

Snap | 28 May 2026

Minutes of the ECB's April meeting confirm hawkish bias

The just-released minutes of the ECB's April meeting confirm its hawkish bias, which has only grown stronger since



The ECB has hiked rates by 25bp, as expected

Remember that at the press conference of the ECB's April meeting, President Christine Lagarde mentioned that the central bank not only discussed keeping rates on hold but also a possible rate hike. This hawkish tone is also reflected in the minutes, which show that some ECB members "would not have opposed raising rates at the current meeting had this been on the table."

Here are some of the other highlights from the minutes:

- "The risks to the growth outlook were to the downside, with risks having intensified since the Governing Council's previous monetary policy meeting in March."
- "Though inflation expectations had risen significantly over shorter horizons, most measures of longer-term inflation expectations stood at around 2%, supporting the stabilisation of inflation around target in the medium term."
- "Regarding possible indirect and second-round effects of the energy shock, it was noted that some effects, particularly indirect effects, were inevitable and that the key issues would be their extent, magnitude, timing and duration. Regarding their duration, it was noted that the time it took for oil shocks to transmit to HICP items that were identified as being energy-sensitive varied from one month for fuels to more than 15 months for

other energy-sensitive items, such as meat products, when measured in terms of the peak impact."

- "At the same time, it was remarked that survey data [of inflation expectations] should be interpreted with some caution as any deterioration might be driven by sentiment rather than a material change in underlying fundamentals."
- "The current situation of a classical negative supply shock was different from the situation in 2022, when the reopening after the pandemic had also led to strong demand forces pushing up inflation."
- "A number of members noted that the decision was a close call and that they would not have opposed raising rates at the current meeting had this been on the table. Increasing interest rates at the current meeting would have sent an even stronger signal of determination to bring inflation back to target in a timely manner."

Moving towards a hike in June

The next ECB meeting will be in two weeks from now, and it looks as if a rate hike is almost a done deal. An insurance rate hike, as a 25bp move will do less harm to the economy than an ECB falling behind the curve would do to the central bank's credibility. Isabel Schnabel's comments earlier this week confirmed the direction of travel. In fact, it would probably require another sharp deterioration in economic sentiment for the ECB not to hike. Even if the war in the Middle East were to end tomorrow, the damage to inflation has already been done. Inflation has started – and will continue – to hit the eurozone economy.

The only question is whether it will fall in the category of 'transitory' or whether supply chain disruptions could create more knock-on effects than 'only' on transportation and food prices. Given the 2022 experience, the ECB is likely to opt for an 'insurance' rate hike. Not that a rate hike will do a lot to affect inflation expectations, but it would be a symbolic move, stressing the ECB's determination to act.

What's even more interesting is what will happen beyond the June meeting. As long as fiscal stimulus remains muted, the risk of an outright inflationary spiral remains small, making an aggressive monetary policy reaction to the current energy price shock unlikely. This is why, for now, we only see one insurance rate hike in June being used to demonstrate the ECB's willingness and determination to keep inflation expectations anchored. As long as the bond market is taking over the ECB's work to tighten the monetary policy stance, governments don't fuel an inflationary spiral with fiscal stimulus, and sentiment indicators remain weak, it's hard to imagine that the ECB would really want to fight an exogenous supply shock at the cost of worsening an economic downturn

Author

Carsten Brzeski

Global Head of Macro

carsten.brzeski@ing.de

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies).* The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit www.ing.com.