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

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Alternative scenarios for real GDP in the euro area

Index: Q4 2019 = 100

Source: ECB Macroeconomic Projection Exercise (June 2020)
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

Global merchandise trade and PMI new export orders
3m-o-3m % changes (lhs); diffusion index (rhs)

Sources: Eurostat (ETS), European Commission, Markit, ECB-RWII, Fraport AG, IATA, Harper Petersen & Co., and ECB staff calculations.

Sources: CPB, Markit and ECB calculations.
Latest observations: May 2020 (PMI), April 2020 (world trade).
Euro area PMI employment
Diffusion index

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.

Sources: Markit
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

Source: ECB Macroeconomic Projection Exercise (June 2020)
EA market-based measures of inflation compensation

Percentages per annum

Source: Refinitiv and ECB calculations.

EONIA forward curves
Percentages per annum

Source: Refinitiv, Bloomberg and ECB calculations.