Inflation and Macro landscape: Start 2014

Euro area HICP path  
(percentages per annum)

Euro area real GDP growth forecasts for 2014  
(percentages per annum)

Impairments in Transmission

Transmission of MRO Rate Reductions to Bank Lending Rates  
(percent)
**Impairments in Transmission and Summer measures**

**BLS results for loans to enterprises**

*(net percentage)*

Source: ECB (BLS). Latest observation: April 2015 BLS.

Notes: Blue bars show net percentage of banks saying competition contributed to a net tightening of credit standards applied to loans to enterprises. Net percentage for margins and credit standards refers to difference between sum of percentages for “tightened considerably/tightened somewhat” and sum of percentages for “eased somewhat/eased considerably”. Net percentages for questions on demand for loans are defined as difference between the sum of percentages for “increased considerably/increased somewhat” and sum of percentages for “decreased somewhat/decreased considerably”.

**Impairments in Transmission and Summer measures**

**Composite indicator of the nominal cost of bank borrowing for NFCs**

**Evolution**

*percentages per annum*

**Change between June 2014 and March 2015**

*percentage points*

Source: ECB. Last observation: March 2015

Notes: The composite indicator of the cost of borrowing is calculated by aggregating short- and long-term rates using a 24-month moving average of new business volumes. The cross-country standard deviation is calculated over a fixed sample of 12 euro area countries.
Inflation and Macro landscape: End 2014

Euro area HICP path
(percentages per annum)

Vintages of euro area real GDP growth forecasts for 2014 and 2015
(percentages per annum)


Strong headwinds for inflation persist

Inflation landscape in early 2015
(percentages per annum)

Sources: Eurostat, ECB, Reuters, ECB computations, December 2014 Eurosystem staff projections.

Notes: Boxes cover 10th-90th percentiles of historical distributions since January 1999. Inflation linked swaps are monthly averages of daily observations up until 13 February 2014. HICPex refers to HICP inflation excluding food and energy for the 6-month average and it refers to HICP inflation excluding energy for the (BMPE) values. Latest observations are January 2015 for inflation rates and 2014Q3 for GDP deflator and Compensation per employee (the value is a 2-quarter average of 2014Q2 and 2014Q3); latest projections are from the December 2014 BMPE, and survey-based (SPF) inflation expectations are from 2015Q1.
The Expanded Asset Purchase Program: Transmission

**Portfolio rebalancing and wealth effects**: broad-based boost to asset prices

*Changes in yields and financial prices*  
(exchange rate and Eurostoxx in percentage points; else in basis points)

![Graph showing changes in yields and financial prices](image)

Source: Bloomberg.  
Last observation: 04 May 2015.

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**Inflation and Macro landscape: Present**

**Euro area HICP path**  
(percentages per annum)

![Graph showing Euro area HICP path](image)

Sources: Thomson Reuters, Eurostat, ECB calculations, Consensus Economics. Last observation: 06 May 2015, April 2015 for HICP.

**Vintages of euro area real GDP growth forecasts for 2015 and 2016**  
(percentages per annum)

![Graph showing vintages of euro area real GDP growth forecasts](image)

Sources: World Economic Outlook (IMF), Eurozone Barometer (EB), Consensus Economics (CE), Survey of Professional Forecasters (SPF) and ESCB and ECB staff projections (ECB). Note: X-axis refers to the date when respective forecast were finalized.