



EUROPEAN CENTRAL BANK

EUROSYSTEM

PRESS RELEASE

4 June 2020

Monetary policy decisions

At today's meeting the Governing Council of the ECB took the following monetary policy decisions:

(1) The envelope for the pandemic emergency purchase programme (PEPP) will be increased by €600 billion to a total of €1,350 billion. In response to the pandemic-related downward revision to inflation over the projection horizon, the PEPP expansion will further ease the general monetary policy stance, supporting funding conditions in the real economy, especially for businesses and households. The purchases will continue to be conducted in a flexible manner over time, across asset classes and among jurisdictions. This allows the Governing Council to effectively stave off risks to the smooth transmission of monetary policy.

(2) The horizon for net purchases under the PEPP will be extended to at least the end of June 2021. In any case, the Governing Council will conduct net asset purchases under the PEPP until it judges that the coronavirus crisis phase is over.

(3) The maturing principal payments from securities purchased under the PEPP will be reinvested until at least the end of 2022. In any case, the future roll-off of the PEPP portfolio will be managed to avoid interference with the appropriate monetary stance.

(4) Net purchases under the asset purchase programme (APP) will continue at a monthly pace of €20 billion, together with the purchases under the additional €120 billion temporary envelope until the end of the year. The Governing Council continues to expect monthly net asset purchases under the APP to run for as long as necessary to reinforce the accommodative impact of its policy rates, and to end shortly before it starts raising the key ECB interest rates.

(5) Reinvestments of the principal payments from maturing securities purchased under the APP will continue, in full, for an extended period of time past the date when the Governing Council starts raising the key ECB interest rates, and in any case for as long as necessary to maintain favourable liquidity conditions and an ample degree of monetary accommodation.

(6) The interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 0.00%, 0.25% and -0.50% respectively. The Governing Council expects the key ECB interest rates to remain at their present or lower levels until it has seen the inflation outlook robustly converge to a level sufficiently close to, but below, 2% within its

projection horizon, and such convergence has been consistently reflected in underlying inflation dynamics.

The Governing Council continues to stand ready to adjust all of its instruments, as appropriate, to ensure that inflation moves towards its aim in a sustained manner, in line with its commitment to symmetry.

The President of the ECB will comment on the considerations underlying these decisions at a press conference starting at 14:30 CET today.