

## ECB: Not yet, but wait for December

The European Central Bank keeps its powder dry but signals a clear willingness to act next month



Christine Lagarde

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After last night's lockdown announcements in Germany and France, the European Central Bank's base case scenario has definitely become outdated. This is why there was a small chance it could surprise markets today by preempting additional easing in December. Some argued that the March experiences could force the bank to jump ahead of the curve. However, the just-released statement on the policy measures shows that the ECB was not ready, yet.

Instead, the ECB's press statement points to the December meeting, which will have a new round of macroeconomic projections and will enable the ECB to "recalibrate its instruments, as appropriate, to respond to the unfolding situation...". The door for December action is wide open. Let's hope that the situation doesn't worsen further so that the ECB has to rush through the door earlier than planned. Maybe ECB president Christine Lagarde will add more flavour at the press conference, starting at 2.30 pm CET, but it could very well be that this is it as far as ECB communications go today.

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