



EUROPEAN CENTRAL BANK

EUROSYSTEM

The price of uncertainty and uncertainty about prices: monetary policy in the post- COVID-19 economy

Keynote speech at the EIB &
ESM Capital Markets Webinar

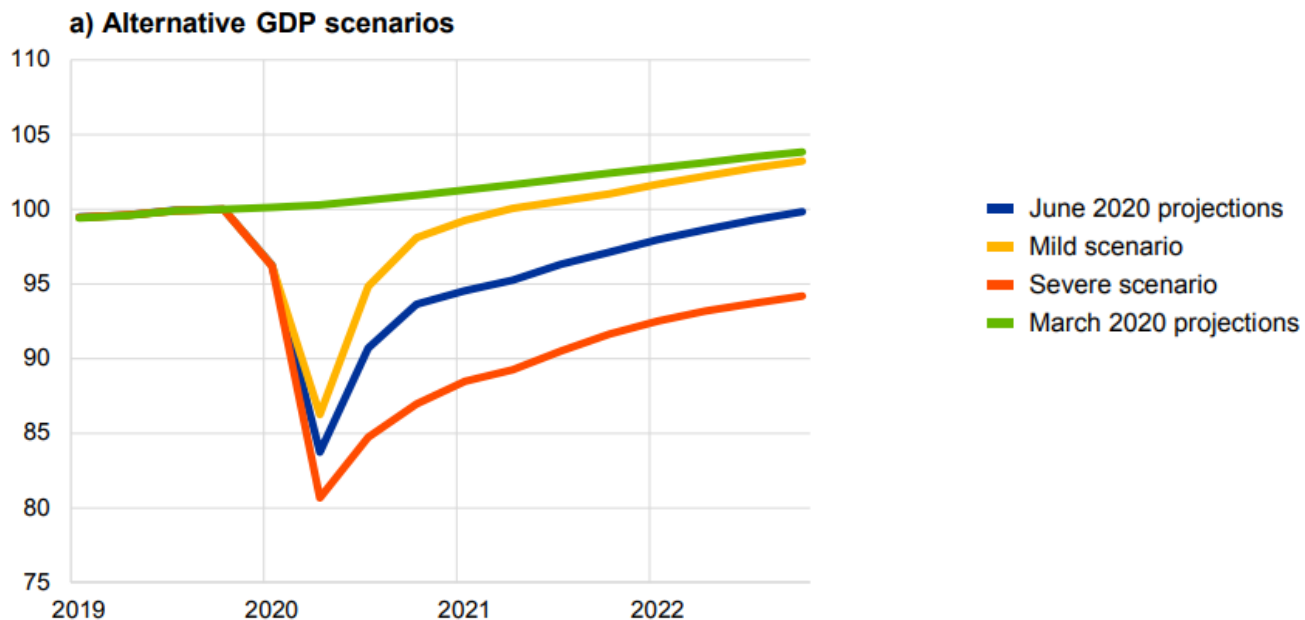
01/07/2020

Fabio Panetta
Member of the Executive Board



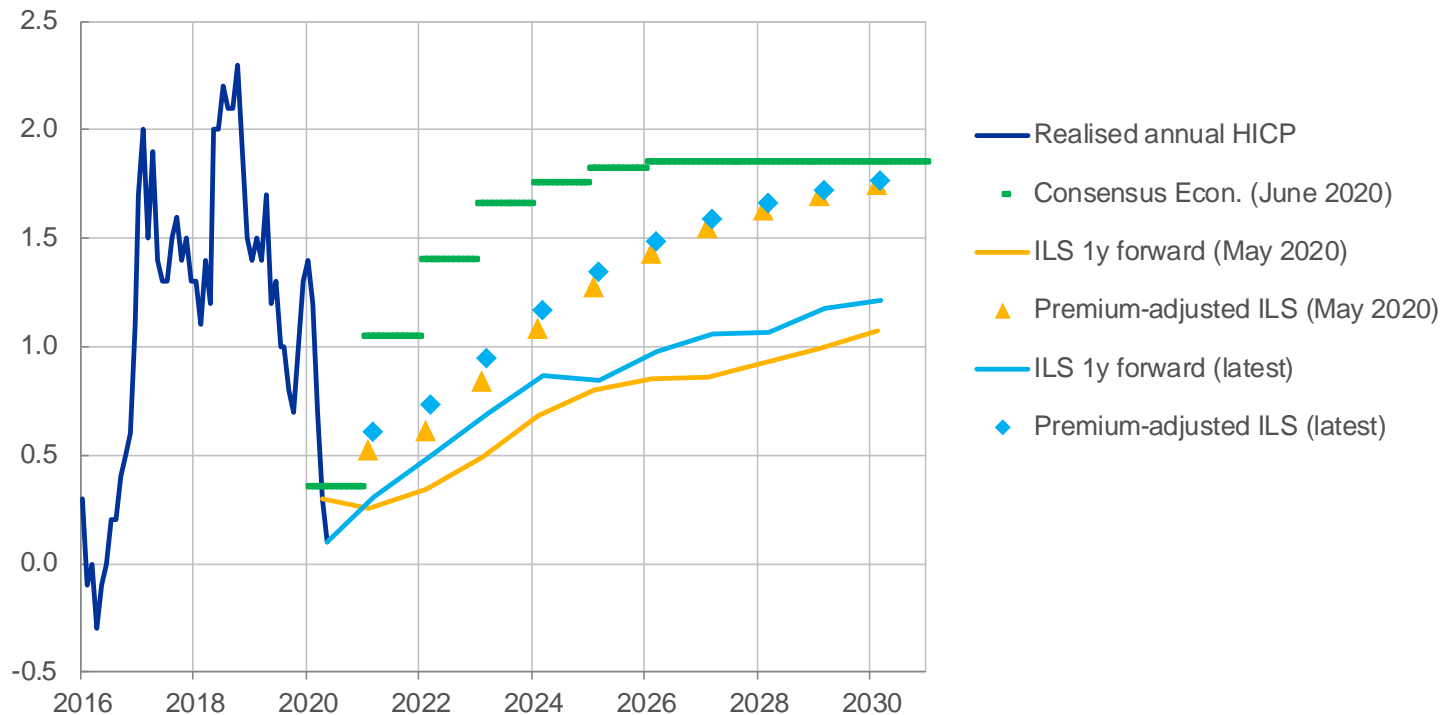
Alternative scenarios for real GDP in the euro area

Index: Q4 2019 = 100



Implied path of inflation

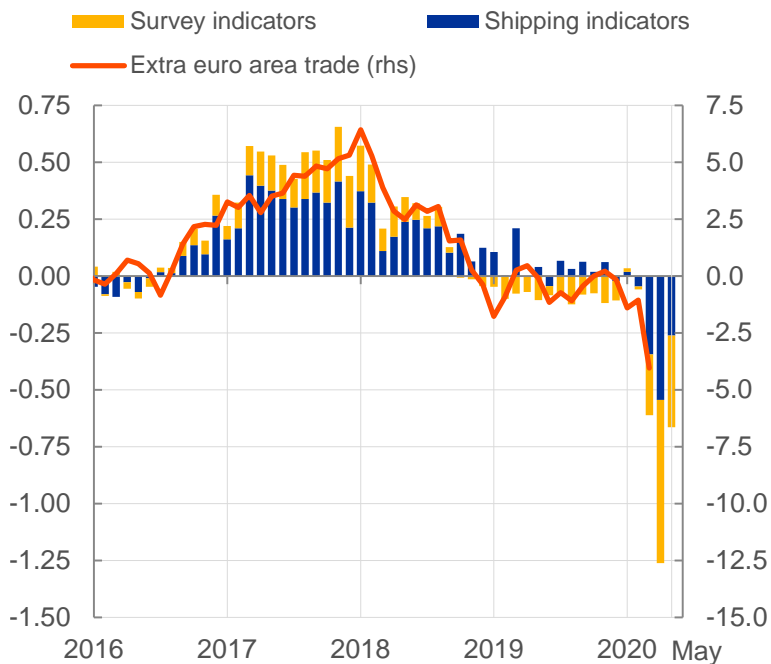
Percentages per annum



Source: Refinitiv, Consensus Economics, ECB calculations.

Composite leading indicators of extra EA exports

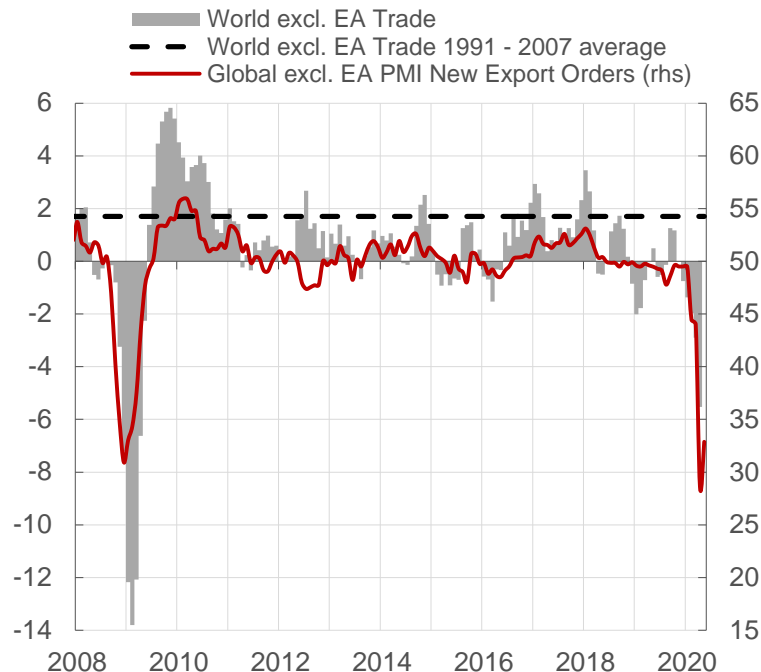
Volumes, y-o-y % change of 3-month moving average



Sources: Eurostat (ETS), European Commission, Markit, ECB RWI/ISL, Fraport AG, IATA, Harper Petersen & Co. and ECB staff calculations.
 Latest observation: May 2020 (survey and shipping indicators - PMI manufacturing and HARPEX May 2020), March 2020 (extra EA exports).

Global merchandise trade and PMI new export orders

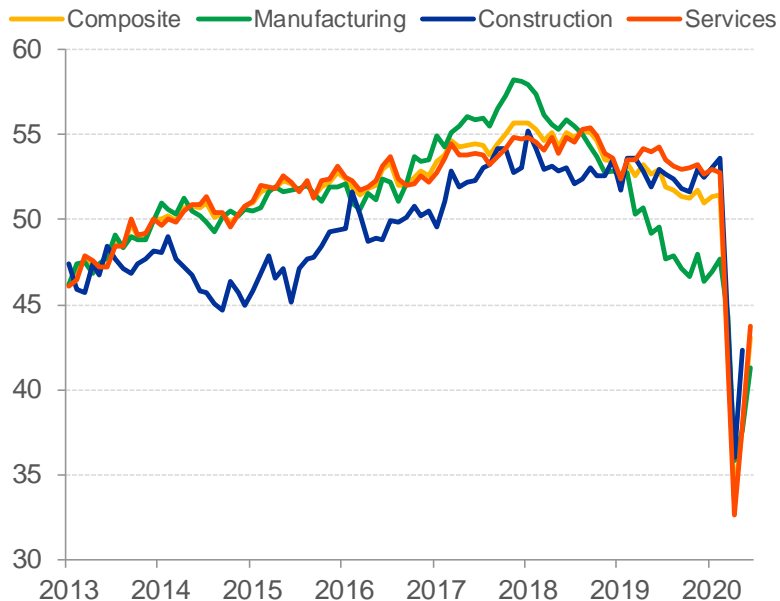
3m-o-3m % changes (lhs); diffusion index (rhs)



Sources: CPB, Markit and ECB calculations.
 Latest observations: May 2020 (PMI), April 2020 (world trade).

Euro area PMI employment

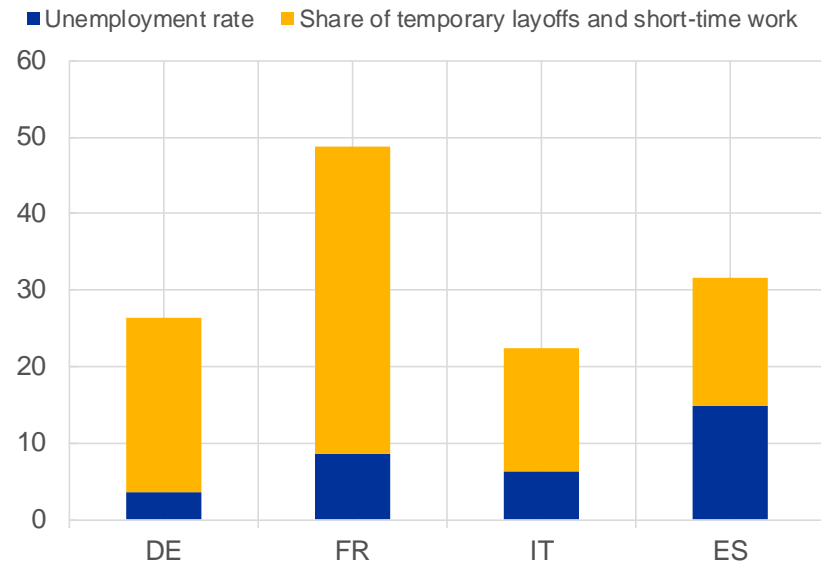
Diffusion index



Sources: Markit

Unemployment rate, temporary lay-offs and short-term work

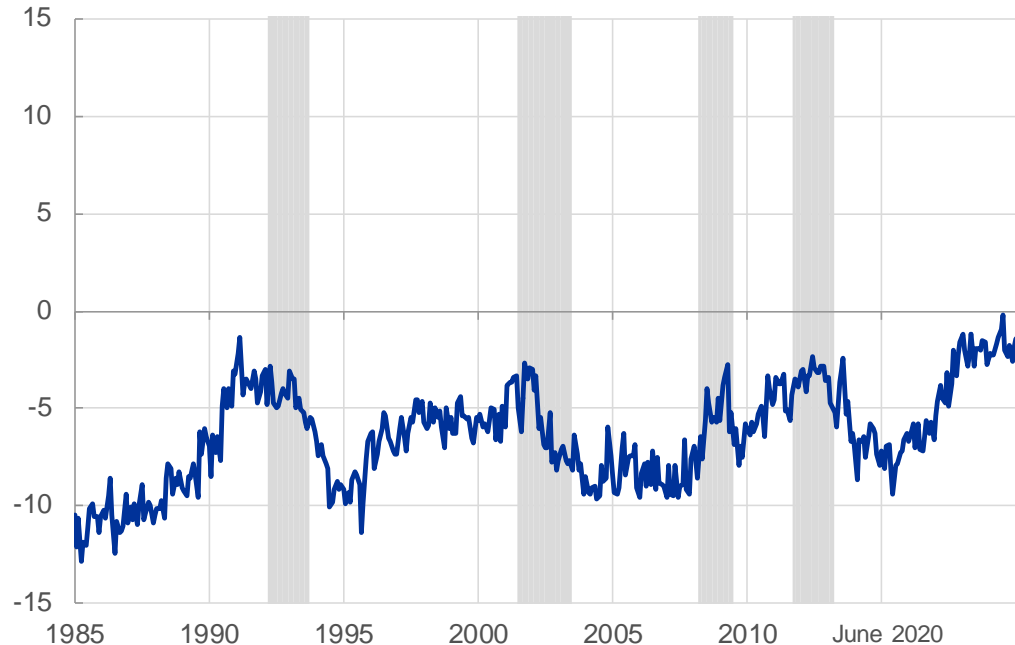
% of labour force



Note: yellow bar shows the share of STW workers in percent of the labour force. STW figures refer to the actual number of workers registered in these schemes by national employment and social security agencies. Ex-post take-up figures may be lower as some workers/firms may not be eligible.

Consumer propensity to save

Net ppt. balances

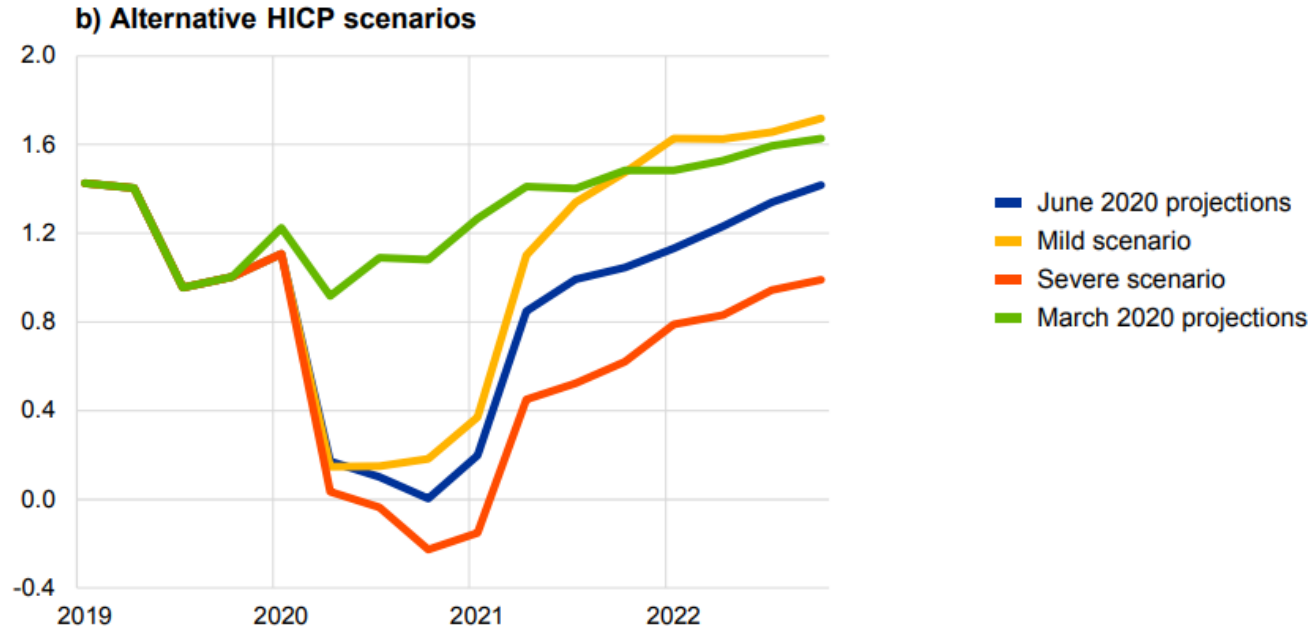


Sources: DG-ECFIN and ECB calculations.

Notes: Indicator constructed as difference between EC consumer survey question about households' expected savings and households' expected financial situation. Grey bars refer to the recession periods as defined by the CEPR.

Alternative scenarios for HICP inflation in the euro area

Year-on-year rate



EA market-based measures of inflation compensation

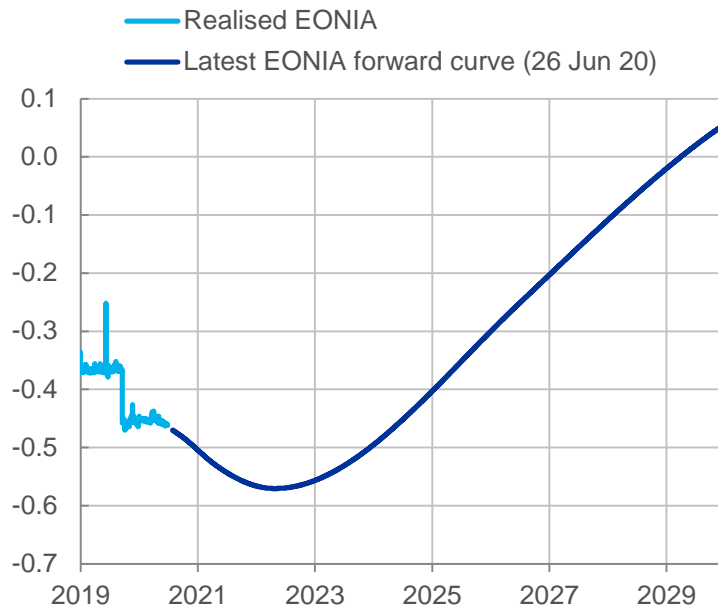
Percentages per annum



Source: Refinitiv and ECB calculations.
Latest observation: 26 June 2020.

EONIA forward curves

Percentages per annum



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Source: Refinitiv, Bloomberg and ECB calculations.
Latest observation: 26 June 2020.

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