



EUROPEAN CENTRAL BANK

EUROSYSTEM

Peter Praet

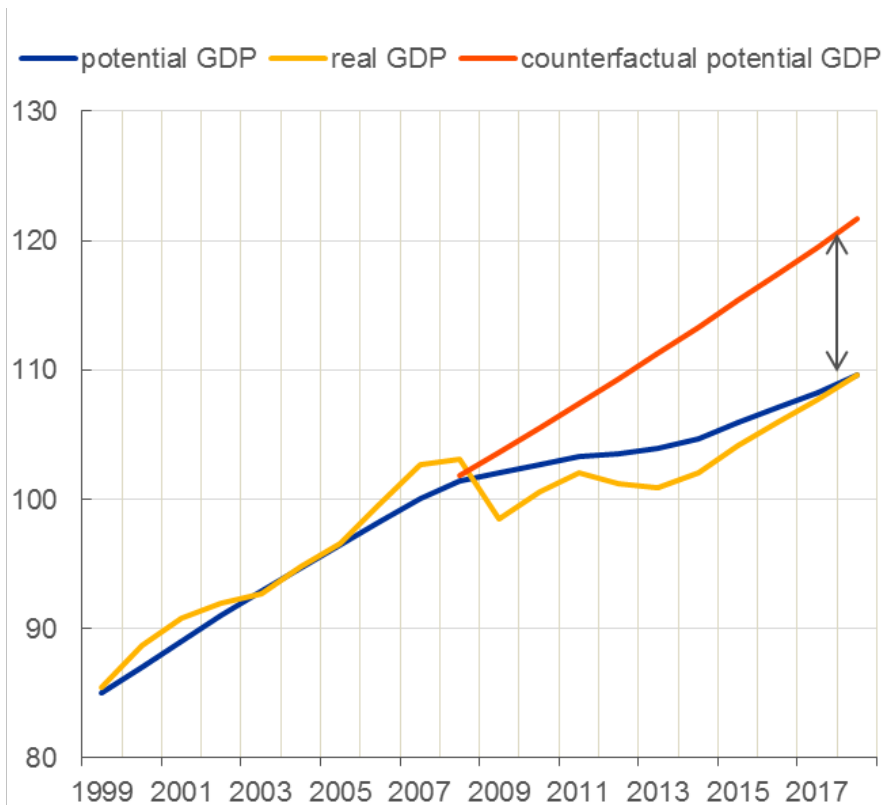
Member of the Executive Board of the ECB

Heidelberg Symposium

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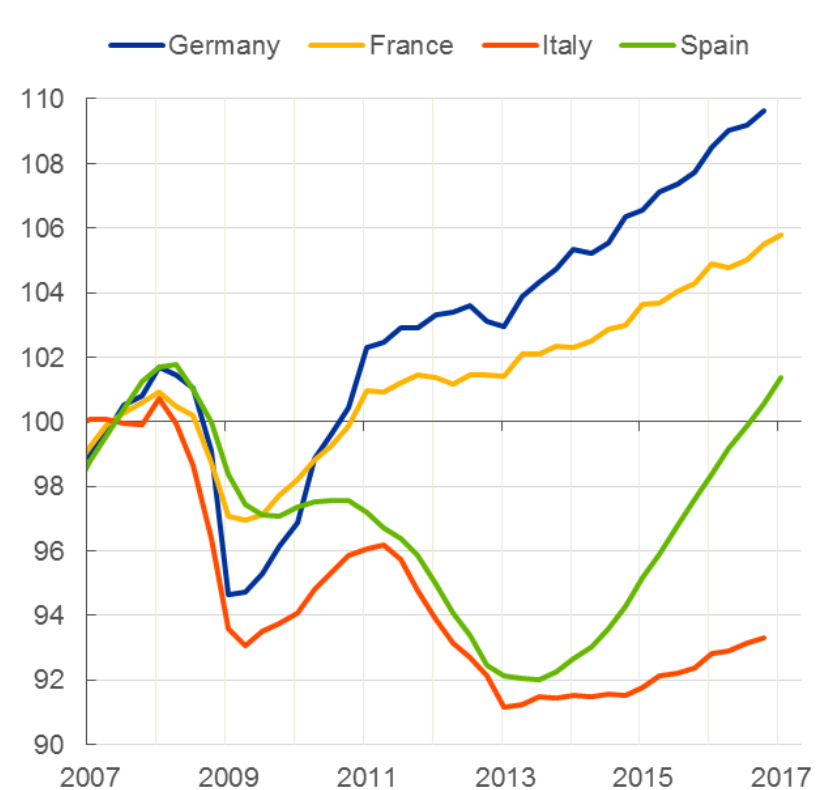
11 May 2017

Euro area actual and counterfactual real GDP growth path (2007 = 100)



Sources: European Commission, ECB calculations.
 Note: Counterfactual GDP assumes that potential GDP continued to grow at its 2007 growth rate.
 Latest observation: 2017Q1.

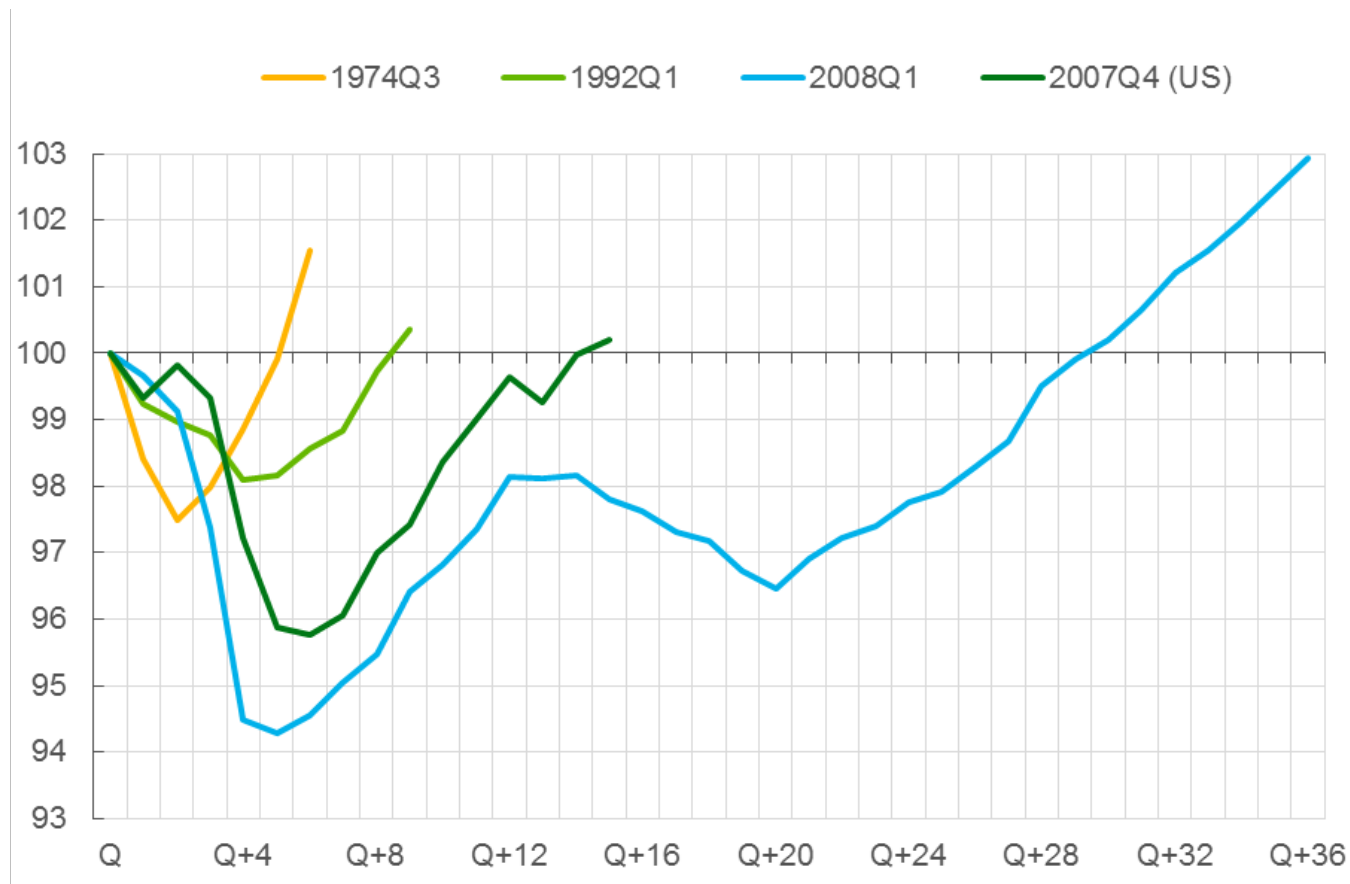
Real GDP growth path in selected euro area countries (2007 = 100)



Sources: Eurostat, ECB calculations.
 Latest observation: 2017Q1 (France, Spain), 2016Q4 (Germany, Italy)

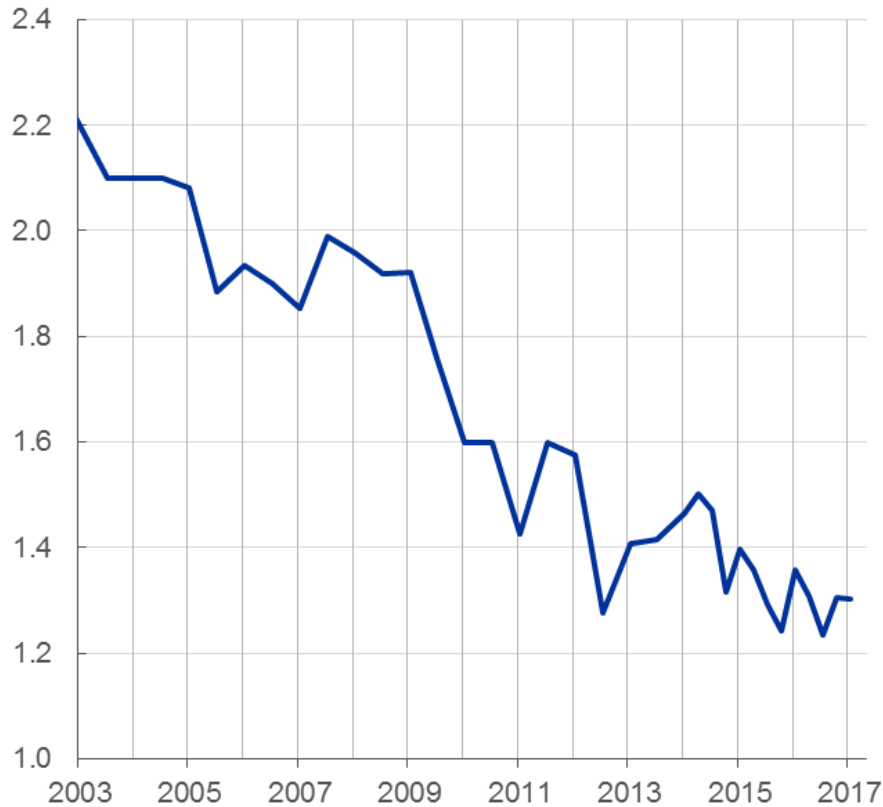
Euro area real GDP over various cycles and compared with the current US cycle

(index: business cycle peak = Q = 100)



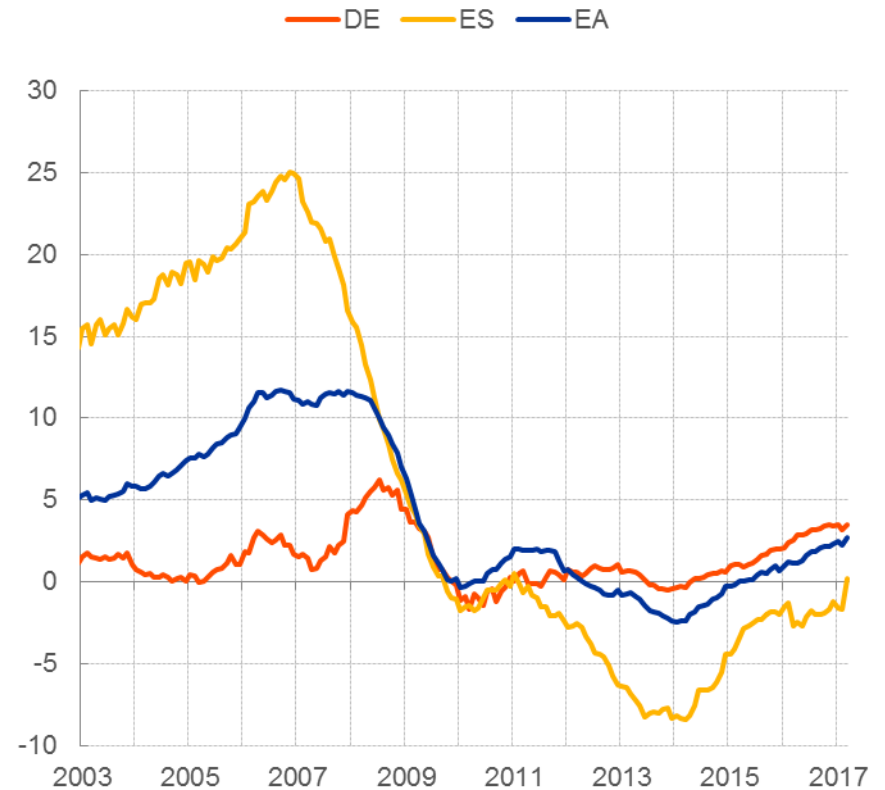
Sources: Eurostat, United States Census Bureau and ECB calculations.
Latest observation: 2017Q1.

6-10 years ahead growth expectations for the euro area (annual % change)



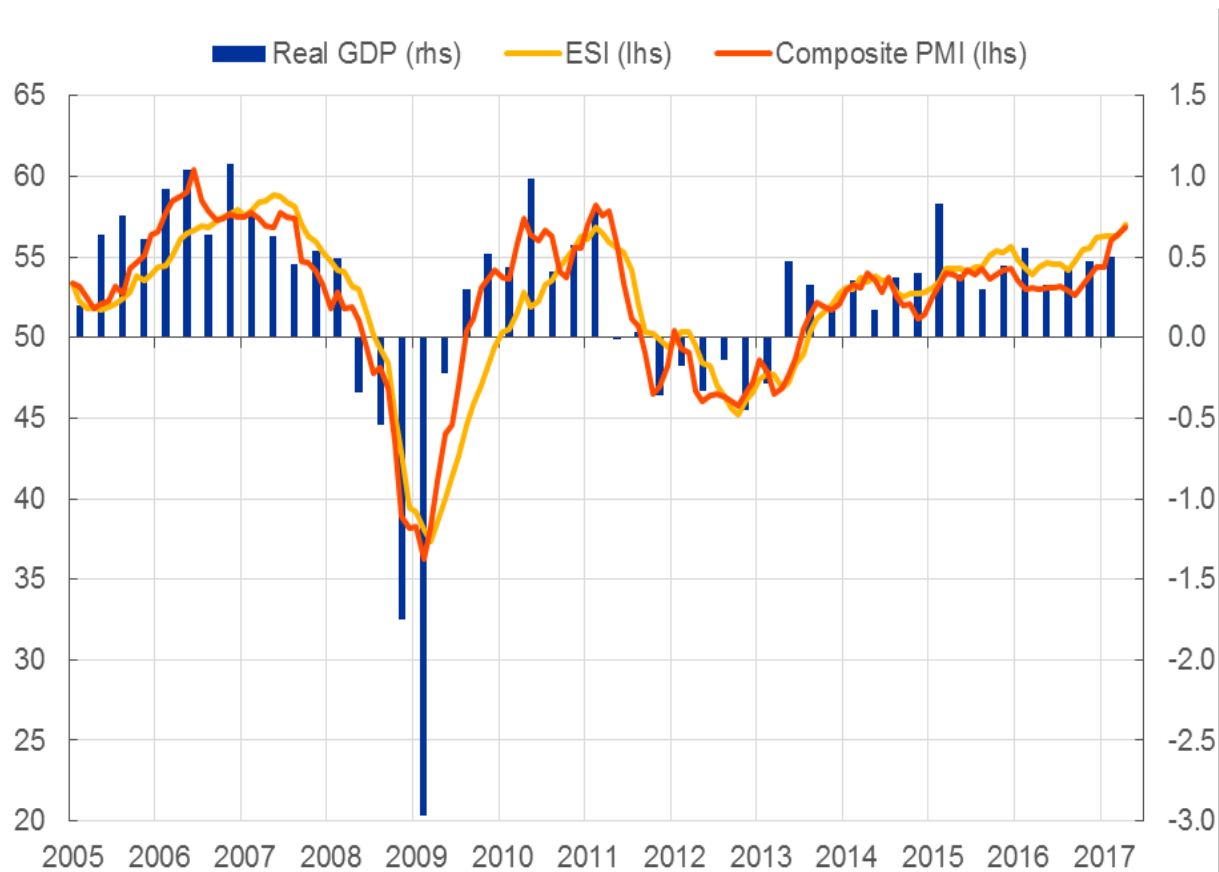
Source: Consensus Economics.
Latest observation: April 2017.

Bank loans to the private sector (annual percentage changes)



Source: ECB.
Latest observation: March 2017.

Euro area real GDP, composite PMI and ESI (annual % change)

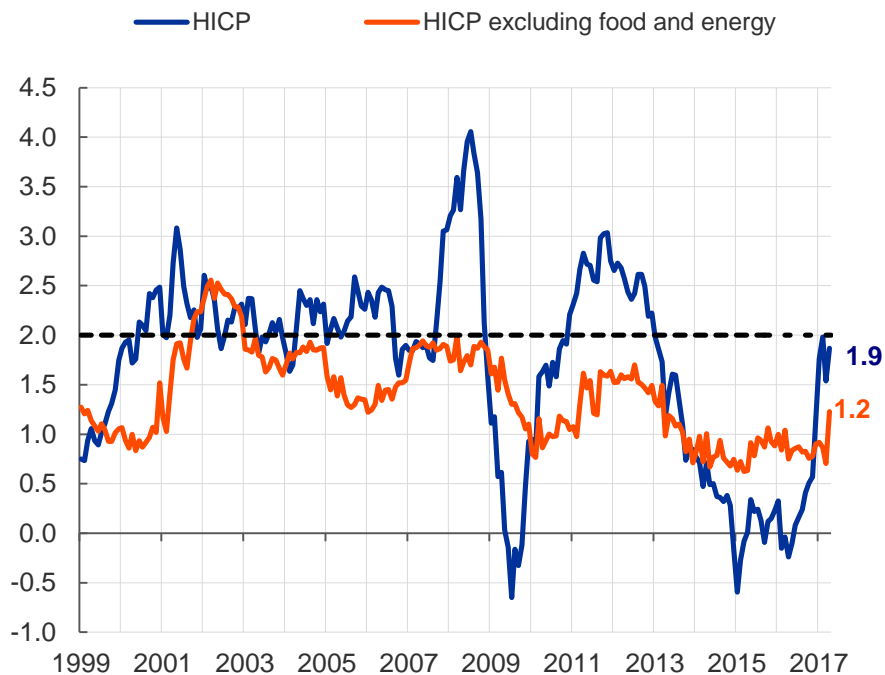


Sources: Markit, DG-ECFIN and Eurostat.

Note: The ESI and PMI are normalised.

Latest observations: 2017Q1 for GDP outcome, April 2017 for the ESI and the PMI.

HICP inflation and HICP excluding food and energy (annual percentage changes)



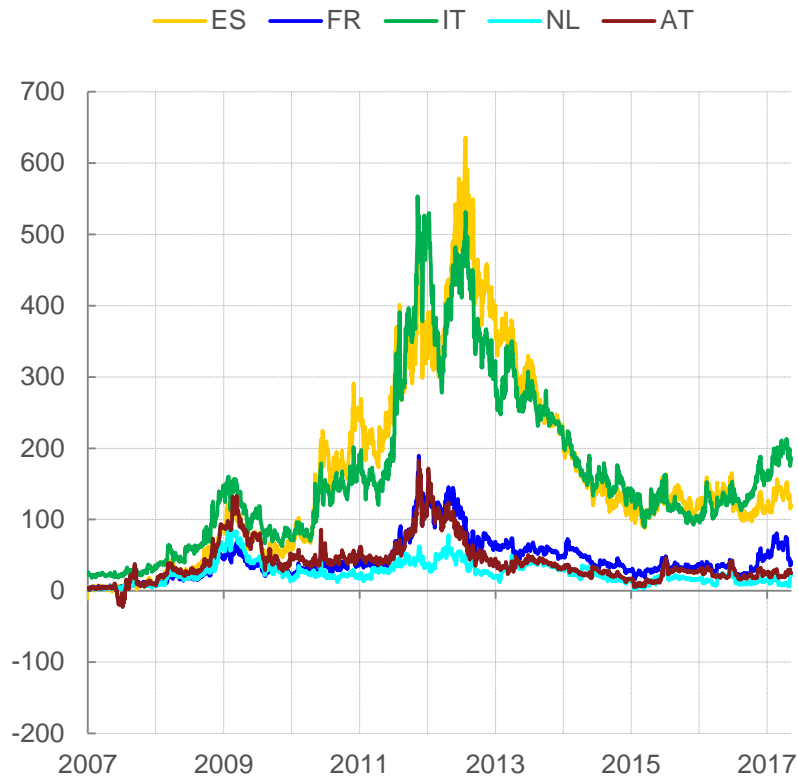
Source: Eurostat.
Latest observation: April 2017.

Price of inflation and deflation protection (% p.a.)



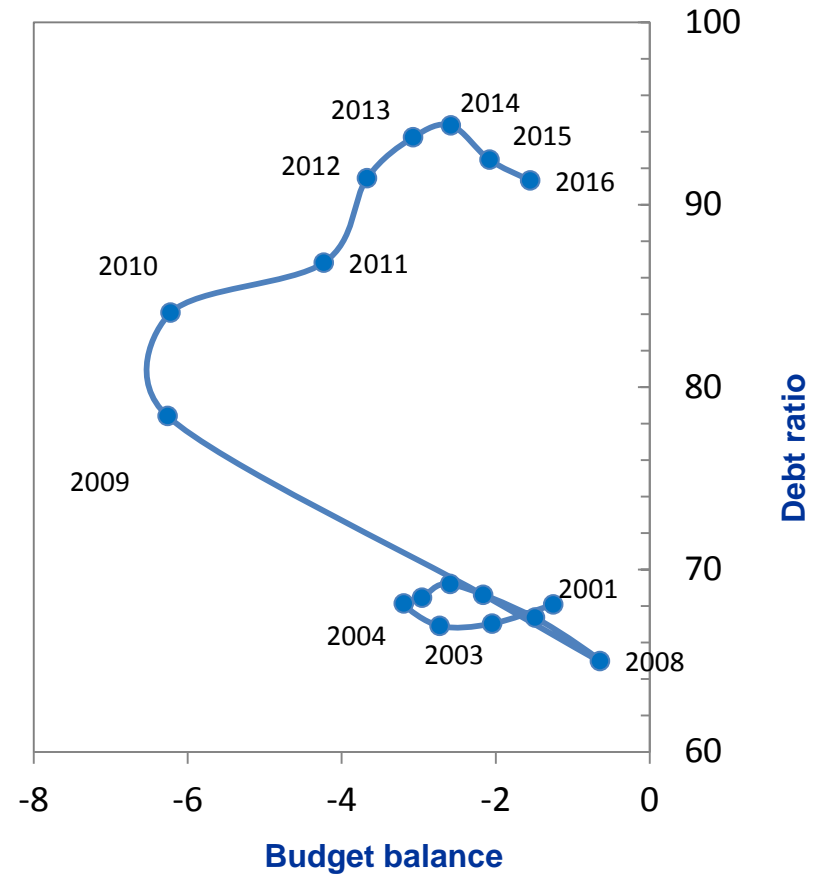
Source: Bloomberg.
Note: The price of inflation (deflation) protection refers to the price of a five-year year-on-year inflation option with a 4% cap (0% floor).
Latest observation: 10 May 2017.

Sovereign spreads (basis points)



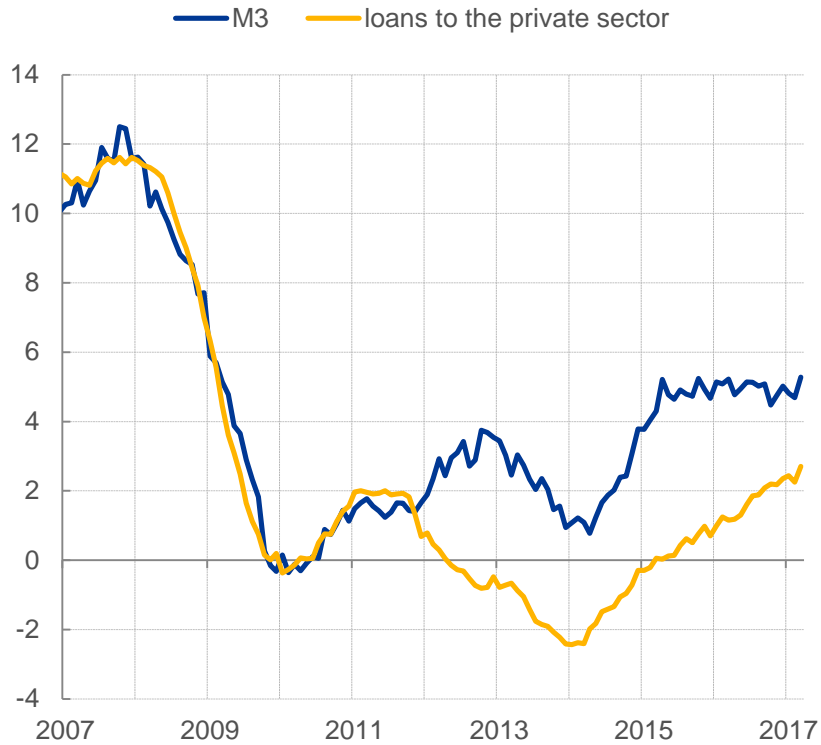
Source: Reuters.
 Note: 10-year sovereign bond yield spreads against German 10-year sovereign bond yield.
 Latest observation: 9 May 2017.

Euro area government debt and deficit (percent of GDP)



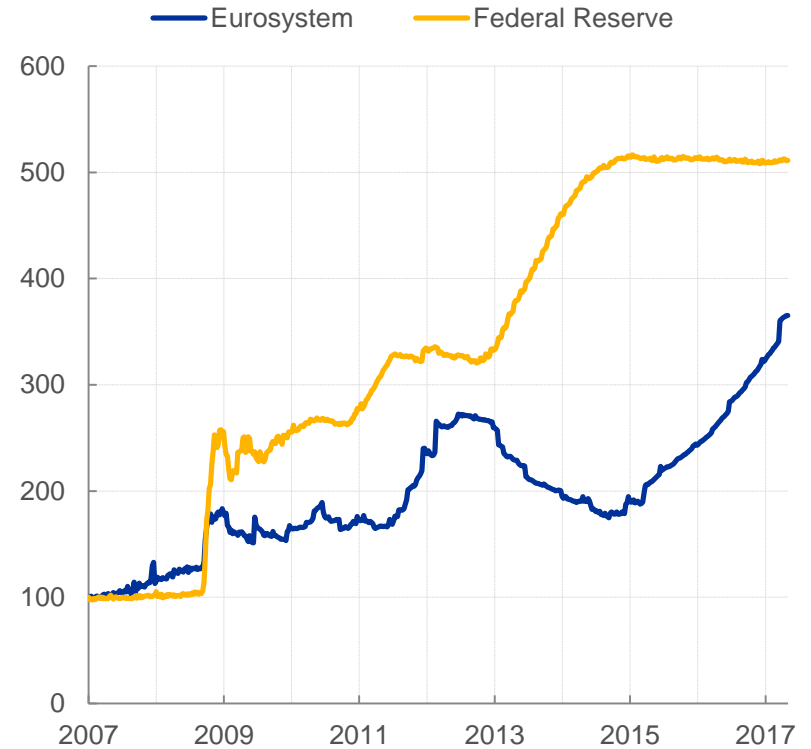
Source: European Commission's spring 2017 economic forecast.
 Note: Budget balance excl. UMTS proceeds.

M3 and loan growth (annual percentage changes)



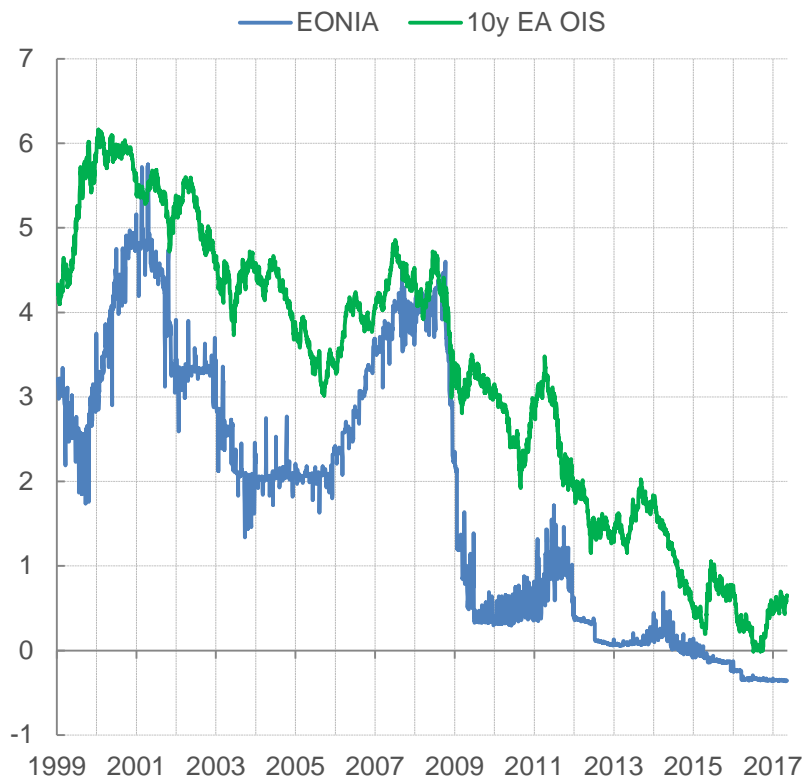
Source: ECB.
Latest observation: March 2017.

Central bank balance sheets (Jan. 2007 = 100)



Sources: ECB, Federal Reserve.
Latest observation: 5 May 2017.

EONIA and 10-year OIS (percentages per annum)

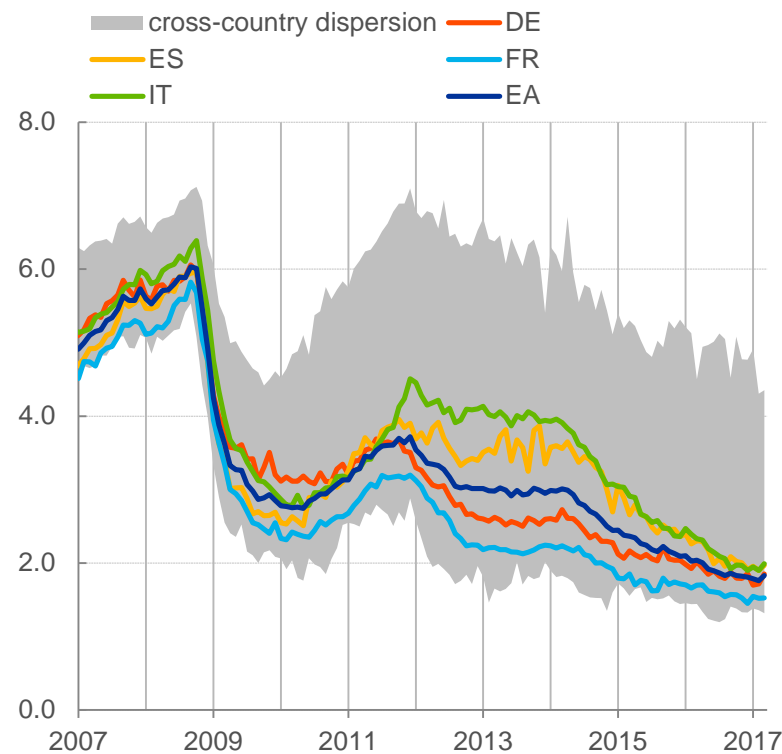


Sources: Reuters, ECB.

Note: 10-year swap rate against 6-month Euribor up to 2004; 10-year OIS from 2005 onwards.

Latest observation: 9 May 2017.

Composite lending rates to NFCs (percent per annum)



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.

Latest observation: March 2017.

ECB monetary policy measures since June 2014

	Jun. 2014	Sep. 2014	Jan. 2015	Dec. 2015	Mar. 2016	Dec. 2016
Rate cuts	MRO: 0.15%; MLF: 0.40%; DRF: -0.10%	MRO: 0.05%; MLF: 0.30%; DRF: -0.20%		MRO: 0.05%; MLF: 0.30%; DRF: -0.30%	MRO: 0.00%; MLF: 0.25%; DRF: -0.40%	
TLTROs	Fixed rate (MRO) Max. maturity: Sep. 2018 Uptake depends on net lending Mandatory early repayment				Fixed rate at MRO or below if lending > benchmark (<i>min.</i> <i>DFR</i>) No mandatory early repayment	
Private asset purchases		Broad portfolio of simple & transparent ABS and CBs		APP recalibration I	Purchase of inv.- grade NFC bonds ... with high pass-through to real economy	APP recalibration III
Public asset purchases			Purchases in EA sov. debt markets €60bn monthly purchases, incl. ABSPP/CBPP3	<ul style="list-style-type: none"> • Extension to Mar. 2017 • Reinvestment of principal payments 	APP recalibration II	<ul style="list-style-type: none"> • €80bn monthly purchases • Higher issue share limit for certain issuers
						<ul style="list-style-type: none"> • €60bn monthly purchases until December 2017 • Min. remaining maturity for PSPP eligible securities decreased from 2y to 1y • Purchases below DF rate allowed if necessary