025 for private consumption, November 2025 for retail sales and January 2026 for expected activity and consumer confidence.

Consumer dashboard

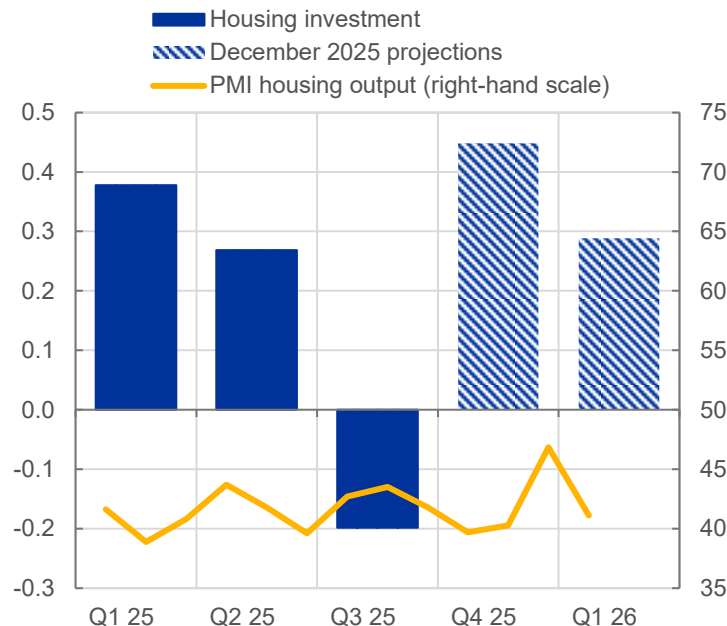
(low-high percentiles, unless otherwise indicated)

	2020	2021	2022	2023	2024	2025	2026	Latest percentile
Private consumption								31
Total employment								26
Disposable income								51
Saving rate (low-high)								90
Net wealth ratio								90
Debt service ratio (low-high)								1
Loans to households								43
Consumer confidence								55

Sources: Eurostat, European Commission, BIS, ECB staff calculations. Notes: Variables: consumption, employment, disposable income in quarter-on-quarter growth, two-quarter moving averages; saving rate, net wealth ratio and debt service ratio as a share of income; loans to households in year-on-year percentage growth, average of standardised European Commission and Consumer Expectation Survey consumer confidence. See Goldman Sachs (2026), "US Consumer Dashboard". The latest observations are for the second quarter of 2025 for debt; the third quarter of 2025 for consumption, employment, income, savings and wealth; November 2025 for loans; and January 2026 for confidence.

Housing investment and short-term indicators

(left-hand scale: quarter-on-quarter percentage change;
right-hand scale: diffusion index)



Sources: Eurostat, S&P Global, December 2025 Eurosystem staff macroeconomic projections and ECB calculations.

Notes: Composite building construction indicators combine building construction output and specialised construction activities (mainly completion works). The latest observations are for the third quarter of 2025 for housing investment and January 2026 for the PMI.

Housing investment dashboard

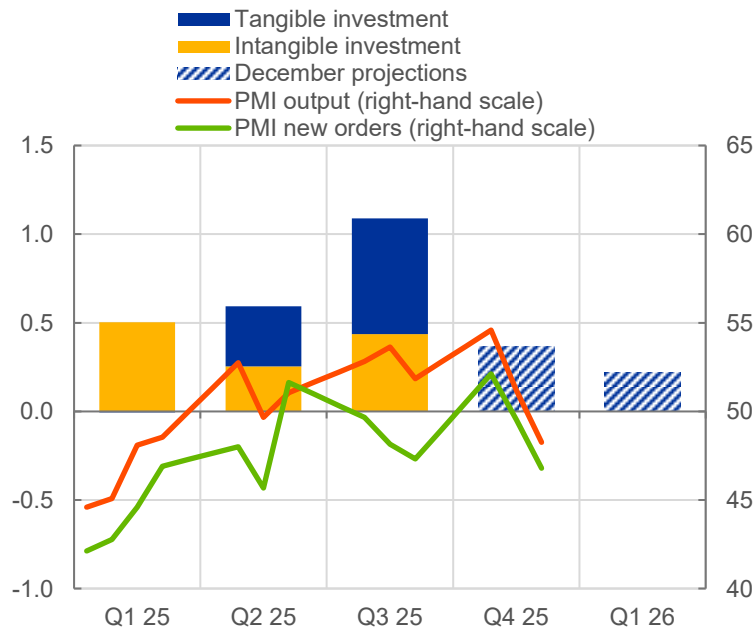
(low-high percentiles, unless otherwise indicated)

	2020	2021	2022	2023	2024	2025	2026	Latest percentile
Housing investment								42
Composite building output								61
Demand limiting production (low-high)								38
Building permits								80
Housing transactions								86
Housing as a good investment								77
Housing loan growth								53
Mortgage costs (low-high)								47

Sources: Eurostat, European Commission, Consumer Expectations Survey (CES), and monetary and financial institutions (MFIs). Notes: Housing investment, building output and building permits are two-quarter moving averages. Demand limiting production is the factor limiting production (FLP) from DG-ECFIN. Housing as a good investment (HGI) is the share of CES respondents. Housing loan growth is year-on-year MFI lending growth and mortgage costs are MFI costs for house purchases. The latest observations are for the third quarter of 2025 for housing investment and transactions, October 2025 for permits, November 2025 for building output, loan growth and mortgage costs, December 2025 for HGI and January 2026 for FLP.

Business investment and short-term indicators

(left-hand scale: quarter-on-quarter percentage point contributions; right-hand scale: diffusion indices)



Sources: Eurostat, S&P Global, December 2025 Eurosystem staff macroeconomic projections and ECB calculations.

Notes: Intangible investment excludes Irish intangible investment. Projections for business investment exclude Ireland. Indicators are for the capital goods sector. The latest observations are for the third quarter of 2025 for investment components and December 2025 for PMIs.

Business investment dashboard

(low-high percentiles, unless otherwise indicated)

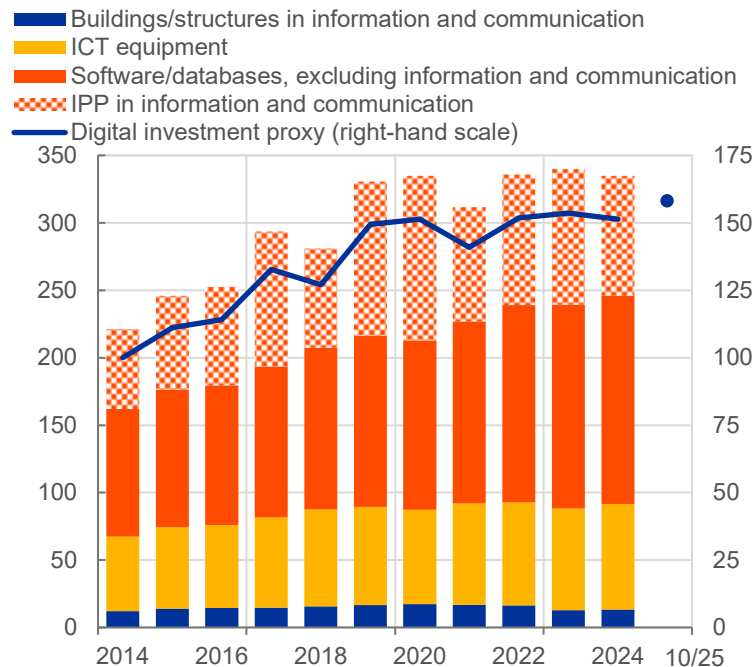
	2020	2021	2022	2023	2024	2025	Latest percentile
Business investment							41
Demand							34
NFC profits							35
Capacity utilisation							10
Confidence							30
Book value							87
Debt service ratio (low-high)							14

Sources: Eurostat, DG ECFIN, S&P Global, ECB (QSA).

Notes: Investment (excluding Irish industrial production), demand, non-financial corporations (NFC) profits as year-on-year percentage change; demeaned capacity utilisation; standardised weighted PMI capital goods output and PMI intangible activity; weighted debt service ratio, see Goldman Sachs (2026). The latest observations are for December 2025 for capacity utilisation and PMI, the second quarter of 2025 for the debt service ratio and the third quarter of 2025 for the remaining indicators.

Digital investment proxy for euro area, with asset breakdown

(left-hand scale: EUR billions; right-hand scale: 2014 = 100)

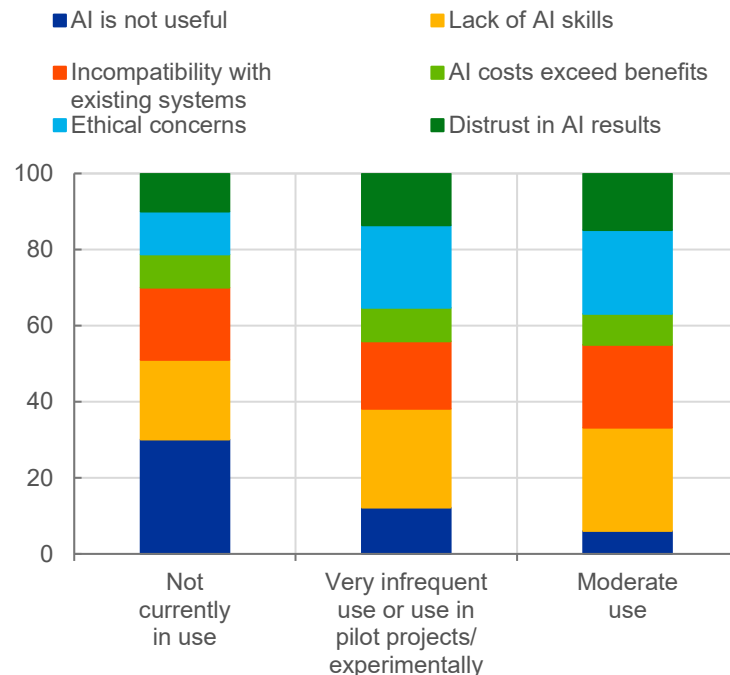


Sources: Eurostat and ECB staff calculations.

Notes: The digital investment proxy refers to investment in (i) non-residential buildings and structures in the information and communication (info/com) sector, (ii) ICT equipment in the business economy, (iii) computer software and databases (CSDBs) in the business economy (excluding the info/com sector) and (iv) CSDB and R&D in the info/com sector. Dot based on weighted production of computers and peripheral equipment; communication equipment; computer programming, consultancy and related activities; and information service activities. The latest observations are for 2024 for investment and October 2025 for production.

Reasons for limited use of AI

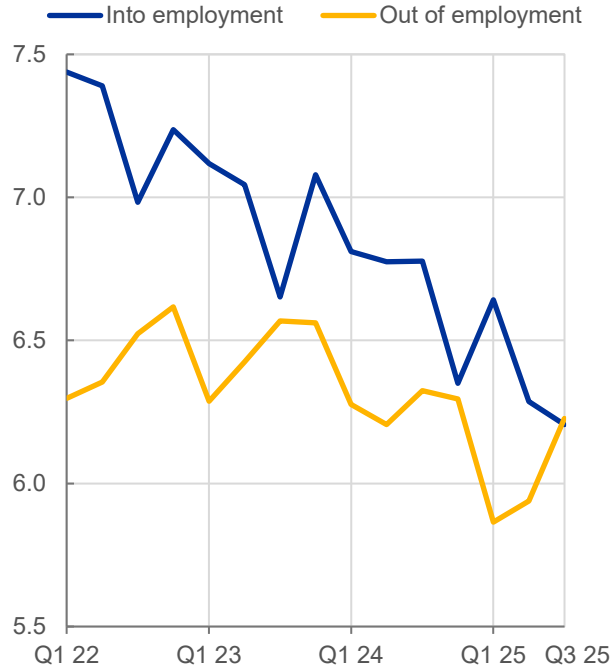
(percentages of respondents)



Source: Survey on the Access to Finance of Enterprises (SAFE).

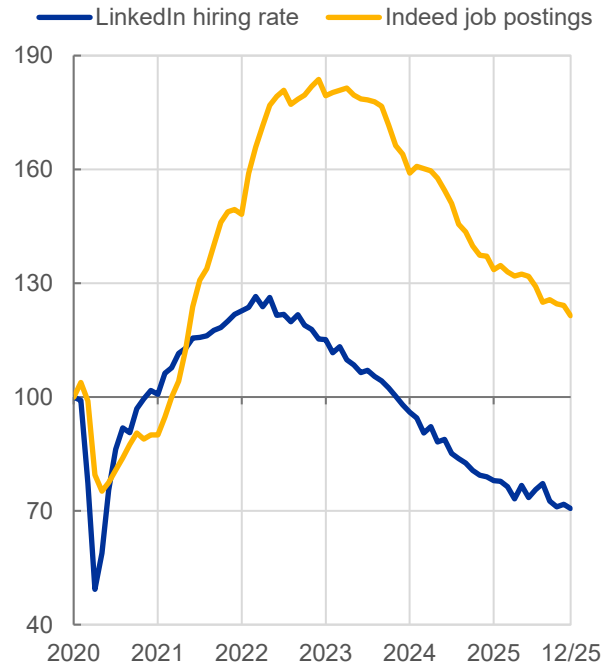
Note: The chart shows the main reasons for not using AI technologies and is based on the 37th survey round (October-December 2025).

Labour market flows (millions of workers)



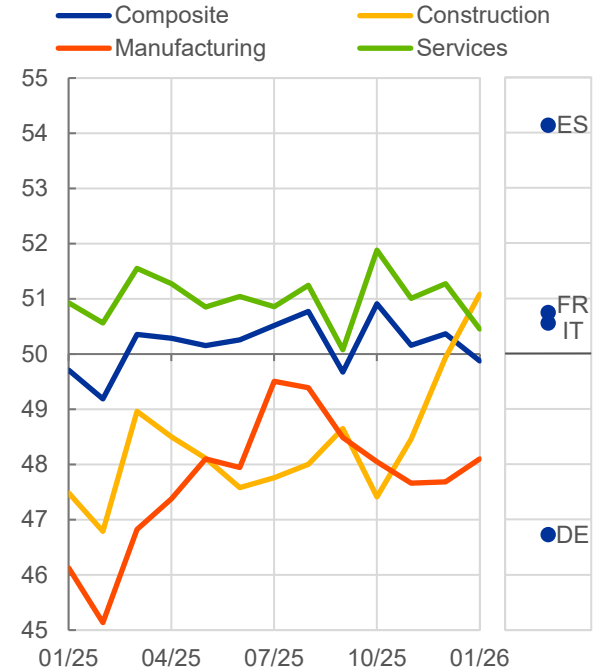
Sources: Eurostat and ECB staff calculations.
Note: The latest observations are for the third quarter of 2025.

LinkedIn hiring rate and Indeed job postings (index: January 2020 = 100)



Sources: LinkedIn, Indeed and ECB staff calculations.
Note: The latest observations are for December 2025.

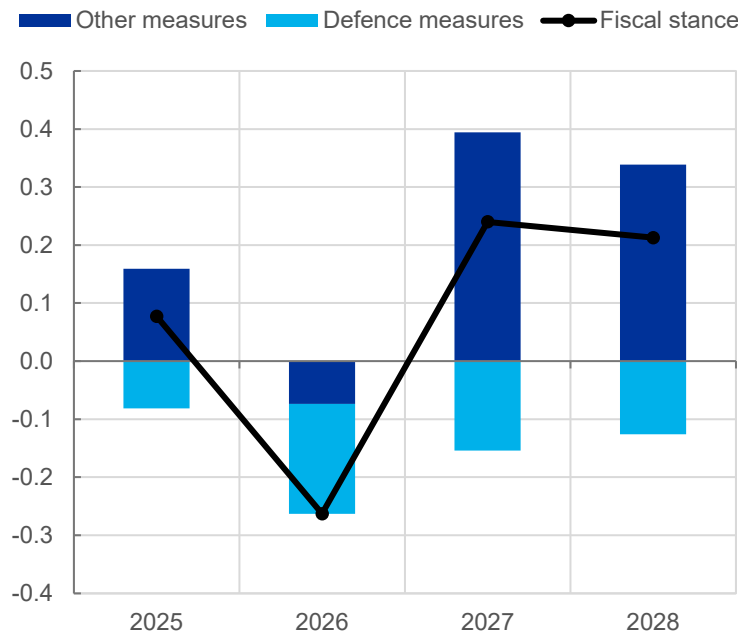
PMI employment (diffusion index)



Sources: S&P Global and ECB staff calculations.
Note: The latest observations are for January 2026.

Fiscal stance

(change in cyclically adjusted primary balance-to-GDP ratio in percentage points)

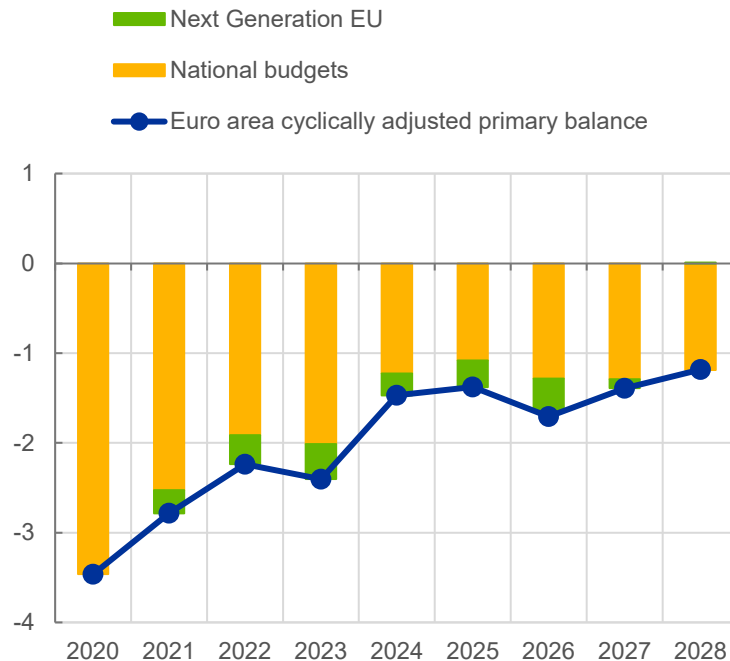


Source: December 2025 Eurosystem staff macroeconomic projections.

Notes: The fiscal stance is measured as the change in the cyclically adjusted primary balance net of government support to the financial sector. The figures shown are also adjusted for paid and expected grants under the Next Generation EU (NGEU) programme, which do not have an impact on the economy on the revenue side. A negative (positive) figure implies a loosening (tightening) of the fiscal stance. Defence measures show revisions in fiscal measures related to defence since the March 2025 ECB staff macroeconomic projections for the euro area (excluding support for Ukraine). Other measures include all other discretionary fiscal policy measures and non-discretionary factors.

Underlying fiscal position

(cyclically adjusted primary balance as a percentage of GDP)

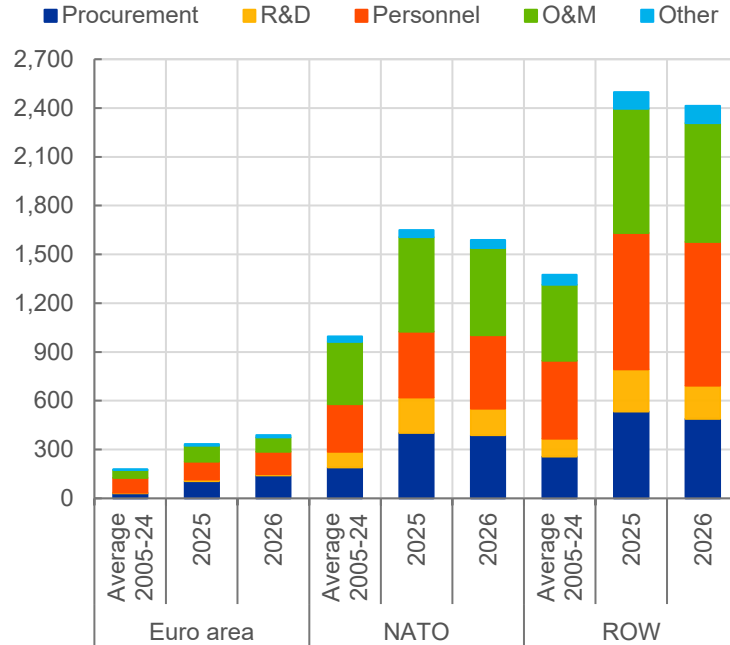


Source: December 2025 Eurosystem staff macroeconomic projections.

Notes: The underlying fiscal position is approximated by the cyclically adjusted primary balance adjusted for paid and expected grants under the NGEU programme, which do not have an impact on the economy on the revenue side.

Composition of defence spending

Defence spending by functional category (USD billions)

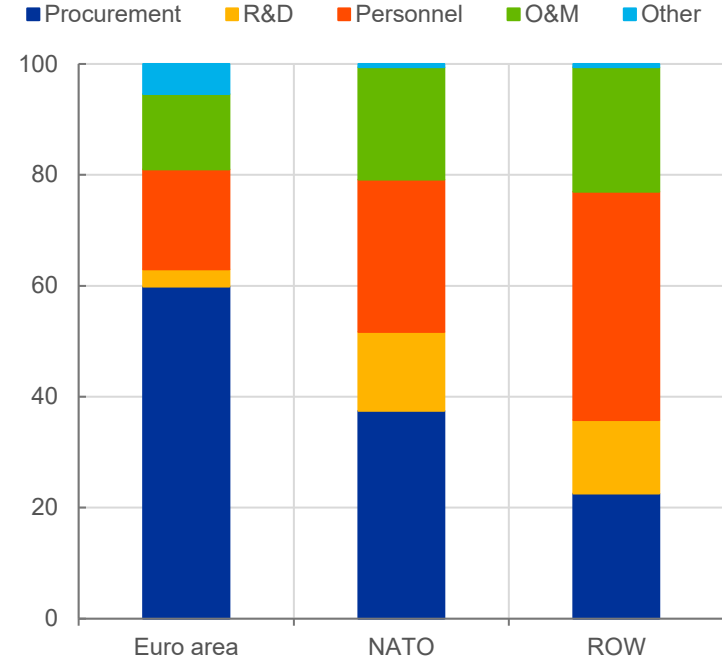


Sources: Janes database and ECB staff calculations.

Notes: R&D stands for research, development, testing and evaluation. O&M stands for operations and maintenance. ROW stands for rest of the world. The euro area aggregates exclude Malta and Cyprus. The ROW aggregate excludes the euro area only.

Breakdown of the increase in defence spending by functional category

(increase from 2023-24 average to 2025-26 average in per cent)



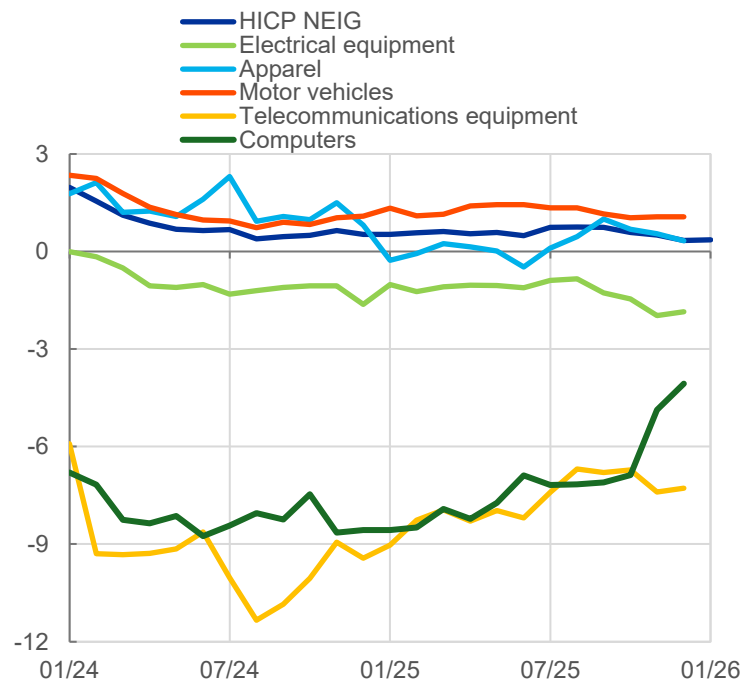
Sources: Janes database and ECB staff calculations.

Notes: R&D stands for research, development, testing and evaluation. O&M stands for operations and maintenance. ROW stands for rest of the world. The euro area aggregates exclude Malta and Cyprus. The ROW aggregate excludes the euro area only. 2025 and 2026 are based on Janes forecasts for defence spending.

Core inflation components

NEIG inflation of selected items

(annual percentage changes)

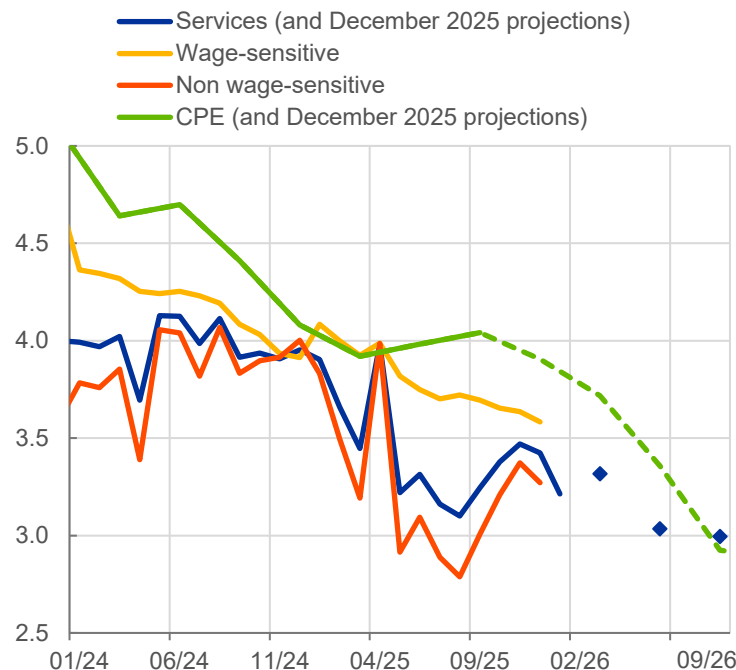


Sources: Eurostat and ECB calculations.

Notes: NEIG stands for non-energy industrial goods. Apparel comprises clothing materials, garments and other articles of clothing. Motor vehicles include motor cars, motorcycles and bicycles, and major durables for indoor and outdoor recreation. Electrical equipment corresponds to major household appliances and tools and equipment for the house and garden. Telecommunications equipment corresponds to telephone and telefax equipment. Computers includes personal computers. The latest observations are for January 2026 (flash estimate) for HICP NEIG (ECOICOP 2) and December 2025 for the remaining measures (ECOICOP 1).

Services inflation and forward-looking price indicators

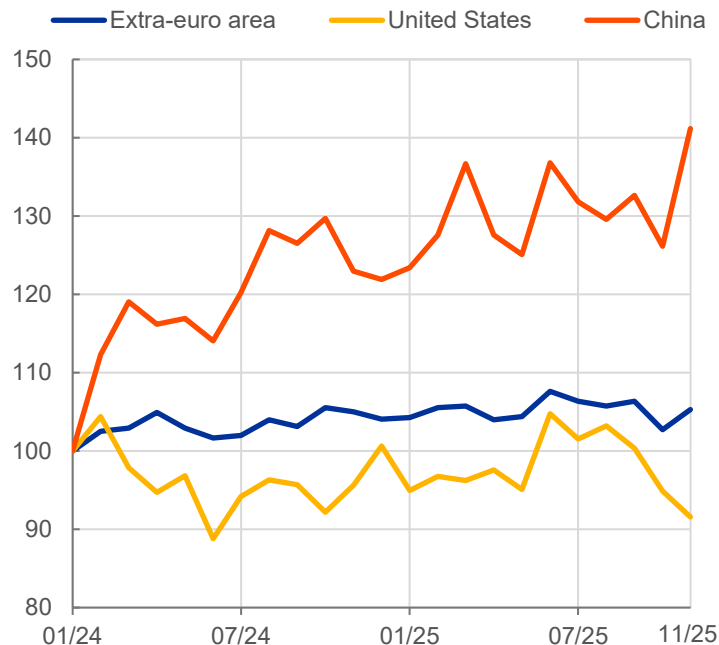
(annual percentage changes, percentage points)



Sources: Eurostat, ECB calculations and December 2025 Eurosystem staff macroeconomic projections.

Note: The latest observations are for the third quarter of 2025 for compensation per employee, January 2026 (flash estimate) for HICP services (ECOICOP 2) and December 2025 for the remaining measures (ECOICOP 1).

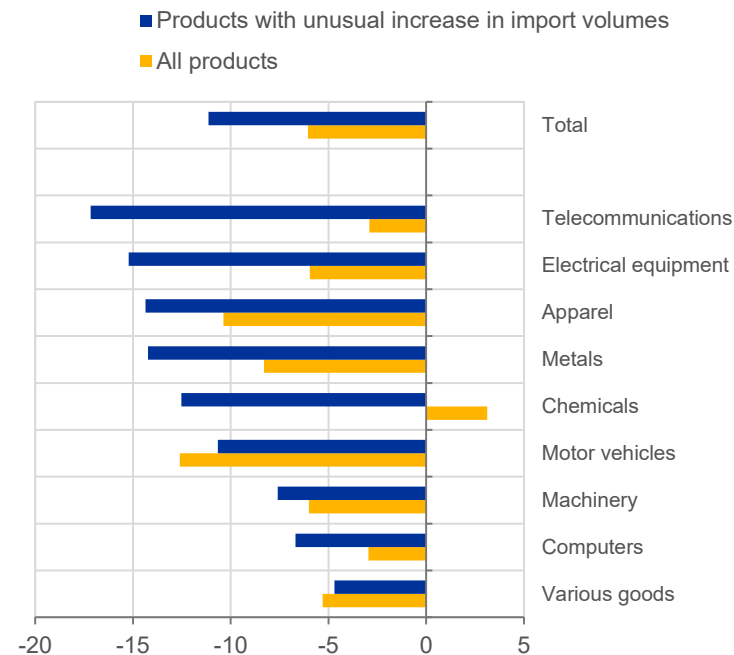
Import volumes (index: January 2024 = 100)



Sources: Haver and ECB staff calculations.

Notes: The latest data point is approximated by deflating November values with industrial export prices as extra-euro area import volumes data for November are not available. The latest observations are for November 2025.

Average growth in import prices from China in the third quarter of 2025 (year-on-year percentage change)

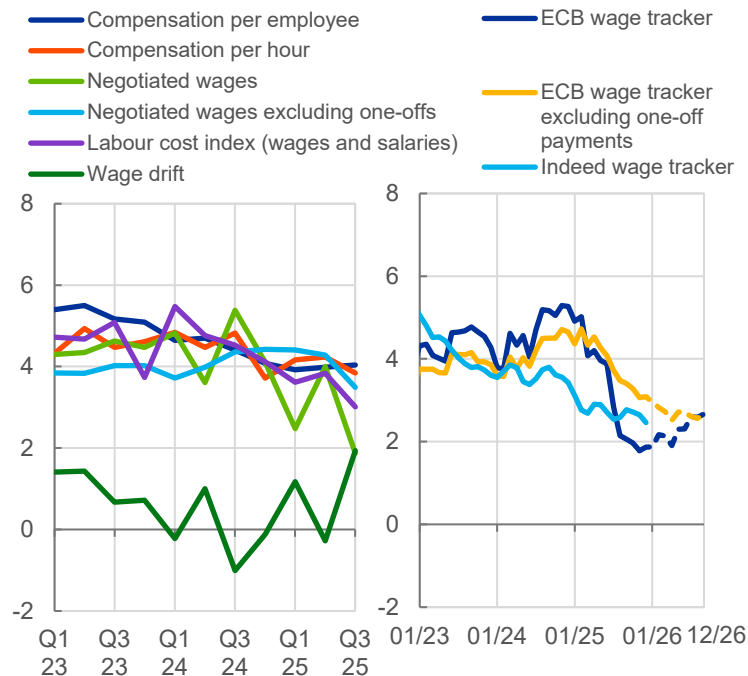


Sources: Trade Data Monitor and ECB staff calculations.

Notes: The bars represent the the weighted average year-on-year growth in import prices (unit values) in the third quarter of 2025 for the products within each sector. Blue bars only take into account products that experienced an increase of at least 10% in euro area import volumes from China, year on year, in the third quarter of 2025. Only sectors with a share above 5% of total import values from China are shown.

Wage growth measures

(annual percentage changes and percentage points)

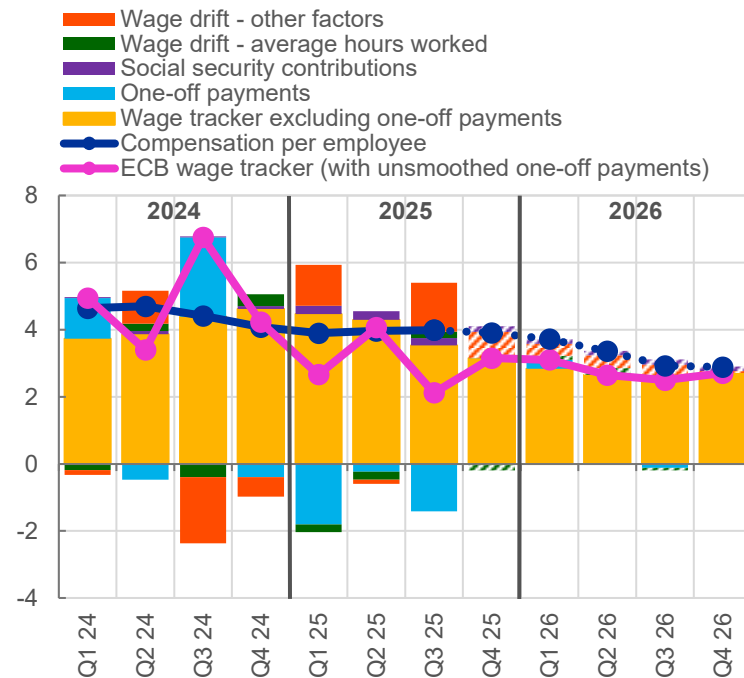


Sources: Eurostat, ECB wage tracker, Indeed and ECB calculations.

Notes: ECB wage tracker calculated based on data on collective bargaining agreements signed until mid-January 2026. The latest observations are for December 2025 for Indeed, December 2026 for the ECB wage tracker and third quarter of 2025 for the remaining measures. The ECB wage tracker dataset will be published on the ECB Data Portal at 10:00 on 11 February.

Wage tracker with unsmoothed one-off payments and the implied wage drift

(percentages; percentage point contributions)

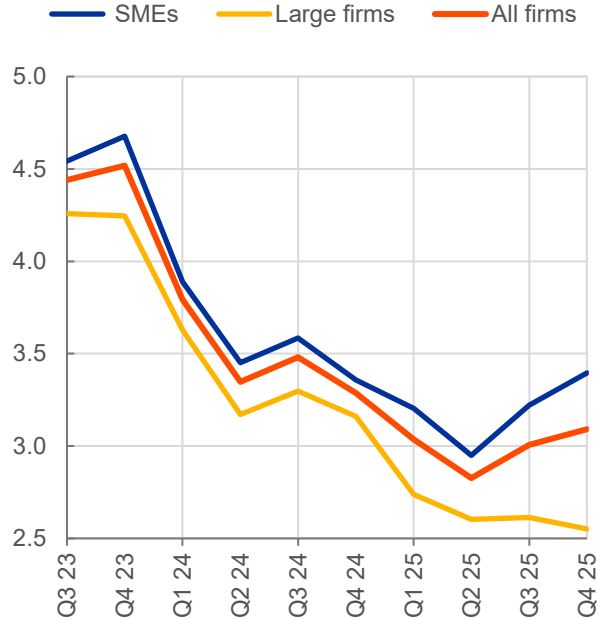


Sources: ECB wage tracker, Eurostat, December 2025 Eurosystem staff macroeconomic projections, ECB calculations.

Notes: ECB wage tracker calculated based on data on collective bargaining agreements signed until mid-January 2026. One-off payments are the difference between the wage tracker with unsmoothed one-off payments and that excluding one-off payments. The wage drift is the difference between the yearly growth in wages and salaries per employee (estimated in the fourth quarter of 2025 and in 2026) and the wage tracker with unsmoothed one-off payments.

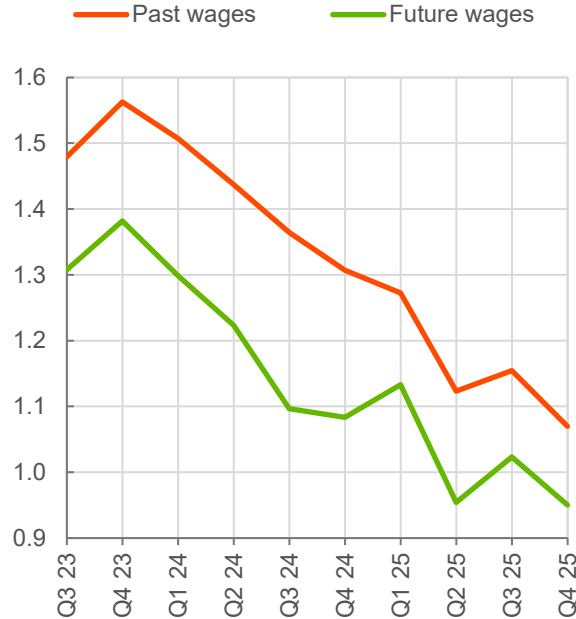
Wage expectations

SAFE wage growth expectations (annual percentage changes)



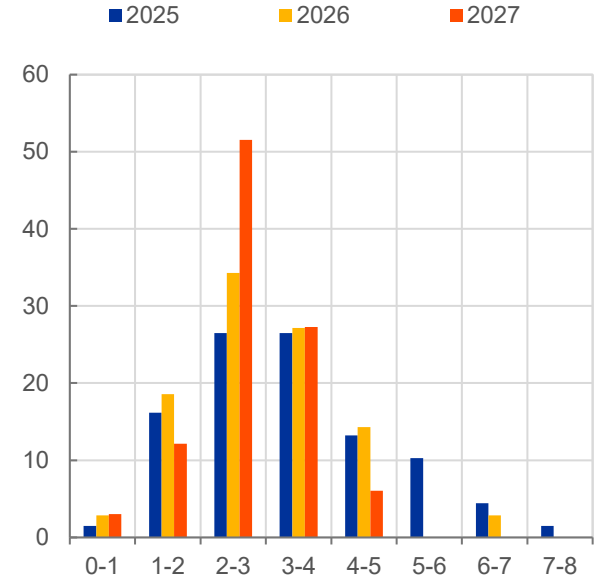
Source: Survey on the Access to Finance of Enterprises (SAFE).
Notes: The SAFE asks about firms' expectations for the growth in the wage of their employees over the next 12 months. The chart denotes annual percentage changes for SMEs, large firms and the aggregate of all firms (including both SMEs and large firms). The latest observations are for the fourth quarter of 2025.

CTS wage growth expectations (Likert scale from -2 to +2)



Source: ECB Corporate Telephone Survey (CTS).
Notes: Likert scale ranging from -2 to +2, where 1 represents the steady state (approximately 3%, i.e. 2.5-3.5%). The latest observations are for January 2026.

CTS – distribution of wage growth expectations (percentages)



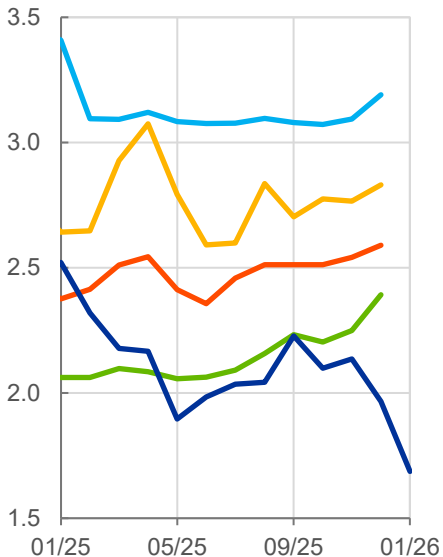
Source: ECB Corporate Telephone Survey (CTS).
Notes: The bars represent the past wage growth and future wage growth expectations of respondents in the January 2026 CTS. The latest observations are for January 2026.

Measures of inflation expectations

CES: consumer inflation expectations

(annual percentage changes)

- Perception of past inflation
- Inflation expectations one year ahead
- Inflation expectations three years ahead
- Inflation expectations five years ahead
- Headline HICP



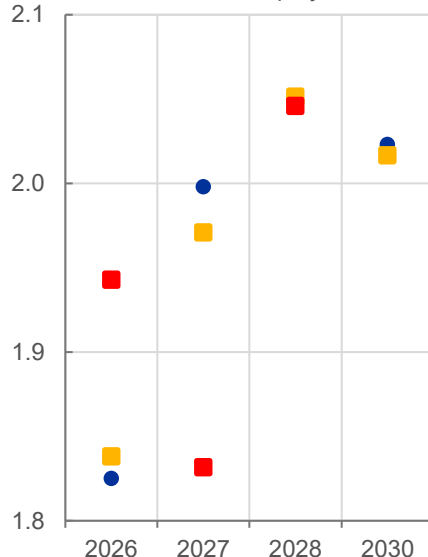
Sources: ECB Consumer Expectations Survey (CES) and ECB calculations.

Notes: Median perceptions/expectations for the CES using survey weights. The latest observations are for January 2026 (flash estimate) for headline HICP inflation (ECOICOP 2) and December 2025 for the remaining measures.

SPF: inflation expectations

(annual percentage changes)

- SPF fourth quarter of 2025
- SPF first quarter of 2026
- December 2025 projections



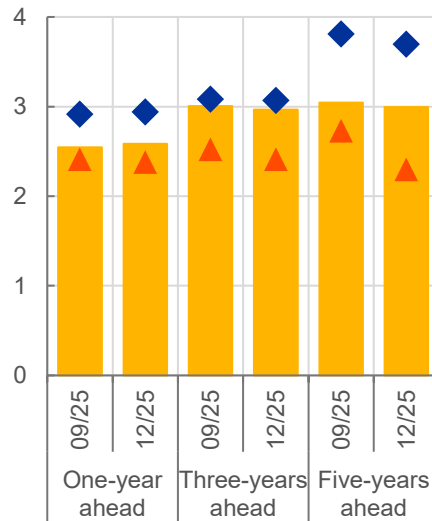
Sources: Survey of Professional Forecasters (SPF), September 2025 ECB staff macroeconomic projections and ECB calculations.

Notes: Long-term expectations refer to 2030, five years ahead. The latest observations are for the first quarter of 2026.

SAFE: median inflation expectations of firms

(annual percentage changes)

- All firms
- SMEs
- Large firms



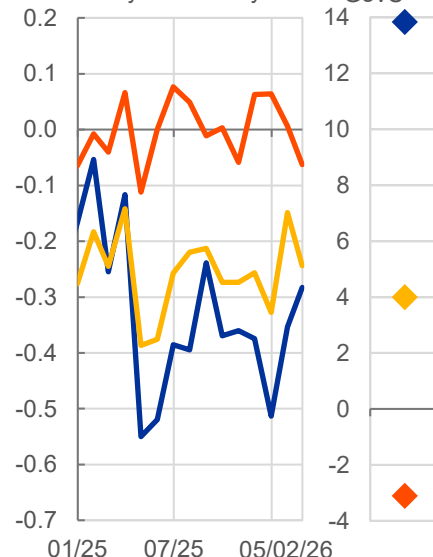
Source: Survey on the Access to Finance of Enterprises (SAFE).

Notes: Survey-weighted median of euro area firms' expectations for euro area inflation in one, three and five years. The statistics are computed after trimming the data at the country-specific 1st and 99th percentiles. The latest observations are for the fourth quarter of 2025.

BoR to euro area inflation

(left panel: 1 = 100 percentage points; right panel: percentage points)

- Two-year
- Five-year
- Five-year-in-five-year
- Change since December GovC

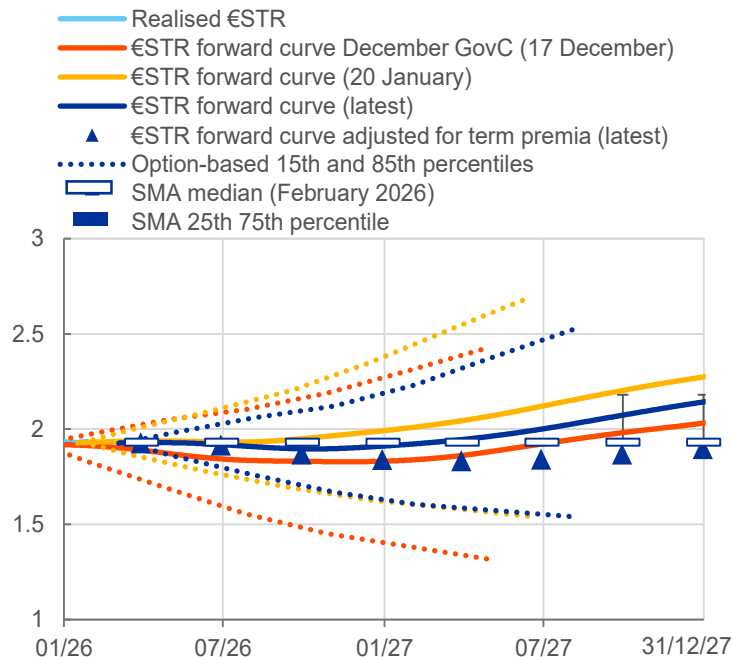


Sources: LSEG, Bloomberg and ECB calculations.

Notes: The balance of risks (BoR) is defined as the difference between the options-implied risk-neutral probability of average inflation being above versus below 2% over the lifetime of the option contract (see García et al., 2024). The latest observations are for 5 February 2026.

€STR forward curve and survey expectations of the deposit facility rate

(percentages per annum)

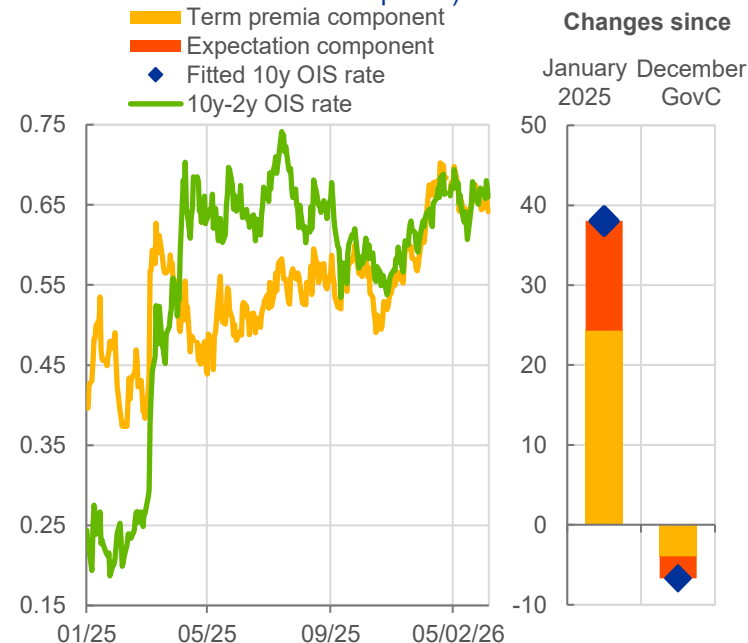


Sources: LSEG, Bloomberg and ECB calculations.

Notes: The SMA median path of the deposit facility rate is adjusted for the spread to the €STR. The percentiles of risk-neutral densities are derived from 3-month Euribor options. The premia-adjusted estimates are based on three term structure models (two variations of Joslin, Singleton and Zhu (2011), with and without survey information, and one following Geiger and Schupp (2018)). The latest observations are for 5 February 2026.

Euro area OIS slope and ten-year decomposition into expectations and term premia

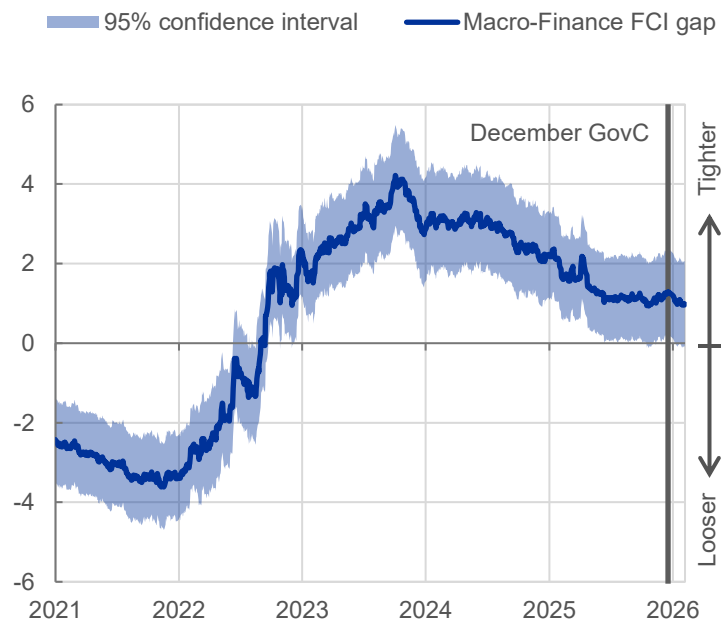
(left panel: percentages per annum, percentage points; right panel: basis points)



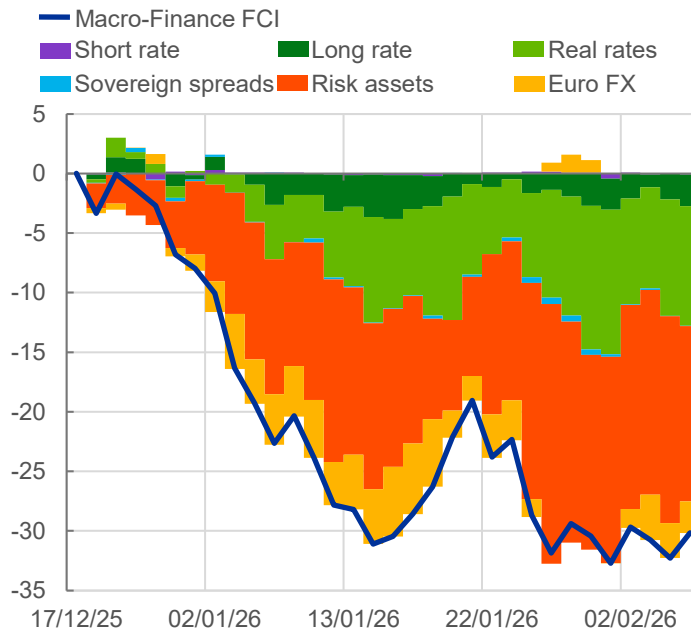
Sources: LSEG, Bloomberg and ECB calculations.

Notes: The decomposition of the OIS rate into expected rates and term premia is based on three variations of Joslin, Singleton and Zhu (2011): an affine term structure model without survey information on interest rate expectations, and an affine and a lower bound term structure model, both incorporating survey information on interest rate expectations. "December GovC" refers to the day before the December governing council meeting (17 December 2025). The latest observations are for 5 February 2026.

Macro-Finance Financial Conditions Index (per cent)



Decomposition of the Macro-Finance Financial Conditions Index (cumulative changes in basis points since 17 December 2025)



Sources: Bletzinger et al. (2026, forthcoming).

Notes: The Macro-Finance FCI is shown as a gap from the long-run mean (value to which the FCI converges once euro area inflation is at target and the output gap is closed). The band indicates the confidence interval based on parameter estimation uncertainty. The vertical line refers to the day before the December Governing Council (17 December 2025). The latest observations are for 5 February 2026.

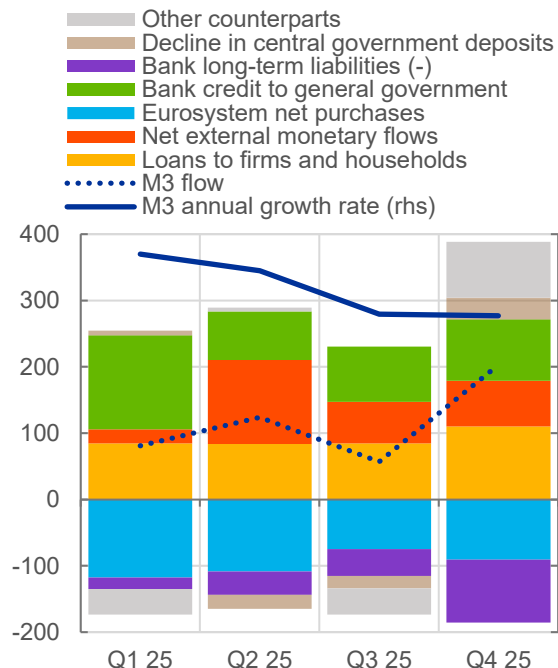
Sources: Bletzinger et al. (2026, forthcoming).

Notes: "Short rate" refers to the €STR, "Long rate" to the 10-year nominal OIS rate, "Real rates" to the 1-year real OIS rate in one year and the 5-year spot real OIS rate, "Sovereign spreads" to the 2 and 10-year euro area GDP-weighted sovereign bond yields over OIS rates, "Risk assets" to euro area investment-grade corporate bond spreads and the CAPE ratio, and "Euro FX" to the euro NEER. The latest observations are for 5 February 2026.

Money creation and debt financing

Sources of money creation

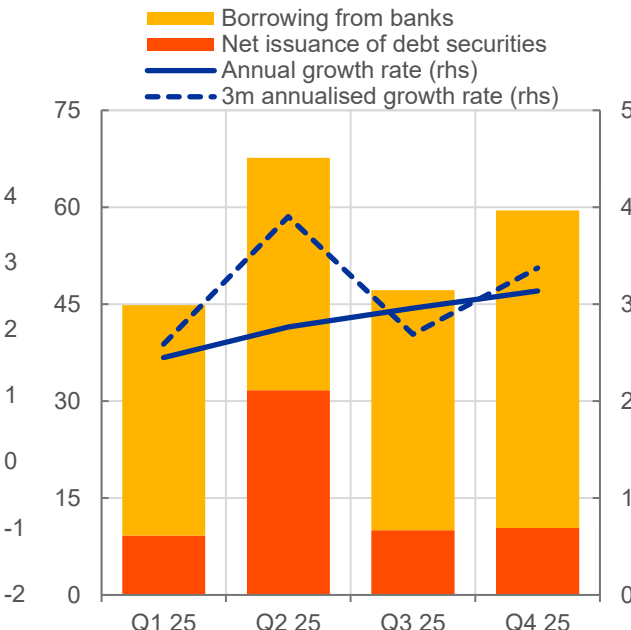
(left-hand scale: quarterly flows in EUR billions;
right-hand scale: percentage changes)



Sources: ECB (balance sheet items (BSI)) and ECB calculations.
Note: Growth rates refer to the last month of a quarter. The latest observations are for December 2025.

Net debt financing flows of euro area firms

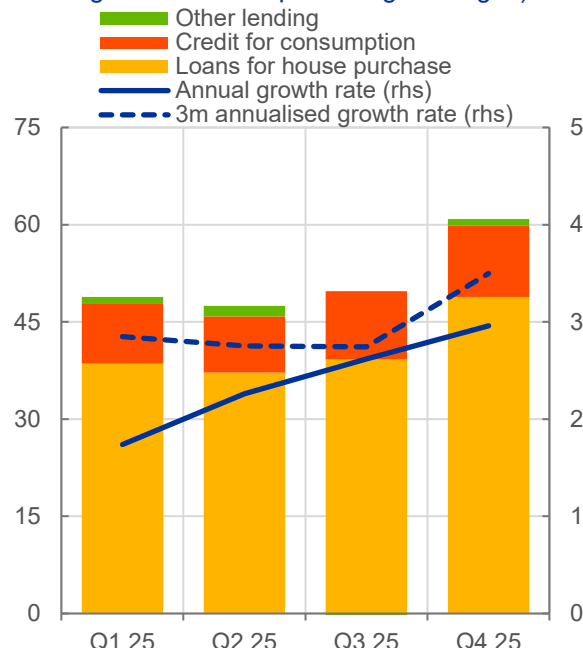
(left-hand scale: quarterly flows in EUR billions;
right-hand scale: percentage changes)



Sources: ECB (balance sheet items (BSI), securities issues statistics (CSEC) and ECB calculations. Notes: The seasonally adjusted series for "Net issuance of debt securities" is not part of the official CSEC release, whereas the seasonally adjusted series for "Borrowing from banks" is part of the official BSI release. In addition, "Borrowing from banks" is also adjusted for sales, securitisation and cash pooling. Growth rates refer to the last month of a quarter. The latest observations are for December 2025.

Bank loans to households by purpose

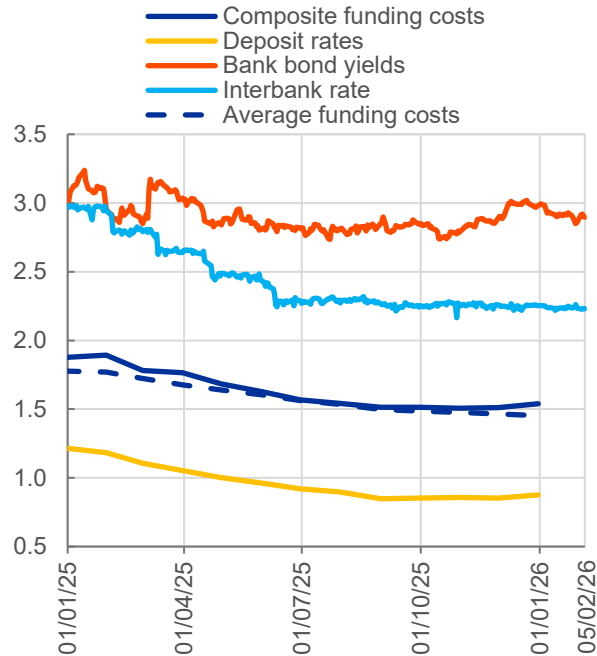
(left-hand scale: quarterly flows in EUR billions;
right-hand scale: percentage changes)



Sources: ECB (balance sheet items (BSI)) and ECB calculations.
Notes: Bank loans are seasonally adjusted and adjusted for sales and securitisation. Growth rates refer to the last month of a quarter. The latest observations are for December 2025.

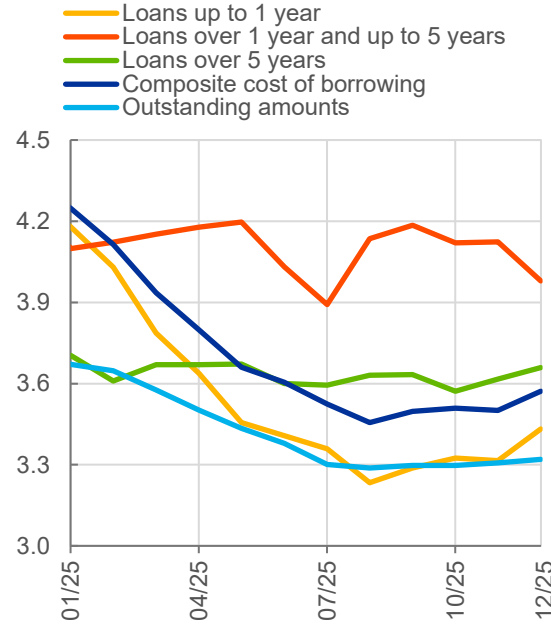
Bank funding costs and lending rates for firms and households

Bank funding costs (percentages per annum)



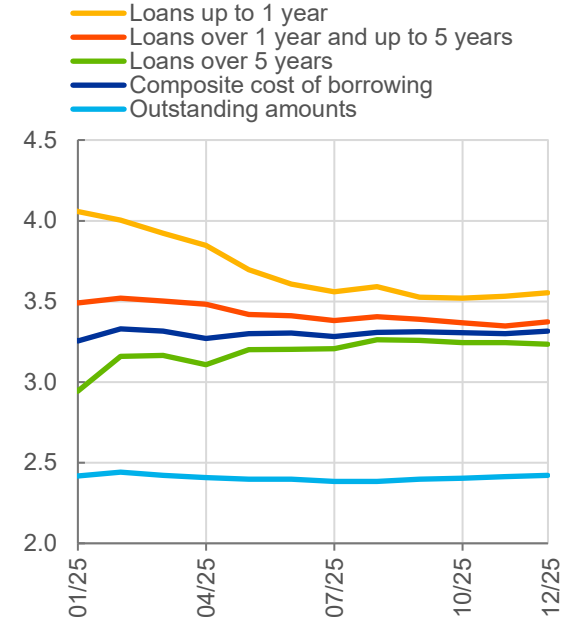
Sources: ECB balance sheet items (BSI), MFI Interest Rates (MIR) Centralised Securities Database (CSDB), Money Market Statistical Reporting (MMSR)), IHS Markit iBoxx and ECB calculations. Notes: Marginal funding costs are computed by weighing rates on new business costs of each component (overnight deposits, deposits redeemable at notice, time deposits, bonds and interbank borrowing) by outstanding amounts. The latest observations are for December 2025 for monthly data and 5 February 2026 for daily data.

Bank lending rates to firms (percentages per annum)



Source: ECB (MFI Interest Rates (MIR)). Notes: The indicator for the composite cost of borrowing is calculated by aggregating short-term and long-term rates using a 24-month moving average of new business volumes. The latest observations are for December 2025.

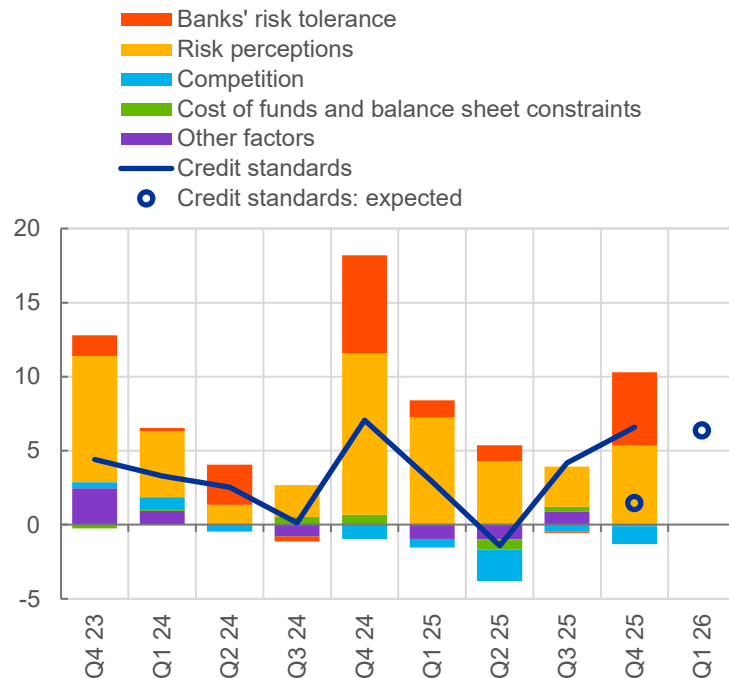
Bank lending rates to households (percentages per annum)



Source: ECB (MFI Interest Rates (MIR)). Notes: The indicator for the composite cost of borrowing is calculated by aggregating short-term and long-term rates using a 24-month moving average of new business volumes. The latest observations are for December 2025.

Changes in credit standards for loans to firms

(net percentages of banks reporting a tightening)

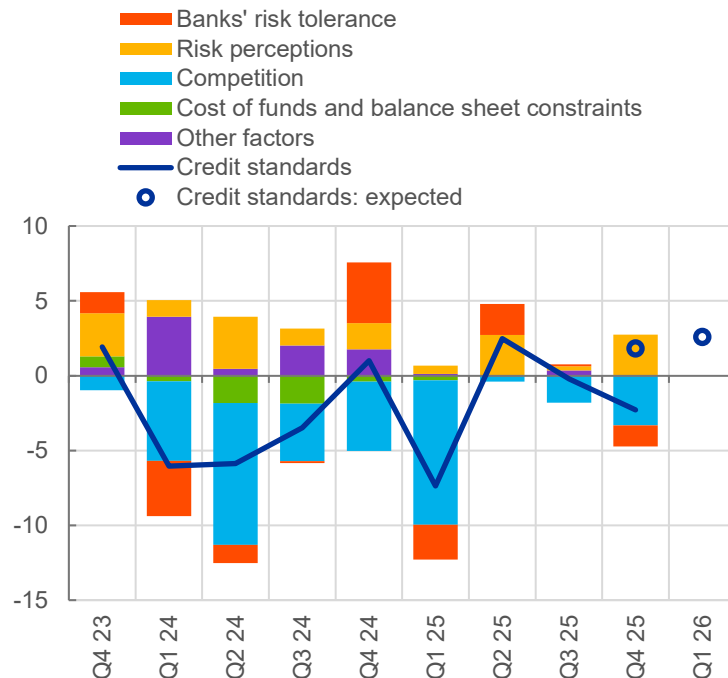


Source: ECB Bank Lending Survey (BLS).

Notes: "Other factors" refers to further factors which were mentioned by banks as having contributed to changes in credit standards. The latest observations are for the fourth quarter of 2025 (past) and the first quarter of 2026 (expected).

Changes in credit standards for housing loans

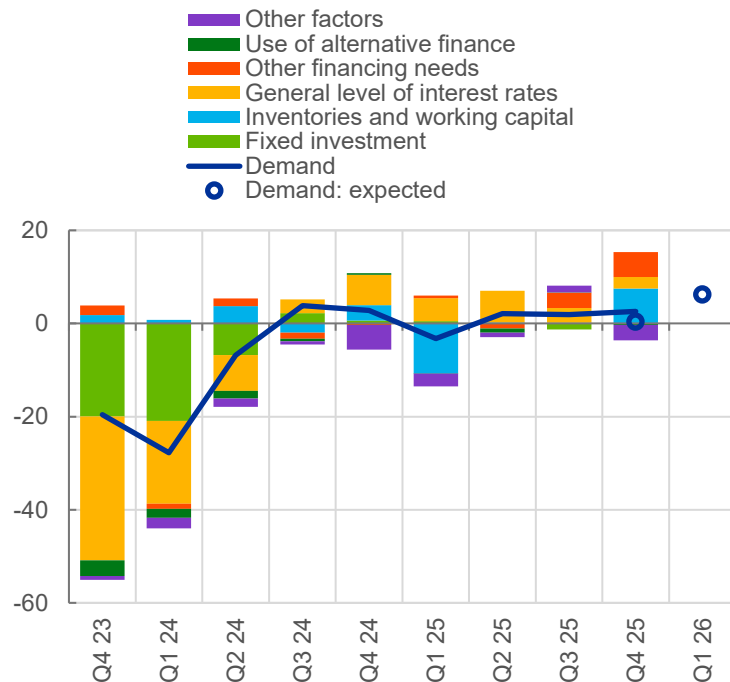
(net percentages of banks reporting a tightening)



Source: ECB Bank Lending Survey (BLS).

Notes: "Other factors" refers to further factors which were mentioned by banks as having contributed to changes in credit standards. The latest observations are for the fourth quarter of 2025 (past) and the first quarter of 2026 (expected).

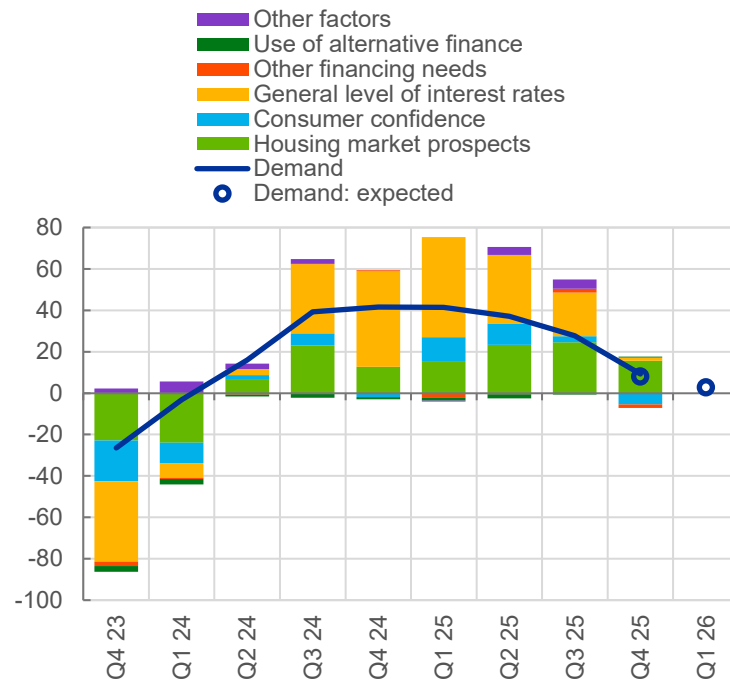
Changes in demand for loans to firms (net percentages of banks reporting an increase)



Source: ECB Bank Lending Survey (BLS).

Notes: "Other financing needs" is the average of "M&A and corporate restructuring" and debt refinancing/restructuring and renegotiation". "Use of alternative finance" is the average of "internal financing", "loans from other banks", "loans from non-banks", "issuance/redemption of debt securities" and "issuance/redemption of equity". The latest observations are for the fourth quarter of 2025 (past) and the first quarter of 2026 (expected).

Changes in demand for housing loans (net percentages of banks reporting an increase)



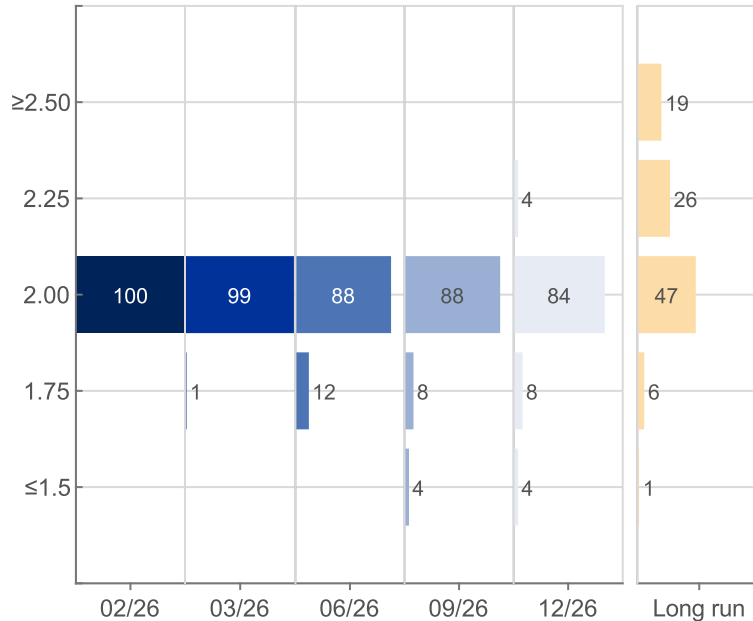
Source: ECB Bank Lending Survey (BLS).

Notes: "Other financing needs" is the average of "debt refinancing/restructuring and renegotiation" and "regulatory and fiscal regime of housing markets". "Use of alternative finance" is the average of "internal finance of house purchase out of savings/down payment", "loans from other banks" and "other sources of external finance". The latest observations are for the fourth quarter of 2025 (past) and the first quarter of 2026 (expected).

SMA – expectations for Deposit Facility Rate (DFR) and balance of risks

Expected Deposit Facility Rate (DFR) level at Governing Council meetings

(percentage of respondents)



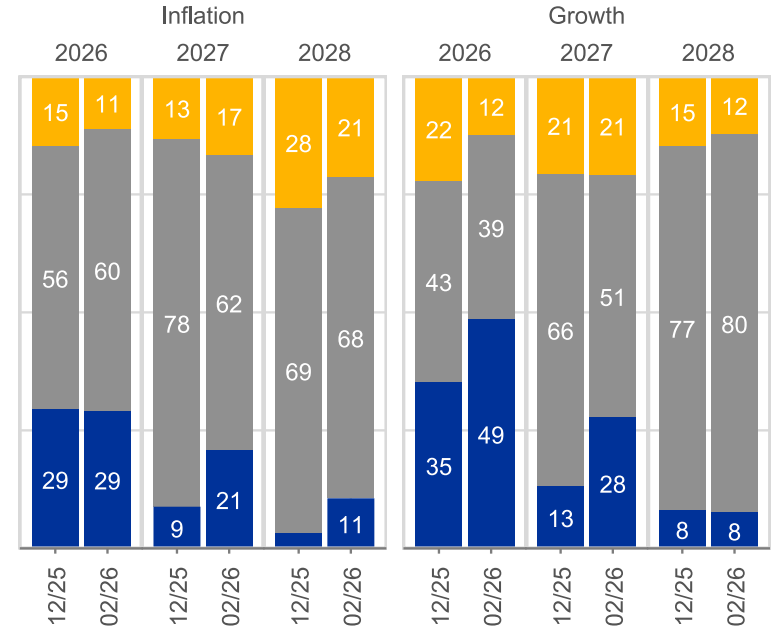
Source: SMA.

Notes: The number of responses for all projection horizons until December 2026 is 73 and 72 for the long run. Percentages may not add up to 100 due to rounding.

Balance of risk surrounding the euro area inflation and growth outlook

(percentage of respondents)

Downside Upside Balanced



Source: Survey of Monetary Analysts (SMA).

Note: Percentages may not add up to 100 due to rounding.