

## Macro Focus

### ECB comment: Nothing new, but the review

- ▶ No changes in monetary policy
- ▶ Strategic review launched as expected
- ▶ Greener portfolio and communications will be included in review

Today's ECB meeting was all about the review. There were no changes to monetary policy, as expected and the central bank kept its purchase program unchanged. The only major piece of news from the ECB was the much awaited, launch of the review of its monetary policy strategy. Lagarde did not reveal anything about the possible outcome of the review, clearly stating that is not known yet. But aspects that will be evaluated and studied are among other things: making the ECB portfolio greener, the quantitative formulation of price stability, the monetary policy toolkit, financial stability and how to communicate. Employment is also mentioned, which could implicate that the ECB is considering giving a bigger weight to the employment development.

How to measure inflation, will be studied in detail in the review, but Lagarde was clear with that she doubts that there will be absolute solutions on how to measure inflation. However, if there are clear miscalculations they need to be understood, and if there are problems, this will be taken to Eurostat, but that is not a process that will be done in a year. In the review both common people and communities will be heard just as top academics. The ECB clearly has a vast job ahead in 2020.

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#### 10-year government bond rates

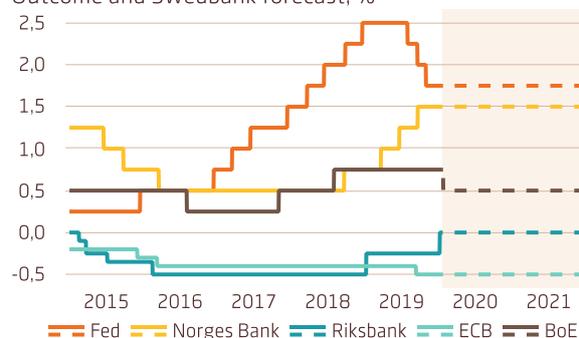
Outcome and forecast, %



Sources: Swedbank Research & Macrobond

#### Central banks' policy rates

Outcome and Swedbank forecast, %



Sources: Swedbank Research & Macrobond

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