

Signals about signals: the ECB meets

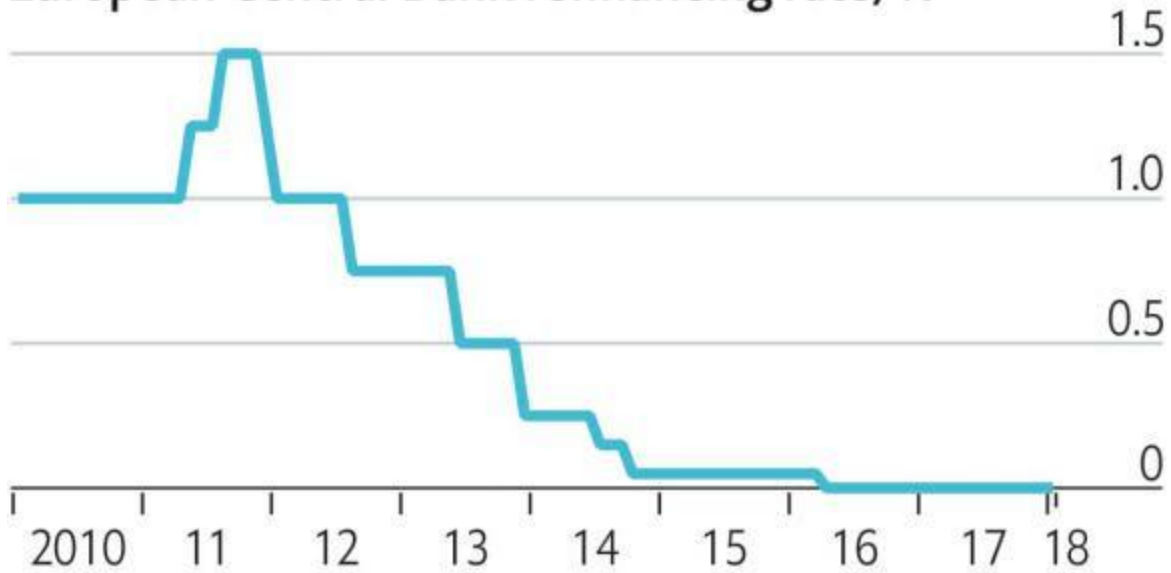
The European Central Bank's first monetary-policy meeting of 2018 concludes today. Its significance is not in what the bank's rate-setters might do (probably nothing), or even what its boss, Mario Draghi, might say about what the ECB might soon do. ECB-watching is now at a level where Mr Draghi's comments are parsed for indications of what he might soon say about what the ECB might eventually do. The central bank has pledged to keep buying bonds at a rate of €30bn (\$37bn) a month until at least September. But the booming euro-zone economy has led to speculation that the stimulus will end then, and be followed in short order by rising interest rates—hence the surge in the euro. Many ECB-watchers think the “forward guidance” about policy will not change this month. But it is ever trickier for Mr Draghi to reconcile a racing economy with such a loose monetary policy.

Eurowings

€ per \$, inverted scale



European Central Bank refinancing rate, %



Source: Thomson Reuters

