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Working Paper

Reading between the lines: Uncovering asymmetry in the central bank loss function

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Online Appendix F for the paper ‘Reading between the lines – Uncovering asymmetry in the central bank loss function’ by Markus Haavio, Joni Heikkinen, Pirkka Jalasjoki, Juha Kilponen, Maritta Paloviita and Ilona Vänni

Scored introductory statements

The total number of words refers to the number of words after text preprocessing has been done: stop words removed, some word combinations converted into compound words, the first paragraph of each introductory statement (greetings) removed, paragraphs of less than 10 words removed.

Inflation texts are in *italics*, and they are also marked by ‘Inflation text paragraph’.

Lexicon-based sentiment analysis

Positive words are marked with this colour, while negative words are marked with this colour.

FinBERT-based sentiment analysis

After each paragraph we report the FinBERT-based probability that the paragraph is positive, negative or neutral.

The standardised tone is computed using the formula

$$\text{standardised tone} = (\text{tone} - \text{mean}(\text{tone})) / \text{standard deviation}(\text{tone})$$

This formula is applied both to the lexicon-based tone and to the FinBERT-based tone.

List of scored introductory statements

Meeting	Case
10.7.2003	Inflation = 2.0% and happy ECB
4.9.2003	3rd smallest absolute difference between lexicon and FinBERT
1.7.2004	2nd largest absolute difference between lexicon and FinBERT
8.3.2007	Largest number of positive words
4.9.2008	Longest inflation text; unhappy ECB
2.10.2008	Largest share of inflation texts; unhappy ECB
15.1.2009	Largest absolute difference between lexicon and FinBERT
7.5.2009	Most unhappy ECB according to both lexicon and FinBERT
2.10.2013	2nd smallest absolute difference between lexicon and FinBERT
15.4.2015	Lowest inflation and happy ECB
3.12.2015	Smallest absolute difference between lexicon and FinBERT
21.7.2016	Second lowest inflation and happy ECB
14.12.2017	Lowest (standardised) net negativity in whole texts according to the lexicon-based method
24.1.2019	3rd largest absolute difference between lexicon and FinBERT
10.12.2020	Largest number of words in introductory statement

Inflation = 2.0% and happy ECB

Date of the meeting 10.7.2003.

Inflation (nowcast): 2.0%

Whole text tone: -0.026

Number of words: 467

Positive words: 18

Negative words: 6

Inflation text tone: -0.022

Number of words: 184

Positive words: 5

Negative words: 1

Whole text FinBERT tone: -0.308

Whole text tone (standardised): -1.553

Whole text FinBERT tone (standardised): -0.030

Absolute difference: 1.523

<https://www.ecb.europa.eu/press/pressconf/2003/html/is030710.en.html>

Positive words are marked with this colour.

Negative words are marked with this colour

The texts are on the next pages

Introductory statement from 10.07.2003

Ladies and gentlemen, the Vice-President and I will now report on the outcome of today's meeting of the Governing Council of the ECB, which was also attended by the President of the ECOFIN Council, Mr. Tremonti. (Excluded)

*Following our regular economic and monetary analysis, we have concluded that the current monetary policy stance is appropriate in view of the **favourable** outlook for price stability over the medium term. Accordingly, we have decided to leave the key ECB interest rates unchanged. Interest rates in the euro area are low by historical standards, both in nominal and real terms, thus lending support to economic activity and helping to safeguard against downside risks to economic growth. The Governing Council will continue to monitor carefully all factors that might affect this assessment.*

Inflation text paragraph

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.208346397	0.017798953	0.773854673

Allow me to explain our assessment in detail. (Excluded)

In the context of our economic analysis, the latest data and information continue to suggest that economic growth in the euro area remained subdued in the second quarter of the year, after virtually **stagnating** in the first quarter. The indicators available broadly point to a stabilisation of activity but there are no signs as yet of an underlying **strengthening** in production and confidence. At the same time, financial market developments seem to reflect a somewhat more **optimistic** assessment of the economic outlook both inside and outside the euro area. On the whole, we continue to expect a gradual **strengthening** of economic activity in the euro area. This should be supported by lower inflation and thus higher real disposable income, the low level of interest rates, and a recovery in external demand for euro area goods and services. This assessment is in line with all available forecasts and projections.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.837951779	0.105325401	0.056722797

Nevertheless, downside risks to this main scenario are still relevant. While concerns over the SARS virus have faded, there are risks relating in particular to the accumulation of macroeconomic **imbalances** outside the euro area and to the extent of the adjustment still needed in the euro area corporate sector to **enhance** productivity and **profitability**.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.773785651	0.097354308	0.128860027

Turning to price developments, the outlook over the medium term remains favourable. For the remainder of this year, annual HICP inflation rates are expected to fluctuate around the current level of 2%, the rate recently estimated by Eurostat for June. In early 2004 a significant base effect related to energy prices should lead to a marked fall in annual HICP inflation rates, assuming broadly unchanged oil prices and exchange rates. Subsequently, the exchange rate pass-through and a moderate economic recovery should contain price pressures. In this respect, wage developments in particular are expected to remain consistent with a favourable outlook for price stability. Other price indicators, such as developments in producer prices, tend to support this picture. Moreover, all available forecasts and projections as well as indicators of inflation expectations point in the same direction, namely that price stability in line with our aim of inflation below but close to 2% will be maintained over the medium term.

Inflation text paragraph

Positive	Negative	Neutral
0.241534069	0.594613194	0.163852692

In the context of our monetary analysis, substantial excess liquidity has accumulated in the euro area as a consequence of the extended period of high M3 growth. This strong growth has continued in recent months, as economic uncertainty and the low level of interest rates across the whole maturity spectrum have increased the attractiveness of holding liquid assets. At the same time, the low level of interest rates has helped support recent growth in loans to the private sector. While the large amount of excess liquidity should be less of a concern in a period of moderate economic activity, monetary developments need to be closely monitored in terms of their implications for price stability over the medium to long term.

Positive	Negative	Neutral
0.667409003	0.030493084	0.302097887

To sum up, our economic analysis confirms the expectation that price dynamics will remain moderate in the euro area in the context of a gradual economic recovery and the strengthened euro exchange rate. The monetary analysis indicates that the strong expansion of M3 should, for the time being, not be seen as adversely affecting this outlook. Hence, cross-checking the information from the two pillars leads to the conclusion that the outlook for price stability over the medium term remains favourable.

Inflation text paragraph

Positive	Negative	Neutral
0.860620141	0.016310578	0.123069264

With medium-term inflation expectations firmly anchored at levels consistent with price stability, and with interest rates at historical lows, monetary policy has made a significant contribution to improving the conditions for a recovery in economic growth. However, other policy-makers also have to assume their responsibilities. Part of the weakness in economic growth in the euro area can be linked to a lack of ambition in the areas of fiscal and structural reform to further improve the conditions for investment and employment.

Positive Negative Neutral

0.040688056 0.921272993 0.038038932

A strong commitment to the Stability and Growth Pact and adherence to well designed medium-term fiscal consolidation strategies in those countries currently struggling with increasing fiscal imbalances would make a major contribution to improving confidence. In a similar way, progress in structural reforms in the labour and product markets would not only increase the euro area's growth potential and enhance its ability to better withstand external shocks, but it would also eliminate a great deal of the uncertainty currently clouding long-term planning and prospects.

Positive Negative Neutral

0.947512627 0.011422161 0.041065149

In the current situation, characterised by subdued economic growth and low confidence, structural reform and a steady and reliable course of fiscal policy, in line with the European fiscal framework, are of the highest priority.

Positive Negative Neutral

0.19558315 0.048913322 0.755503535

We are now at your disposal for questions. (Excluded)

Third smallest absolute difference between (standardised) whole text lexicon-based and FinBERT-based tone

Date of the meeting 4.9.2003.

Inflation (nowcast): 2.1%

Whole text tone: -0.006

Number of words: 526

Positive words: 17

Negative words: 14

Inflation text tone: 0.010

Number of words: 205

Positive words: 3

Negative words: 5

Whole text FinBERT tone: -0.360

Whole text tone (standardised): -0.209

Whole text FinBERT tone (standardised): -0.236

Absolute difference: 0.027

<https://www.ecb.europa.eu/press/pressconf/2003/html/is030904.en.html>

Positive words are marked with this colour

Negative words are marked with this colour

Introductory statement from 4.9.2003

Ladies and gentlemen, I would like to report on the outcome of today's meeting of the Governing Council of the ECB. (Excluded)

*Today the Governing Council decided to leave the key ECB interest rates unchanged. Following our regular economic and monetary analysis, we concluded that the current level of ECB interest rates remains appropriate, as the medium-term outlook for price stability continues to be **favourable**. The historically low interest rates are lending support to economic activity. The Governing Council will carefully monitor all factors that might affect this assessment.*

Inflation text paragraph

Positive Negative Neutral

0.149040073 0.022444917 0.828515053

I will now explain the considerations underlying our decision in more detail.

Positive Negative Neutral

0.043499444 0.016777176 0.939723372

Starting with the economic analysis, recent data confirm that real economic activity in the euro area was very **weak** in the second quarter of 2003, with the Eurostat flash estimate suggesting zero quarterly real GDP growth. However, survey data – which indicate that confidence is growing – as well as recent financial market developments are in line with our main scenario of a gradual **upturn** in economic activity. In line with available forecasts and projections, we continue to expect this **upturn** to start in the second half of the year and then to **strengthen** further in the course of 2004. The factors supporting the expected pick-up in activity are both external and domestic. As regards external factors, recent data signal that a recovery is already underway in several parts of the world. This should lead to an increase in euro area export demand, counteracting the effects of the **loss** of price competitiveness. On the domestic side, ongoing adjustment efforts by companies to **enhance** competitiveness and **profitability** should **improve** the conditions for an economic upswing. In this environment, the low level of interest rates is **strengthening** incentives to invest. Furthermore, real disposable income in the euro area should be **positively** affected by terms-of-trade effects stemming from the past appreciation of the euro.

Positive Negative Neutral

0.683154166 0.269691139 0.047154699

Downside risks to this main scenario for economic growth have declined over the past couple of months but have not **disappeared**. Macroeconomic **imbalances** in some regions of the world **persist**. Although these may not affect the short-term economic dynamics, they constitute risks over the longer run. In addition, high oil price levels may continue to have **adverse** effects on economic activity in the euro area.

Inflation text paragraph

Positive	Negative	Neutral
0.02581461	0.920893013	0.05329233

As regards price developments, Eurostat's flash estimate for annual HICP inflation in August was 2.1%. While recent oil price developments imply some short-term upward pressure on inflation rates, the broad picture of annual HICP inflation hovering around 2% during the remainder of this year remains unchanged. In 2004 annual inflation rates should fall below 2%, stabilising at levels consistent with price stability. This expectation is based on the assumption of moderate wage developments in the context of a gradual economic recovery. Moreover, the significant past **strengthening** of the external value of the euro should continue to have lagged effects which will limit upward pressure on prices, despite some recent corrections in the level of the euro exchange rate. Over longer time horizons, inflation expectations in the euro area seem to be well anchored at levels below but close to 2%.

Inflation text paragraph

Positive	Negative	Neutral
0.38223967	0.294222891	0.323537409

Turning to the monetary analysis, monetary growth remained strong in recent months and there is significantly more liquidity available in the euro area than is needed to finance non-inflationary growth. In part, this is due to past portfolio shifts and possibly to an increase in monetary holdings related to precautionary motives. Moreover, the low level of interest rates has contributed to the high demand for liquid assets. The current level of interest rates is also counterbalancing the **negative** impact of subdued economic growth on credit demand. In fact, the growth of loans to the private sector has remained relatively **robust** since the beginning of the year.

Positive	Negative	Neutral
0.925144792	0.032616705	0.042238448

At the current juncture, the **ample** liquidity is not expected to translate into inflationary pressure. However, monetary growth needs to be closely monitored as the significant amounts of excess liquidity could become a source of concern if they were to **persist** when economic activity **strengthens** significantly.

Positive	Negative	Neutral
0.061247159	0.749834299	0.188918576

Summing up and cross-checking the information from the two pillars, our economic analysis confirms the expectation that price pressures will remain subdued in the coming years, in the context of a gradual economic recovery and moderate import price and wage developments. The strong monetary expansion should, in view of the economic situation, not be seen as **adversely** affecting this outlook for the time being. Overall, therefore, the medium-term outlook for price stability remains **favourable**.

Inflation text paragraph

Positive Negative Neutral

0.763268888 0.017922029 0.218809113

The Governing Council took note with **great concern** of recent fiscal developments. In order to maintain the credibility of the institutional and economic underpinnings of EMU, it is fundamental to abide in all respects by the rules of the Stability and Growth Pact. As concerns the upcoming budget plans for 2004, a correction of **excessive deficits** within the agreed time frame is essential, with an annual structural consolidation effort of at least 0.5% of GDP for countries with fiscal **imbalances**. Fiscal plans need to be part of a comprehensive and credible medium-term strategy with emphasis on expenditure restraint and growth-oriented restructuring. Sound fiscal policies will help to **boost** investor and consumer confidence and **enhance** the prospects for stronger economic growth in the euro area.

Positive Negative Neutral

0.825112522 0.008963625 0.165923819

Progress in implementing structural reforms is as important as fiscal prudence. Efforts to bring public pension systems onto a sustainable path and to further develop private pension schemes deserve support. At the same time, more reforms are needed to reduce structural rigidities in labour and goods markets. Such reforms are essential for addressing what is perceived to be the main economic **problem** of the euro area, namely the high level of structural unemployment.

Positive Negative Neutral

0.853741586 0.016003612 0.130254716

I am now at your disposal for questions. (Excluded)

Second largest absolute difference between (standardised) whole text lexicon-based and FinBERT-based tone

Date of the meeting 1.7.2004.

Inflation (nowcast): 2.4%

Whole text tone: -0.022

Number of words: 788

Positive words: 26

Negative words: 9

Inflation text tone: 0.004

Number of words: 253

Positive words: 2

Negative words: 3

Whole text FinBERT tone: -0.117

Whole text tone (standardised): -1.276

Whole text FinBERT tone (standardised): 0.723

Absolute difference: 1.999

<https://www.ecb.europa.eu/press/pressconf/2004/html/is040701.en.html>

Positive words are marked with this colour

Negative words are marked with this colour

Introductory statement from 1.7.2004

Ladies and gentlemen, the Vice-President and I will now report on the outcome of today's meeting of the Governing Council of the ECB. (Excluded)

*On the basis of the regular economic and monetary analyses, we have confirmed our assessment of last month. While somewhat stronger inflationary pressure is likely to **persist** over the short term, the outlook still remains in line with price stability over the medium term. Therefore, the Governing Council decided to retain its monetary policy stance, leaving the key ECB interest rates unchanged. By historical standards, interest rates are low, both in nominal and in real terms, also lending support to economic activity. The Governing Council will remain vigilant with regard to all developments which could affect the risks to price stability over the medium term.*

Inflation text paragraph

Positive	Negative	Neutral
0.234726757	0.033014055	0.732259214

Let me now explain our assessment in more detail, turning first to the economic analysis.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
<i>0.03902936</i>	<i>0.042040881</i>	<i>0.918929696</i>

Following quarterly real GDP growth of 0.6% in the first quarter of this year, the latest data releases confirm that the economic recovery in the euro area is continuing. All in all, the latest indicators of output and expenditure, as well as the most recent survey data, remain consistent with ongoing growth in real activity during the second quarter.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
<i>0.937479854</i>	<i>0.021579349</i>	<i>0.040940776</i>

Looking ahead, we remain confident that the recovery of economic activity will continue. The conditions for a broadening and strengthening of the recovery are in place. On the external side, economic growth outside the euro area remains strong, which should promote euro area exports. On the domestic side, investment should benefit from the positive external environment and the favourable financing conditions within the euro area. As corporate restructuring gathers pace and business efficiency advances, the resulting improvements in profits should further underpin business investment. Moreover, the recovery of private consumption should proceed in line with increases in real disposable income and the anticipated subsequent strengthening of employment growth. Available forecasts from international and private organisations paint a broadly similar picture of the outlook for the euro area. The expectation of a continued economic recovery is also in line with recent developments in financial markets.

Positive Negative Neutral

0.950907767 0.013120749 0.035971496

Of course, this scenario of an ongoing economic recovery may be influenced by a number of factors working in opposite directions. On the upside, euro area growth in the first quarter was stronger than anticipated and this momentum may strengthen shorter-term dynamics. Ongoing robust growth in the global economy could also lead to stronger than expected activity in the euro area. On the downside, despite having declined somewhat, oil prices remain at high levels and may, largely through their impact on the euro area's terms of trade, dampen growth. Furthermore, over longer horizons, there are concerns relating to the persistence of global imbalances.

Positive Negative Neutral

0.386887401 0.509102166 0.104010433

Turning to price developments, there is a need to distinguish between short-term developments and the medium-term trend when assessing risks to price stability. Over the short term, oil prices continue to exert upward pressure on the general price level. According to Eurostat's flash estimate, annual HICP inflation was 2.4% in June, having stood at 2.5% in May. Although oil prices have fallen over the last weeks, markets expect them to remain high for some time. Were this to occur, inflation rates would most likely remain above 2% for longer than previously expected.

Inflation text paragraph

Positive Negative Neutral

0.087495044 0.884417117 0.028087759

Looking beyond the short term, however, the outlook remains consistent with price stability, provided that wages develop moderately, in line with the latest evidence available. Nevertheless, there are some upside risks to price stability. The strength of global economic dynamism may continue to exert upward pressure on commodity prices, including oil prices. Moreover, following rather strong increases in the past, the further evolution of indirect taxes and administered prices is difficult to incorporate into any forward-looking assessment at this point in time, because such information usually becomes available only later in the year. Against this background, the potential risk of second-round effects via wage and pricing behaviour needs to be monitored closely. Social partners can make an important contribution to facilitating the maintenance of price stability by focusing on the medium-term outlook for price developments rather than on currently observed rates of inflation. This would also be conducive to fostering employment growth. Finally, measures of long-term inflation expectations derived from financial market indicators remain relatively high. While these indicators should be interpreted with caution, their development calls for particular vigilance.

Inflation text paragraph

Positive	Negative	Neutral
0.155438542	0.035339106	0.809222281

Moving to the monetary analysis, the overall picture remains unchanged from our previous assessment. Annual M3 growth rates have fallen over recent months. While this decline partly reflects base effects, the portfolio decisions of firms and households are also returning to normal as financial uncertainties have receded. Indeed, there are signs that savings are increasingly being allocated to long-term assets outside M3 rather than to liquid monetary assets. However, despite the recent moderation of annual M3 growth, there remains substantially more liquidity in the euro area than is needed to finance non-inflationary growth. While a significant part of the excess liquidity has accumulated as a result of past portfolio shifts, low interest rates have also fuelled the build-up of liquid assets. The low level of interest rates also supports credit growth. The stock of excess liquidity, if it persists, may pose an upside risk to price stability over the medium term.

Positive	Negative	Neutral
0.070291527	0.884156585	0.045551855

To sum up, the economic analysis indicates that the medium-term outlook for price developments remains in line with price stability, while ongoing close monitoring is necessary. Cross-checking with the monetary analysis supports this conclusion, including the case for continued vigilance with regard to the materialisation of upside risks to price stability.

Inflation text paragraph

Positive	Negative	Neutral
0.564884603	0.018053407	0.417062014

The Governing Council also discussed a number of issues relating to economic policies in the euro area. First, as regards fiscal policies, it is now of the highest priority that all countries concerned re-establish their commitment to consolidation in order to avoid past mistakes of unbalanced policies in a recovery period. Indeed, the recovery offers the opportunity to put public finances on a sounder track. This requires a strict control of expenditure in the implementation of this year's budget and a comprehensive reform strategy as a basis for next year's fiscal planning. Credible expenditure-based reforms are needed to sustain budgetary consolidation and promote the soundness of social security systems, thereby strengthening confidence in the short term and economic growth prospects in the medium term.

Positive Negative Neutral

0.859822333 0.010208573 0.129969075

Maintaining the existing institutional framework and implementing it consistently is essential to safeguard the soundness of public finances and the macroeconomic environment. In the view of the Governing Council, the Stability and Growth Pact should not be changed, even though its implementation within the current framework could be improved further.

Positive Negative Neutral

0.445450217 0.025781907 0.528767824

A second issue we have discussed in depth over recent weeks has been the need to clearly step up the pace of structural reforms in the labour and product markets. In this connection, the Governing Council expressed concern about growth in euro area labour productivity having been on a downward trend since the mid-1990s. While this partly reflects improvements in employment, it is also the consequence of sub-optimal progress in fostering overall economic efficiency. Reaping the benefits of the technological advances and efficiency gains associated with producing and using new information and communication technologies requires, in particular, the removal of structural rigidities. In this respect, stimulating further product market competition, particularly in the services sectors, and facilitating industrial restructuring could speed up innovation and the adoption of the new technologies. At the same time, strengthening and spreading technological advances across the individual sectors of the euro area economy must go hand in hand with increased efforts to enhance human capital and adjust educational systems to the changing needs of the labour market.

Positive Negative Neutral

0.365330964 0.303562552 0.331106573

Since the mid-1990s, somewhat stronger average employment growth has partly compensated for the **negative** impact of lower productivity **gains** on overall output growth. However, despite past **improvements** in employment, the labour supply and its utilisation in the euro area remain low on international comparison. A relatively smaller proportion of the working-age population participates in the labour market, a higher proportion of those participating is unemployed and those who are employed work, on average, far fewer hours per year than elsewhere. Hence, there is a need for further policy changes in the euro area that underpin the labour supply and its utilisation and thereby raise the medium-term growth prospects, so as to preserve average living standards in the face of an ageing population.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.256895274	0.466871709	0.276232988

We are now at your disposal for questions. (Excluded)

Largest number of positive words

Date of the meeting 8.3.2007.

Inflation (nowcast): 1.8%

Whole text tone: -0.031

Number of words: 1010

Positive words: 40

Negative words: 9

Inflation text tone: -0.018

Number of words: 387

Positive words: 8

Negative words: 1

Whole text FinBERT tone: -0.442

Whole text tone (standardised): -1.889

Whole text FinBERT tone (standardised): -0.557

Absolute difference: 1.332

<https://www.ecb.europa.eu/press/pressconf/2007/html/is070308.en.html>

Positive words are marked with this colour

Negative words are marked with this colour

Introductory statement from 08.03.2007

Ladies and gentlemen, the Vice-President and I are very pleased to welcome you to today's press conference. Let me report on the outcome of our meeting, which was also attended by Mr Steinbrück, President of the ECOFIN Council, and Commissioner Almunia. (Excluded)

*At today's meeting, we decided to raise the key ECB interest rates by 25 basis points. This decision was taken in view of the upside risks to price stability over the medium term that we have identified through both our economic and monetary analyses. Today's decision will contribute to ensuring that medium to longer-term inflation expectations in the euro area remain solidly anchored at levels consistent with price stability. Such anchoring is a prerequisite for monetary policy to make an ongoing contribution towards fostering sustainable economic growth and job creation in the euro area. After today's increase, given the **favourable** economic environment, our monetary policy continues to be on the accommodative side, with the key ECB interest rates moderate, money and credit growth vigorous, and liquidity in the euro area **ample** by all plausible measures. Therefore, looking ahead, acting in a firm and timely manner to ensure price stability in the medium term is warranted. The Governing Council will monitor very closely all developments so that risks to price stability over the medium term do not materialise.*

Inflation text paragraph

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.802605987	0.012134219	0.185259849

Turning first to the economic analysis, according to Eurostat's first estimate, the quarter-on-quarter growth rate of real GDP in the euro area for the fourth quarter of 2006 was 0.9%, which was above previous expectations. Our current assessment is that the quarterly profile of real GDP growth is likely to be somewhat smoother in response to the impact of indirect tax changes in one large euro area country than had originally been anticipated. The **strength** of real GDP growth in the fourth quarter is thus indicative of ongoing **robust** growth in the euro area. Both domestic demand and exports made significant contributions to real GDP growth, confirming the sustained and broad-based nature of the current expansion. The information on economic activity from various confidence surveys and indicator-based estimates supports the assessment that **robust** economic growth has continued into 2007.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.941371441	0.013731238	0.044897277

Looking ahead, the medium-term outlook for economic activity remains **favourable**. The conditions are in place for the euro area economy to grow solidly. As regards the external environment, global economic growth has become more balanced across regions and, while moderating somewhat, remains **robust**, supported in part by lower oil prices. External conditions thus provide support for euro area exports. Domestic demand in the euro area is also expected to maintain its relatively strong momentum. Investment should remain **dynamic**, **benefiting** from an extended period of very **favourable** financing conditions, balance sheet restructuring, **accumulated and ongoing strong** corporate earnings, and **gains** in business efficiency. Consumption should also **strengthen** further over time, in line with developments in real disposable income, as employment conditions continue to **improve**.

Positive	Negative	Neutral
0.957930207	0.013226901	0.028842892

This outlook is also reflected in the new ECB staff macroeconomic projections. The projections foresee average annual real GDP growth in a range between 2.1% and 2.9% in 2007 and between 1.9% and 2.9% in 2008. In comparison with the December Eurosystem staff projections, the ranges projected for real GDP growth in 2007 and 2008 have been revised upwards, largely reflecting the **strength** of GDP growth in the second half of 2006 and the lower energy prices, which, if sustained, would have a **positive** impact on real disposable income.

Positive	Negative	Neutral
0.617847502	0.213387012	0.168765426

In the Governing Council's view, the risks surrounding this **favourable** outlook for economic growth are broadly balanced over the shorter term. At longer horizons, risks lie mainly on the downside. The main risks relate to the possibility of a renewed increase in oil prices, **fears** of a rise in protectionist pressures and concerns about possible **disorderly** developments owing to global **imbalances**.

Positive	Negative	Neutral
0.105485059	0.245621562	0.648893356

As regards price developments, according to Eurostat's flash estimate, annual HICP inflation was 1.8% in February 2007, unchanged from January 2007. The fall in headline inflation rates since the summer of 2006 has been predominantly due to lower energy prices. Looking ahead, last year's volatility in energy prices will lead to significant base effects, affecting the profile of annual inflation rates this year. On the basis of the current level of oil prices and oil price futures, annual inflation rates are likely to fall during the spring and summer before rising again towards the end of the year and then most likely hovering again at around 2%.

Inflation text paragraph

Positive	Negative	Neutral
0.018564967	0.949571431	0.031863574

The new ECB staff macroeconomic projections foresee annual HICP inflation averaging between 1.5% and 2.1% in 2007 and between 1.4% and 2.6% in 2008. Compared with the December 2006 Eurosystem staff projections, the upper bound of the range projected for inflation in 2007 is somewhat lower, largely reflecting the fall in oil prices. By contrast, the projected range for inflation in 2008 is slightly higher, largely on account of the anticipated stronger economic growth, which could exert more intense pressure on factor utilisation and factor costs. In this context, let me remind you of the conditional nature of these projections, which are based on a series of technical assumptions, including market expectations for future short and long-term interest rates as well as for oil and non-energy commodity prices.

Positive	Negative	Neutral
0.087241516	0.217078283	0.695680201

At the policy-relevant medium-term horizon, the outlook for price developments remains, in the Governing Council's view, subject to upside risks. These relate to the possibility of renewed oil price increases and additional increases in administered prices and indirect taxes beyond those announced and decided thus far. More fundamentally, stronger than currently expected wage developments would pose significant upward risks to price stability, not least in view of the favourable momentum of real GDP growth observed over the past few quarters. It is therefore crucial that the social partners continue to meet their responsibilities. In this context, wage agreements should take into account price competitiveness positions, the still high level of unemployment in many economies, as well as productivity developments. The Governing Council will monitor the upcoming wage negotiations in the euro area countries very carefully.

Inflation text paragraph

Positive	Negative	Neutral
0.20971553	0.073649935	0.716634572

The monetary analysis confirms the prevailing upside risks to price stability at medium to longer horizons. Annual M3 growth was unchanged at 9.8% in January, thus remaining at the highest rate observed since the introduction of the euro.

Positive	Negative	Neutral
0.193317816	0.757634163	0.049048014

At 10.6%, the annual growth rate of loans to the private sector also remained strong in January. **Strong growth** in private sector credit reflects the continuation of the upward trend in the growth of borrowing by non-financial corporations seen since mid-2004. Meanwhile, in the context of rising mortgage rates throughout the euro area and a **slowing** increase in house prices in some regions, the growth of household borrowing has shown some further signs of moderation in recent months, albeit remaining at still high rates.

Positive	Negative	Neutral
0.955150366	0.022927597	0.021921962

Taking the appropriate medium to longer-term perspective for assessing trends in money and credit growth, the latest developments confirm the continuation of a **persistent** upward trend in the underlying rate of monetary expansion. Following several years of **robust** monetary growth, the liquidity situation in the euro area is **ample** by all plausible measures.

Positive Negative Neutral

0.916337788 0.017109679 0.06655255

The **robust** expansion of money and credit reflects the accommodative monetary policy stance over a **prolonged** period of time and the **strengthening** of economic activity in the euro area. In an environment of **ample** liquidity, it points to upside risks to price stability over the medium to longer term. Monetary developments therefore continue to require very careful monitoring, particularly against the background of a solid expansion in economic activity and continued strong property market developments in many parts of the euro area.

Inflation text paragraph

Positive Negative Neutral

0.869709551 0.012457224 0.117833152

To sum up, in assessing price trends it is important to look through any short-term volatility in inflation rates. The relevant horizon for monetary policy is the medium term. Risks to the medium-term outlook for price stability remain on the upside, relating in particular to stronger than currently expected wage developments in a context of **robust** ongoing growth in employment and economic activity. Given the vigorous monetary and credit growth in an environment of already **ample** liquidity, a cross-check of the outcome of the economic analysis with that of the monetary analysis supports the assessment that upside risks to price stability prevail over the medium to longer term. The Governing Council will continue to monitor very closely all developments so that risks to price stability over the medium term do not materialise. This will support the solid anchoring of medium to longer-term inflation expectations in the euro area at levels consistent with price stability. Therefore, looking ahead, acting in a firm and timely manner to ensure price stability in the medium term remains warranted.

Inflation text paragraph

Positive Negative Neutral

0.689658523 0.011244502 0.299097002

As regards fiscal policy, there is growing confirmation that the **favourable** cyclical developments led to **better** than expected budgetary outcomes in 2006 in a number of countries and in the euro area as a whole. However, updated stability programmes foresee only moderate **progress** with fiscal consolidation in the coming years. In this respect, some countries' consolidation targets appear not fully in line with the requirements of the revised Stability and Growth Pact. Risks stem in particular from a **lack** of well-specified and credible measures, notably on the expenditure side of budgets.

Positive Negative Neutral

0.041350361 0.86240828 0.0962414

Given the **favourable** economic environment, the Governing Council considers it essential that pro-cyclical policies are avoided in all euro area countries and that sufficiently ambitious fiscal consolidation efforts are made in the countries with remaining budgetary **imbalances** and/or high public debt outstanding. The **opportunity** should be **seized** to **attain** sound public finances within the programme horizons and by 2010 at the latest in all euro area countries. Fiscal consolidation that is part of a medium-term-oriented, credible and expenditure-based reform strategy would support longer-term output and employment growth and help prepare for the fiscal impact of population ageing.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.870135546	0.00963081	0.120233618

As regards structural reforms, the European Council will discuss the current state of, and future **progress** in, the implementation of the Lisbon strategy at its meeting which starts today. It is **positive** to see that reforms and moderate increases in labour costs have helped to bring about higher employment and lower unemployment in recent years, although **progress** has been uneven across EU Member States. We encourage action to create incentives and structures which support the integration of all groups into the labour market, including those for which employment rates have been relatively low in the past. Reforms of tax and **benefit** systems should **enhance** incentives to work and to create jobs. Reducing labour taxes (including social security contributions) and thereby labour costs would support employment, while setting minimum wages at a level not in line with productivity reduces the employment chances of less skilled workers. We fully support policies to **improve** education and the adoption of technological **innovations** in order to raise productivity growth. Coupled with initiatives to create a business-friendly environment, such policies would broaden the **opportunities** of all to participate in an **enhanced** growth process.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.922895312	0.013919815	0.063184939

We are now at your disposal for questions. (Excluded)

Longest inflation text

Date of the meeting 4.9.2008.

Inflation (nowcast): 3.8%

Whole text tone: 0.017

Number of words: 1061

Positive words: 13

Negative words: 31

Inflation text tone: 0.012

Number of words: 641

Positive words: 6

Negative words: 14

Whole text FinBERT tone: -0.083

Whole text tone (standardised): 1.316

Whole text FinBERT tone (standardised): 0.860

Absolute difference: 0.456

<https://www.ecb.europa.eu/press/pressconf/2008/html/is080904.en.html>

Positive words are marked with this colour

Negative words are marked with this colour

Introductory statement from 4.9.2008.

Ladies and gentlemen, the Vice-President and I are very pleased to welcome you to our press conference. We will now report on the outcome of today's meeting of the Governing Council, which was also attended by Commissioner Almunia. (Excluded)

*On the basis of our regular economic and monetary analyses, at today's meeting we decided to leave the key ECB interest rates unchanged. The information that has become available since the last meeting has confirmed that annual inflation rates are likely to remain well above levels consistent with price stability for a **protracted** period of time and that upside risks to price stability over the medium term prevail. While the growth of broad money and credit aggregates is now showing some signs of moderation, the still strong underlying pace of monetary expansion points to continued upside risks to price stability over the medium term. The latest economic data also confirm the **weakening** of real GDP growth in mid-2008. This reflects partly an expected technical reaction to the **strong growth** seen in the first quarter as well as **dampening** effects from global and domestic factors, including direct and indirect effects from high commodity prices. In this environment, it remains **imperative** to avoid broad-based second-round effects in price and wage-setting. In full accordance with our mandate, we emphasise that maintaining price stability in the medium term is our primary objective and that we are resolute in our determination to keep medium and long-term inflation expectations firmly anchored in line with price stability. This will preserve purchasing power in the medium term and support sustainable growth and employment. On the basis of our assessment, the current monetary policy stance will contribute to **achieving** our objective. We will continue to monitor very closely all developments over the period ahead.*

Inflation text paragraph

Positive	Negative	Neutral
0.690036774	0.215951294	0.094011933

Allow me to explain our assessment in greater detail, starting with the economic analysis.

Positive	Negative	Neutral
0.066702023	0.011919009	0.92137897

According to Eurostat's first estimate, following strong quarterly growth of 0.7% in the first quarter, euro area real GDP **contracted** by 0.2% in the second quarter of 2008. In terms of quarter-on-quarter growth, private consumption declined by 0.2% and there was a perceptible **weakness** in investment, which fell by 1.2%. Growth in both euro area imports and exports declined by 0.4%.

Positive	Negative	Neutral
0.008201351	0.97496891	0.016829798

Taking into account all available information, the euro area economy is currently experiencing an episode of **weak** activity characterised by high commodity prices weighing on consumer confidence and demand, as well as by **dampened** investment growth. We expect this episode to be followed by a gradual recovery. In particular, if **persistent**, the fall in oil prices from their peak in July will help **strengthen** real disposable income, with the level of employment remaining high and the unemployment rate low by historical standards. Moreover, growth in the world economy is expected to remain relatively resilient, **benefiting** mainly from sustained growth in emerging economies. This should support external demand for euro area goods and services and thereby investment.

Positive Negative Neutral

0.945567012 0.031251106 0.023181818

This outlook is also reflected in the September 2008 ECB staff macroeconomic projections for the euro area. The exercise projects average annual real GDP growth in a range between 1.1% and 1.7% in 2008, and between 0.6% and 1.8% in 2009. In comparison with the June Eurosystem staff projections, real GDP growth figures for 2008 and 2009 are lower.

Positive Negative Neutral

0.024902426 0.926234543 0.048863016

In the view of the Governing Council, the uncertainty surrounding this outlook for economic activity is particularly high at the current juncture and, generally, downside risks prevail. Risks stem particularly from renewed increases in energy and food prices, which could **dampen** consumption and investment. Moreover, downside risks continue to relate to the potential for the financial market **tensions** to affect the real economy more **adversely** than currently foreseen. The possibility of **disorderly** developments owing to global **imbalances** also implies downside risks to the outlook for economic activity, as do concerns about rising protectionist pressures.

Positive Negative Neutral

0.032377165 0.831908643 0.135714263

*With regard to price developments, annual HICP inflation has remained considerably above the level consistent with price stability since last autumn, standing at 3.8% in August according to Eurostat's flash estimate, after 4.0% in June and July 2008. This **worrying** level of inflation is largely the result of both the direct and indirect effects of past surges in energy and food prices at the global level. Moreover, wage growth has been picking up in recent quarters, at a time when labour productivity growth has decelerated, resulting in sharp increases in unit labour costs.*

Inflation text paragraph

Positive Negative Neutral

0.159501448 0.812910318 0.027588217

Looking ahead, on the basis of current commodity futures prices, the annual HICP inflation rate is likely to remain well above levels consistent with price stability for quite some time, moderating only gradually during the course of 2009. Consistent with this view, the September ECB staff projections foresee average annual HICP inflation at between 3.4% and 3.6% in 2008, and between 2.3% and 2.9% in 2009. The higher inflation projections for 2008 and 2009 mainly reflect higher energy prices and, to a lesser extent, higher food and services prices than assumed previously.

Inflation text paragraph

Positive	Negative	Neutral
0.618158102	0.190442786	0.191399172

In this context, it is important to recall the conditional nature of the ECB staff projections. They are based on a number of assumptions that are of a purely technical nature and unrelated to policy intentions. In particular, the technical assumptions for short-term interest rates reflect market expectations as at mid-August. Moreover, it should be noted that the projections are based on the assumption that oil and non-oil commodity prices, while remaining at elevated levels, will exhibit **greater stability** over the projection horizon than has been the case in recent months, in line with prevailing futures prices.

Inflation text paragraph

Positive	Negative	Neutral
0.059604876	0.044539016	0.895856142

It is the Governing Council's view that, at the policy-relevant medium-term horizon, there are upside risks to the outlook for price developments. These risks include the possibility of renewed increases in commodity prices and of previous rises having further and stronger indirect effects on consumer prices. There is particularly a very **strong concern** that the emergence of broad-based second-round effects in price and wage-setting behaviour could add significantly to inflationary pressures. Moreover, the upside risks to price stability could be **aggravated** by **unexpected** rises in indirect taxes and administered prices.

Inflation text paragraph

Positive	Negative	Neutral
0.05934703	0.827084363	0.113568626

Against this background, it is **imperative** to ensure that medium to longer-term inflation expectations remain firmly anchored at levels in line with price stability. Broad-based second-round effects stemming from the impact of higher energy and food prices on price and wage-setting behaviour must be avoided. The Governing Council is monitoring price-setting behaviour and wage negotiations in the euro area with particular attention. All parties concerned – in both the private and the public sectors – must meet their responsibilities in this regard. The Governing Council has repeatedly expressed its concern about the existence of schemes in which nominal wages are indexed to consumer prices. Such schemes involve the risk of upward shocks in inflation leading to a wage-price spiral, which would be **detrimental** to employment and competitiveness in the countries concerned. The Governing Council calls for these schemes to be **abolished**.

Inflation text paragraph

Positive	Negative	Neutral
0.015039533	0.771424711	0.213535741

The monetary analysis confirms the prevailing upside risks to price stability at medium to longer-term horizons. In line with our monetary policy strategy, we take the view that the sustained underlying **strength** of monetary and credit expansion in the euro area over the past few years has created upside risks to price stability. Over recent quarters, these risks appear to have become manifest as inflation has trended upwards.

Inflation text paragraph

Positive	Negative	Neutral
0.696635306	0.235688508	0.067676149

Not least in the face of the ongoing **tensions** in financial markets, the monetary analysis helps to support the necessary medium-term orientation of monetary policy by focusing attention on the upside risks to price stability prevailing at medium to longer horizons. While the growth of broad money and credit aggregates is now showing some signs of moderation, reflecting the policy measures taken since 2005 to address risks to price stability, the strong underlying pace of monetary expansion points to continued upside risks to price stability over the medium term.

Inflation text paragraph

Positive	Negative	Neutral
0.814899206	0.012878811	0.172221974

The currently flat yield curve has given rise to a substitution from longer maturity assets into monetary instruments, which offer similar remuneration but greater liquidity and less risk. This substitution has led the current headline rate of M3 growth to overstate the underlying pace of monetary expansion. At the same time, shifts out of overnight deposits drove the annual growth rate of M1 down further in July. These effects, as well as other temporary factors, must be taken into account when assessing monetary developments and their implications. A broad-based analysis of the data, taking the appropriate medium-term perspective and allowing for these considerations, confirms the underlying strength of money growth.

Positive Negative Neutral

0.094817236 0.715477169 0.189705595

In particular, the pace, maturity and sectoral composition of borrowing from banks suggest that, at the level of the euro area as a whole, the availability of bank credit has, as yet, not been significantly affected by the ongoing financial tensions. This notwithstanding, growth in loans now shows signs of moderation, as previously anticipated, with corporate demand for credit slowing. At the same time, the growth of loans to households continues to follow the downward trend observed over the past few years, as a result of higher short-term interest rates and housing market weakness in several parts of the euro area.

Positive Negative Neutral

0.071232498 0.889171362 0.039596137

To sum up, a cross-check of the outcome of the economic analysis with that of the monetary analysis clearly confirms the assessment of upside risks to price stability over the medium term. The information that has become available since the last meeting of the Governing Council has confirmed that annual inflation rates are likely to remain well above levels consistent with price stability for a protracted period of time. The growth of broad money and credit aggregates is now showing some signs of moderation, but the still strong underlying pace of monetary expansion points to continued risks to price stability over the medium term. The latest economic data also confirm the weakening of real GDP growth in mid-2008. This reflects partly an expected technical reaction to the strong growth seen in the first quarter as well as dampening effects from global and domestic factors, including direct and indirect effects from high commodity prices. Against this background, it remains imperative to avoid broad-based second-round effects in wage and price-setting. In full accordance with our mandate, we emphasise that maintaining price stability in the medium term is our primary objective and that we are resolute in our determination to keep medium and long-term inflation expectations firmly anchored in line with price stability, thereby preserving purchasing power in the medium term and supporting sustainable growth and employment in the euro area. On the basis of our assessment, the current monetary policy stance will contribute to achieving our objective. We will continue to monitor very closely all developments over the period ahead.

Inflation text paragraph

Positive Negative Neutral

0.875254154 0.059355926 0.065389901

Regarding fiscal policy, budget plans for 2009 should fully reflect existing policy commitments. This implies that euro area countries with relatively large fiscal **deficits** need to specify much more ambitious and concrete consolidation measures, especially on the expenditure side. Countries that have already **achieved** their medium-term budgetary objectives need to ensure that they maintain sound structural fiscal positions. At the current juncture, the steady pursuit of stability-oriented fiscal policies would help to contain inflationary pressures and provide the required budgetary room for manoeuvre to allow automatic stabilisers to contribute to **smoothing** the business cycle.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.884531736	0.010614111	0.104854085

Turning to structural policies, measures that reduce adjustment costs and promote moderate unit labour cost growth are of the utmost importance in the current economic circumstances. While this is crucial in all euro area countries, it is particularly **pressing** in those that have experienced a significant **loss** of cost and price competitiveness over recent years and where unemployment has already started to rise. Moreover, fostering productivity through **enhanced** investment in **innovation** and education enlarges the scope for increases in real incomes in the longer run.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.845386326	0.013386846	0.141226828

We are now at your disposal for questions. (Excluded)

Meeting that contained largest share of inflation texts

Date of the meeting 2.10.2008.

Inflation (nowcast): 3.6%

Whole text tone: 0.044

Number of words: 896

Positive words: 6

Negative words: 45

Inflation text tone: 0.052

Number of words: 498

Positive words: 0

Negative words: 26

Whole text FinBERT tone: 0.143

Whole text tone (standardised): 3.102

Whole text FinBERT tone (standardised): 1.752

Absolute difference: 1.350

<https://www.ecb.europa.eu/press/pressconf/2008/html/is081002.en.html>

Positive words are marked with this colour

Negative words are marked with this colour

Introductory statement from 02.10.2008

Ladies and gentlemen, the Vice-President and I are very pleased to welcome you to our press conference. We will now report on the outcome of today's meeting of the Governing Council, which was also attended by Commissioner Almunia. (Excluded)

*On the basis of its regular economic and monetary analyses, at today's meeting the Governing Council decided to leave the key ECB interest rates unchanged. We discussed extensively the recent intensification of the financial market **turmoil** and its possible impact on economic activity and inflation, recognising the extraordinarily high level of uncertainty stemming from latest developments. In this context, we **stressed** the crucial importance of keeping inflation expectations firmly anchored in line with our objective. Price stability fosters an efficient allocation of resources, contains inflation risk premia and longer-term financing costs, and preserves the purchasing power of our currency. In so doing, it supports sustainable growth and employment and contributes to financial stability. The most recent data clearly confirm that economic activity in the euro area is **weakening**, with contracting domestic demand and tighter financing conditions. At the same time, annual inflation rates are likely to remain well above levels consistent with price stability for some time. With the **weakening** of demand, upside risks to price stability have **diminished** somewhat, but they have not **disappeared**. While the still strong underlying pace of monetary expansion points to upside risks to price stability over the medium term, the growth of broad money and credit aggregates is showing some further signs of moderation. It is **imperative** to avoid broad-based second-round effects in price and wage-setting. All parties concerned face **exceptional challenges** and are called upon to meet their responsibilities. Accordingly, we confirm that we remain determined to secure price stability in the medium term and will continue to monitor very closely all developments over the period ahead.*

Inflation text paragraph

Positive	Negative	Neutral
0.593803883	0.15399313	0.252202958

Allow me to explain our assessment in greater detail, starting with the economic analysis.

Positive	Negative	Neutral
0.066702023	0.011919009	0.92137897

When analysing current developments in economic activity, it needs to be **stressed** that we face an extraordinarily high degree of uncertainty, in large part stemming from the recent intensification of the financial market **turmoil**. This **complicates** any assessment of the near to medium-term economic prospects. As the world economy as a whole is feeling the **adverse** effects of the intensified and **prolonged** financial market **turmoil**, the most recent data clearly confirm that economic activity in the euro area is **weakening**, with contracting domestic demand and tighter financing conditions. The fall in oil prices from their peak in July and ongoing growth in emerging market economies might support a gradual recovery in the course of 2009.

Positive Negative Neutral

0.022077022 0.958311141 0.019611888

In the view of the Governing Council, the economic outlook is subject to increased downside risks, mainly stemming from a scenario of ongoing financial market **tensions** affecting the real economy more **adversely** than currently foreseen. Other downside risks relate to the possibility of renewed increases in highly volatile energy and food prices, **disorderly** developments owing to global **imbalances** and rising protectionist pressures.

Positive Negative Neutral

0.037637088 0.818170726 0.144192129

*With regard to price developments, annual HICP inflation has remained considerably above the level consistent with price stability since last autumn, standing at 3.6% in September according to Eurostat's flash estimate, after 3.8% in August. This still **worrying** level of inflation is largely the consequence of both the direct and indirect effects of past surges in energy and food prices at the global level. Moreover, wage growth has been picking up rather strongly in recent quarters, in spite of a **weaker** growth momentum and at a time when labour productivity growth has decelerated. This resulted in a sharp increase in the year-on-year unit labour cost – to 3.4% – in the second quarter of this year, after several years of more moderate increases in the order of 1-1½%.*

Inflation text paragraph

Positive Negative Neutral

0.674742401 0.28995499 0.035302624

Looking ahead, on the basis of current commodity futures prices, annual HICP inflation rates are likely to remain well above levels consistent with price stability for some time, moderating gradually during the course of 2009. At the policy-relevant medium-term horizon, taking into account the weakening in demand, upside risks to price stability have diminished somewhat, but they have not disappeared. They include the possibility of previous commodity price rises having further and stronger indirect effects on consumer prices, as well as a renewed increase in commodity prices. In particular, there is a very strong concern that the emergence of broad-based second-round effects in price and wage-setting behaviour could add significantly to inflationary pressures. Moreover, unexpected rises in indirect taxes and administered prices could occur.

Inflation text paragraph

Positive	Negative	Neutral
0.185399905	0.718483627	0.096116528

Against this background, it is imperative to ensure that medium to longer-term inflation expectations remain firmly anchored at levels in line with price stability. This is all the more the case in an environment of very high uncertainty. Broad-based second-round effects stemming from the impact of past energy and food price increases on price and wage-setting behaviour must be avoided. The Governing Council is monitoring price-setting behaviour and wage negotiations in the euro area with particular attention. We have repeatedly expressed our concern about the existence of schemes in which nominal wages are indexed to consumer prices. Such schemes involve the risk of upward shocks in inflation leading to a wage-price spiral, which would be detrimental to employment and competitiveness in the countries concerned. The Governing Council calls for these schemes to be abolished.

Inflation text paragraph

Positive	Negative	Neutral
0.018408686	0.769513488	0.212077901

Turning to the monetary analysis, we need to recognise that the latest monetary data refer to the end of August and thus do not yet embody the impact of the recent intensification of the financial market turmoil. Further data on this impact will be carefully evaluated. As a general observation, previous episodes suggest that financial market tensions can have a relatively limited impact on monetary developments, but they have also been associated with large portfolio shifts and thus have exerted significant influence on monetary data.

Positive	Negative	Neutral
0.038123086	0.177595243	0.784281671

While the still strong underlying pace of monetary expansion points to upside risks to price stability over the medium term, data up to August show that the growth of broad money and credit aggregates moderated over the past few months, reflecting the monetary policy decisions taken since 2005 to address risks to price stability. As a more detailed examination shows, the flat yield curve and the structure of bank deposit rates have led to a number of substitution effects. First, there has been a substitution from longer-term maturity assets into instruments covered by M3, which offer similar remuneration but greater liquidity and less risk. As a consequence, the annual growth rate of M3 probably **overstates** the underlying pace of monetary expansion. Second, there have been substitution effects within M3. In contrast to the **dynamic** developments in M3, annual M1 growth has fallen to very low levels. This reflects relatively **attractive** interest rates for time deposits, which have increased the **opportunity** cost of holding cash or overnight deposits.

Positive Negative Neutral

0.327971756 0.457884252 0.214143962

Although, at the level of the euro area as a whole, the availability of bank credit has, as yet, not been significantly affected by the ongoing financial **tensions**, the gradual moderation of growth in loans continued in the August data, as previously anticipated, with corporate demand for credit **slowing**. At the same time, the growth of loans to households continues to follow the downward trend observed over the past few years, as a result of higher short-term interest rates and housing market **weakness** in several parts of the euro area.

Positive Negative Neutral

0.030895572 0.94210726 0.026997166

To sum up, we discussed extensively the recent intensification of the financial market **turmoil** and its possible impact on economic activity and inflation, recognising the extraordinarily high level of uncertainty stemming from latest developments. In this context, we **stressed** how crucial it is for monetary policy to keep inflation expectations firmly anchored in line with our objective. Price stability fosters an efficient allocation of resources, contains inflation risk premia and longer-term financing costs, and preserves the purchasing power of our currency. In so doing, it supports sustainable growth and employment and contributes to financial stability. The most recent data clearly confirm that economic activity in the euro area is **weakening**, with contracting domestic demand and tighter financing conditions. The cross-check of the outcome of the economic analysis with that of the monetary analysis clearly confirms that annual inflation rates are likely to remain well above levels consistent with price stability for some time and, when taking into account the **weakening** of demand, that upside risks to price stability have **diminished** somewhat, but they have not **disappeared**. While the still strong underlying pace of monetary expansion points to upside risks to price stability over the medium term, the growth of broad money and credit aggregates is showing some further signs of moderation. It is **imperative** to avoid broad-based second-round effects in price and wage-setting. All parties concerned face **exceptional challenges** and are called upon to meet their responsibilities. Accordingly, we confirm that we remain determined to secure price stability in the medium term and will continue to monitor very closely all developments over the period ahead.

Inflation text paragraph

Positive	Negative	Neutral
0.403734148	0.50244534	0.093820542

Regarding fiscal policy, in the current situation of continuing economic uncertainty, it is essential that governments abide by the rules of the Stability and Growth Pact and ensure the sustainability of public finances. Maintaining sound public finances will **enable** governments to let automatic stabilisers operate freely and thus contribute to **smoothing** the economic cycle and to supporting private sector confidence.

Positive	Negative	Neutral
0.669289589	0.010770971	0.319939464

Turning to structural policies, measures that foster competition and flexibility and promote moderate unit labour cost growth are of the utmost importance in the current economic circumstances. While moderate unit labour cost growth is crucial in all euro area countries, it is particularly **pressing** in those that have experienced a significant **loss** of cost and price competitiveness over recent years and where unemployment has already started to rise. Moreover, labour market reforms fostering employment and investment and promoting skills, **innovation** and efficiency remain essential to support growth and real incomes in the longer term.

Positive	Negative	Neutral
0.333539188	0.027313827	0.639146984

We are now at your disposal for questions. (Excluded)

Largest absolute difference between (standardised) whole text lexicon-based and FinBERT-based tone, and the largest amount of negative words

Date of the meeting 15.1.2009.

Inflation (nowcast): 1.6%

Whole text tone: 0.044

Number of words: 935

Positive words: 6

Negative words: 47

Inflation text tone: 0.044

Number of words: 435

Positive words: 0

Negative words: 19

Whole text FinBERT tone: -0.065

Whole text tone (standardised): 3.124

Whole text FinBERT tone (standardised): 0.929

Absolute difference: 2.195

<https://www.ecb.europa.eu/press/pressconf/2009/html/is090115.en.html>

Positive words are marked with this colour

Negative words are marked with this colour

The text is on the next pages

Introductory statement from 15.1.2009

Ladies and gentlemen, the Vice-President and I are very pleased to welcome you to our first press conference of 2009. Let me therefore wish you all a very Happy New Year. I would also like to take this opportunity to welcome Slovakia as the 16th country to adopt the euro as its currency. Accordingly, Mr Šramko, the Governor of Národná banka Slovenska, became a member of the Governing Council on 1 January 2009. Following the adoption of the euro by Slovakia there are now 329 million citizens using the euro as their currency. (Excluded)

We will now report on the outcome of today's meeting of the Governing Council, which was also attended by Commissioner Almunia.

Positive	Negative	Neutral
0.035431206	0.01897902	0.945589781

*On the basis of its regular economic and monetary analyses, the Governing Council decided to reduce the interest rate on the main refinancing operations of the Eurosystem by a further 50 basis points, bringing the total reduction since 8 October 2008 to 225 basis points. Today's decision takes into account that inflationary pressures have continued to **diminish**, owing in particular to the further **weakening** in the economic outlook. Looking forward, we continue to expect inflation rates in the euro area to be in line with price stability over the policy-relevant medium-term horizon, thereby supporting the purchasing power of incomes and savings. After today's decision we consider risks to price stability over the medium term to be broadly balanced. This takes into account the latest economic data releases and survey information, which add clear further evidence to the assessment that the euro area is experiencing a significant **slowdown**, largely related to the effects of the intensification and broadening of the financial **turmoil**. Both global demand and euro area demand are likely to be **dampened** for a **protracted** period. Monetary expansion is moderating further, supporting the assessment that inflationary pressures and risks are **diminishing**. All in all, the level of uncertainty remains exceptionally high. The Governing Council will continue to keep inflation expectations firmly anchored in line with its medium-term objective of inflation rates below, but close to, 2%. This supports sustainable growth and employment and contributes to financial stability. Accordingly, we will continue to monitor very closely all developments over the period ahead.*

Inflation text paragraph

Positive	Negative	Neutral
0.664107561	0.167290732	0.168601736

Allow me to explain our assessment in greater detail, starting with the economic analysis. Since September 2008 the financial market turmoil has intensified and broadened. Tensions have increasingly spilled over from the financial sector into the real economy. As a result, economic activity throughout the world, including in the euro area, has weakened further. In particular, foreign demand for euro area exports has declined, and euro area domestic activity has contracted in the face of weaker demand prospects and tighter financing conditions. The survey data and monthly indicators for November and December that have become available since our last meeting clearly point to a further weakening of economic activity around the turn of the year, indicating the materialisation of previously identified downside risks to activity.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.01148063	0.969693184	0.018826248

Looking further ahead, on the basis of our current analysis and assessment, we continue to see global economic weakness and very sluggish domestic demand persisting in the coming quarters as the impact of the financial tensions on activity continues. At the same time, we expect the fall in commodity prices to support real disposable income in the period ahead. Furthermore, the euro area should over time reap the full benefit from the effects of policy measures announced over recent weeks.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.949431419	0.027112527	0.023456104

In the view of the Governing Council, this outlook for the economy remains surrounded by an exceptionally high degree of uncertainty. Overall, risks to economic growth remain clearly on the downside. They relate mainly to the potential for a stronger impact on the real economy of the turmoil in financial markets, as well as to concerns about the emergence and intensification of protectionist pressures and to possible adverse developments in the world economy stemming from a disorderly correction of global imbalances.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.024701048	0.85907352	0.116225414

It is crucial that all parties concerned make their contribution to lay sound foundations for a sustainable recovery. For this to materialise as early as possible, it is of the utmost importance to maintain discipline and a medium-term perspective in macroeconomic policy-making, pursuing a stability-oriented and sustainable approach. This is the best way to preserve and enhance confidence. The significant measures being implemented by governments to deal with the financial turmoil should help to ensure trust in the financial system and to ease constraints on credit supply to companies and households.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.747506738	0.010154216	0.24233906

With regard to price developments, annual HICP inflation has declined substantially since the middle of 2008, when it peaked at 4.0%. HICP inflation was 1.6% in December, after 2.1% in November. As we have

emphasised on previous occasions, the significant decline in headline inflation in the second half of 2008 reflects mainly the sharp falls in global commodity prices over the past few months.

Inflation text paragraph

Positive	Negative	Neutral
0.015110155	0.962896705	0.021993103

Looking forward, lower commodity prices and **weakening** demand confirm that inflationary pressures in the euro area are **diminishing**. Owing mainly to base effects stemming from the past behaviour of energy prices, headline annual inflation rates are projected to decline further in the coming months, possibly reaching very low levels at mid-year. However, also owing to base effects stemming from past energy price developments, inflation rates are expected to increase again in the second half of the year. Hence it is likely that HICP inflation rates will fluctuate **sharply** during 2009. Such short-term volatility is, however, not relevant from a monetary policy perspective. Looking over the policy-relevant, medium-term horizon, annual HICP inflation is expected to be in line with price stability. This assessment is supported by available indicators of inflation expectations for the medium term.

Inflation text paragraph

Positive	Negative	Neutral
0.14752163	0.613809884	0.238668531

Risks to price stability over the medium term are broadly balanced. **Unexpected** further declines in commodity prices or a **stronger than expected slowdown** in the economy could put downward pressure on inflation, while upside risks to price stability could materialise particularly if the recent fall in commodity prices were to reverse or if domestic price pressures turn out to be stronger than assumed. It is therefore crucial that price and wage-setters fully live up to their responsibilities.

Inflation text paragraph

Positive	Negative	Neutral
0.152769282	0.128589928	0.718640804

Turning to the monetary analysis, the latest evidence confirms a moderating rate of monetary expansion in the euro area. Monetary trends therefore support the view that inflationary pressures and risks are **diminishing**.

Positive	Negative	Neutral
0.6650787	0.278044015	0.056877267

In analysing monetary developments it should be recognised that the intensification of the financial market **turmoil** since mid-September has the potential to affect the evolution of monetary aggregates significantly. Recent money and credit data indicate that this has already had a substantial impact on the behaviour of

market participants. Both the broad aggregate M3 and, in particular, the components of M3 that are most closely related to the ongoing financial tensions – such as holdings of money market funds – have shown high month-to-month volatility of late. Overall, however, looking to the extent possible through this volatility, the rate of broad money growth continues to moderate in line with the trend established over the past 18 months, with the intensification of financial tensions since September leading to significant substitution among the components of M3, rather than, at least so far, sharp changes in the trend of M3 itself.

Positive Negative Neutral

0.329773337 0.119708747 0.550517917

Turning to the evolution of bank loans, the tightening of financing conditions resulting from the intensification of the financial tensions has contributed to a slowdown in the flow of monetary financial institution (MFI) loans to the non-financial private sector in recent months. More data and further analysis are necessary to form a robust judgement about the severity and scope of credit constraints and their possible implications for economic activity.

Positive Negative Neutral

0.014254614 0.911587417 0.074157909

To sum up, we decided to reduce the interest rate on the main refinancing operations of the Eurosystem by a further 50 basis points, bringing the total reduction since 8 October 2008 to 225 basis points. Today's decision takes into account that inflationary pressures have continued to diminish, owing in particular to the further weakening in the economic outlook. The Governing Council recalls its operational decision, taken on 18 December 2008, to widen again the corridor formed by the rates on the Eurosystem's standing facilities as of 21 January 2009. Looking forward, we continue to expect inflation rates in the euro area to be in line with price stability over the policy-relevant medium-term horizon, thereby supporting the purchasing power of incomes and savings. After today's decision we consider risks to price stability over the medium-term to be broadly balanced. This takes into account the latest economic data releases and survey information, which add clear further evidence to the assessment that the euro area is experiencing a significant slowdown, largely related to the effects of the intensification and broadening of the financial turmoil. Both global demand and euro area demand are likely to be dampened for a protracted period. A cross-check of the outcome of the economic analysis with that of the monetary analysis confirms this view. Monetary expansion is moderating further, supporting the assessment that inflationary pressures and risks are diminishing. All in all, the level of uncertainty remains exceptionally high. The Governing Council will continue to keep inflation expectations firmly anchored in line with its medium-term objective of inflation rates below, but close to, 2%. This supports sustainable growth and employment and contributes to financial stability. Accordingly, we will continue to monitor very closely all developments over the period ahead.

Inflation text paragraph

Positive Negative Neutral

0.436955452 0.165580928 0.39746365

Regarding fiscal policies, the Governing Council welcomes the European Council's reconfirmation of its full commitment to sustainable public finances. In this respect, the current economic situation calls for particular prudence with regard to the adoption of extensive fiscal stimulus measures, taking into account the particular fiscal situation in each country. The operation of automatic stabilisers will provide a relatively large and powerful fiscal impulse to the **weakening** economy, in addition to already announced expansionary fiscal policy measures and the government support for the banking sector. Taken together, the additional measures decided so far put a considerable **burden** on public finances in a large number of euro area countries. If not reversed in due time, this will **negatively** affect in particular the younger and future generations. It is therefore essential to return to a credible commitment to medium-term budgetary objectives as soon as possible. The significant fiscal loosening and the implied increase in government debt should in any case not risk **undermining** public confidence in the sustainability of public finances, thereby **detracting** from the effectiveness of a fiscal stimulus.

Positive Negative Neutral

0.308616221 0.190689459 0.500694335

Turning to structural policies, the ongoing period of **weak** economic activity and high uncertainty about the economic outlook imply the need to **strengthen** the resilience and flexibility of the euro area economy. Product market reforms should foster competition and speed up **effective** restructuring. Labour market reforms should help to facilitate appropriate wage-setting, as well as labour mobility across sectors and regions. The current situation should therefore be seen as a catalyst to foster the implementation of necessary domestic reforms in line with the principle of an open market economy with free competition.

Positive Negative Neutral

0.792217255 0.013601529 0.194181174

We are now at your disposal for questions. (Excluded)

Most similar “negative” (standardised) lexicon-based and FinBERT-based tone for whole text.

Date of the meeting 7.5.2009.

Inflation (nowcast): 0.6%

Whole text tone: 0.029

Number of words: 1057

Positive words: 9

Negative words: 40

Inflation text tone: 0.054

Number of words: 391

Positive words: 2

Negative words: 23

Whole text FinBERT tone: 0.349

Whole text tone (standardised): 2.147

Whole text FinBERT tone (standardised): 2.564

Absolute difference: 0.416

<https://www.ecb.europa.eu/press/pressconf/2009/html/is090507.en.html>

Positive words are marked with this colour

Negative words are marked with this colour

Introductory statement from 7.5.2009

Ladies and gentlemen, the Vice-President and I are very pleased to welcome you to today's press conference. We will now report on the outcome of today's meeting of the Governing Council, which was also attended by Commissioner Almunia. (Excluded)

On the basis of its regular economic and monetary analyses, the Governing Council decided to reduce the interest rate on the main refinancing operations of the Eurosystem by a further 25 basis points and the rate on the marginal lending facility by 50 basis points, to 1.00% and 1.75% respectively. The interest rate on the deposit facility will remain unchanged at 0.25%. This decision brings the total reduction in the interest rate on the main refinancing operations of the Eurosystem since 8 October 2008 to 325 basis points.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.06741441	0.605208397	0.32737726

Current key ECB interest rates are appropriate taking into account all available information and analysis. In addition to the reductions in interest rates, the Governing Council decided today to proceed with its **enhanced** credit support approach. In continuity and consistency with the operations we have undertaken since October 2008, and in recognition of the central role played by the banking system in financing the euro area economy, we will conduct liquidity-providing longer-term refinancing operations with a maturity of 12 months. The operations will be conducted as fixed rate tender procedures with full allotment. The rate for the first of these operations, to be announced on 23 June 2009, will be the rate on the main refinancing operations at that time. Subsequently, the fixed rate may include a premium to the rate on the main refinancing operations, depending on the circumstances at the time.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.068300843	0.013472595	0.91822654

The Governing Council has decided in principle that the Eurosystem will purchase euro-denominated covered bonds issued in the euro area. The detailed modalities will be announced after the Governing Council meeting of 4 June 2009.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.065705195	0.010718647	0.923576176

Furthermore, the Governing Council has decided that the European Investment Bank will become an eligible counterparty in the Eurosystem's monetary policy operations with effect from 8 July 2009 and under the same conditions as any other counterparty.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.140497342	0.008729164	0.850773513

These decisions have been taken to promote the ongoing decline in money market term rates, to encourage banks to maintain and expand their lending to clients, to help to improve market liquidity in important segments of the private debt security market, and to ease funding conditions for banks and enterprises.

Positive Negative Neutral

0.872860193 0.038077418 0.089062475

Today's decisions take into account the expectation that price developments will continue to be dampened by the substantial past fall in commodity prices and the marked weakening of economic activity in the euro area and globally. The latest economic data and survey information suggest tentative signs of a stabilisation at very low levels, after a first quarter which was significantly weaker than expected. The world economy, including the euro area, is still undergoing a severe downturn, with the prospect of both external and domestic demand remaining very weak over 2009 before gradually recovering in the course of 2010. This assessment incorporates a number of adverse developments which are likely to materialise over the coming months, such as a further deterioration in labour markets. At the same time, available indicators of inflation expectations over the medium to longer term remain firmly anchored in line with the Governing Council's aim of keeping inflation rates at levels below, but close to, 2% over the medium term. The outcome of the monetary analysis confirms that inflationary pressure has been diminishing, as money and credit growth have further decelerated in recent months. Against the background of these developments, after today's decisions we expect price stability to be maintained over the medium term, thereby supporting the purchasing power of euro area households.

Inflation text paragraph

Positive Negative Neutral

0.104914665 0.859061003 0.036024254

Let me now explain our assessment in some more detail, starting with the economic analysis. Reflecting the impact of the financial market turmoil, economic activity continued to weaken in the euro area in the course of the first quarter of 2009, in parallel with the ongoing downturn in the world economy. This weakening in the first quarter appears to have been significantly more pronounced than projected in March. More recently, there have been some tentative signs in survey data of a stabilisation, albeit at very low levels. Overall, economic activity is likely to be very weak for the remainder of this year, before gradually recovering in the course of 2010. In particular, the substantial fall in commodity prices since the summer of 2008 is supporting real disposable income and thus consumption. In addition, external as well as domestic demand should increasingly benefit from the effects of the significant macroeconomic stimulus under way as well as from the measures taken so far to restore the functioning of the financial system both inside and outside the euro area.

Positive Negative Neutral

0.062513344 0.899902046 0.03758458

Taking all these measures and their effects into account, as well as the pronouncedly **negative** growth in the first quarter of this year and the most recently published forecasts by public institutions, the risks to this outlook remain broadly balanced. On the downside, there are concerns that the **turmoil** in financial markets could have a stronger impact on the real economy, as well as that protectionist pressures could intensify and that there could be **adverse** developments in the world economy stemming from a **disorderly correction of global imbalances**. At the same time, there may be stronger than anticipated **positive** effects due to the decrease in commodity prices and to the policy measures taken.

Positive	Negative	Neutral
0.085066959	0.835036397	0.079896569

Annual HICP inflation was, according to Eurostat's flash estimate, 0.6% in April, unchanged from March. As explained on earlier occasions, the decline in inflation since last summer primarily reflects the sharp fall in global commodity prices over this period. Moreover, signs of a more broad-based reduction in inflationary pressure are increasingly emerging. Looking ahead, base effects stemming from past energy price movements will play a significant role in the shorter-term dynamics of the HICP. Accordingly, we expect to see headline annual inflation rates declining further and temporarily remaining at **negative** levels for some months around mid-year. Thereafter, annual inflation rates are expected to increase again. Such short-term dynamics are, however, not relevant from a monetary policy perspective. Looking further ahead, HICP inflation is likely to remain **positive** and below 2% in 2010, with price developments being **dampened** by ongoing **sluggish** demand in the euro area and elsewhere. Available indicators of inflation expectations over the medium to longer term remain firmly anchored in line with the Governing Council's aim of keeping inflation rates at levels below, but close to, 2% over the medium term.

Inflation text paragraph

Positive	Negative	Neutral
0.056253184	0.885937691	0.057809167

The risks surrounding this outlook are broadly balanced. They relate in particular to the risks to the outlook for economic activity as well as to risks to commodity prices.

Positive	Negative	Neutral
0.078022666	0.014562676	0.907414734

Turning to the monetary analysis, the latest data confirm the continued deceleration in the pace of underlying monetary expansion. This is signalled, for instance, by the concurrent further declines in the annual growth rates of M3 to 5.1% and of loans to the private sector to 3.2%. The deceleration supports the assessment of **diminishing** inflationary pressures in the medium term.

Positive	Negative	Neutral
0.064825185	0.878238678	0.056936167

Month-on-month developments in M3 and its components have remained volatile, with data for March showing a **contraction** in most of the respective outstanding amounts. This may partly reflect market participants' investment responses to the past reduction in the key ECB interest rates, which has reduced the remuneration of short-term deposits and marketable instruments and fostered corresponding shifts in the allocation of funds not only within M3 but also to instruments outside M3.

Positive Negative Neutral

0.019967355 0.961249292 0.018783327

The outstanding amount of MFI loans to the private sector **contracted** further in March, reflecting mainly a **negative** flow of lending to non-financial corporations. The reduced amount of financing is again related mainly to loans with shorter maturities, while the net flow of loans with longer maturities remained **positive**. The decline in short-term lending is likely to reflect to a large extent lower demand in the wake of a sharp **deterioration** in economic activity and business prospects at the start of the year. Interest rates on short-term and floating rate bank loans to households and non-financial corporations have declined significantly over recent months, indicating that the transmission of monetary policy impulses to the economy continues. Overall, the latest money and credit data support the assessment that both banks and money-holding sectors are reducing their highly leveraged positions built up in past years.

Positive Negative Neutral

0.020237559 0.959765732 0.019996606

*To sum up, the Governing Council's decisions today take into account the expectation that price developments will continue to be **dampened** by the substantial past fall in commodity prices and the marked **weakening** of economic activity in the euro area and globally. The latest economic data and survey information suggest tentative signs of a stabilisation at very low levels, after a first quarter which was significantly **weaker** than expected. The world economy, including the euro area, is still undergoing a **severe downturn**, with the prospect of both external and domestic demand remaining very **weak** over 2009 before gradually recovering in the course of 2010. This assessment incorporates a number of **adverse** developments which are likely to materialise over the coming months, such as a further **deterioration** in labour markets. At the same time, available indicators of inflation expectations over the medium to longer term remain firmly anchored in line with the Governing Council's aim of keeping inflation rates at levels below, but close to, 2% over the medium term. A cross-check with the outcome of the monetary analysis confirms that inflationary pressure has been **diminishing**, as money and credit growth have further decelerated in recent months. Against the background of these developments, after today's decisions we expect price stability to be maintained over the medium term, thereby supporting the purchasing power of euro area households.*

Inflation text paragraph

Positive Negative Neutral

0.094061218 0.863221765 0.042717051

All in all, since the intensification of the financial **crisis** in September 2008, the Eurosystem has taken a series of measures that are unprecedented in nature, scope and timing. As a consequence, we have observed a clear decline in key money market interest rates that euro area banks typically use as benchmarks to reset floating rate loans and price new short-term loans. This in turn has led to sharp declines in rates for such loans to households and non-financial corporations. As the transmission of monetary policy works with lags, our policy action will progressively feed through to the economy in full. Hence, with all the measures taken, monetary policy has provided ongoing support for households and corporations.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.492270023	0.316160709	0.191569284

The Governing Council will ensure that, once the macroeconomic environment **improves**, the measures taken can be quickly unwound and the liquidity provided absorbed so that any **threat** to price stability over the medium to longer term can be effectively countered in a timely fashion. Indeed, as has been **stressed** many times, the Governing Council will continue to ensure a firm anchoring of medium-term inflation expectations. Such anchoring is indispensable to supporting sustainable growth and employment and contributes to financial stability. Accordingly, we will continue to monitor very closely all developments over the period ahead.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.667874753	0.011303609	0.320821613

Regarding fiscal policies, the latest projections for euro area countries point to continued revisions to budget balance estimates and forecasts. Higher budget **deficits** and the fiscal impact of financial sector support measures will lead to significantly higher government debt-to-GDP ratios. In addition, updated projections by the Economic Policy Committee of the EU show that most countries face a **challenging** task in dealing with the budgetary costs of an ageing population. Therefore, it is paramount that countries make a strong and credible commitment to a path of consolidation in order to return to sound fiscal positions, respecting fully the provisions of the Stability and Growth Pact. This will preserve the public's trust in the sustainability of public finances and will support both the recovery and long-term economic growth. The credibility of fiscal consolidation commitments will be **strengthened** if they are part of national policy frameworks oriented to the medium term.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.851140916	0.01581241	0.133046627

Turning to structural policies, it is crucial that the focus is now on strengthening the adjustment capacity and flexibility of the euro area economy in line with the principle of an open market economy. This calls for an accelerated implementation of labour market reforms to facilitate appropriate wage-setting and labour mobility across sectors and regions as well as product market reforms to foster competition and speed up restructuring.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
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<i>0.760273874</i>	<i>0.009093383</i>	<i>0.230632827</i>
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We are now at your disposal for questions. (Excluded)

3rd smallest absolute difference between (standardised) whole text lexicon-based and FinBERT-based tone

Date of the meeting 02.10.2013.

Inflation (nowcast): 1.1%

Whole text tone: 0.000

Number of words: 642

Positive words: 18

Negative words: 18

Inflation text tone: 0.022

Number of words: 0.004

Positive words: 2

Negative words: 3

Whole text FinBERT tone: -0.262

Whole text tone (standardised): 0.175

Whole text FinBERT tone (standardised): 0.151

Absolute difference: 0.024

<https://www.ecb.europa.eu/press/pressconf/2013/html/is131002.en.html>

Positive words are marked with this colour

Negative words are marked with this colour

Introductory statement from 02.10.2013

Ladies and gentlemen, the Vice-President and I are very pleased to welcome you to our press conference. I would like to thank Governor Noyer for his kind hospitality and express our special gratitude to his staff for the excellent organisation of today's meeting of the Governing Council. We will now report on the outcome of today's meeting, which was also attended by the Commission Vice-President, Mr Rehn. (Excluded)

*Based on our regular economic and monetary analyses, we decided to keep the key ECB interest rates unchanged. Incoming information and analysis have further underpinned our previous assessment. Underlying price pressures in the euro area are expected to remain subdued over the medium term. In keeping with this picture, monetary and, in particular, credit dynamics remain subdued. Inflation expectations for the euro area continue to be firmly anchored in line with our aim of maintaining inflation rates below, but close to, 2% over the medium term. At the same time, real GDP growth in the second quarter was positive, after six quarters of **negative** output growth, and confidence indicators up to September confirm the expected gradual **improvement** in economic activity from low levels. Our monetary policy stance continues to be geared towards maintaining the degree of monetary accommodation warranted by the outlook for price stability and promoting stable money market conditions. It thereby provides support to a gradual recovery in economic activity. Looking ahead, our monetary policy stance will remain accommodative for as long as necessary, in line with the forward guidance provided in July. The Governing Council confirms that it expects the key ECB interest rates to remain at present or lower levels for an extended period of time. This expectation continues to be based on an unchanged overall subdued outlook for inflation extending into the medium term, given the broad-based **weakness** in the economy and subdued monetary dynamics. In the period ahead, we will monitor all incoming information on economic and monetary developments and assess any impact on the medium-term outlook for price stability. With regard to money market conditions, we will remain particularly attentive to developments which may have implications for the stance of monetary policy and are ready to consider all available instruments.*

Inflation text paragraph

Positive	Negative	Neutral
0.700784445	0.036635578	0.262579978

Let me now explain our assessment in greater detail, starting with the economic analysis. Following six quarters of **negative** output growth, euro area real GDP rose, quarter on quarter, by 0.3% in the second quarter of 2013, also supported by temporary factors related to unusually **adverse** weather conditions in some euro area countries earlier this year. Developments in industrial production data point to somewhat **weaker** growth at the beginning of the third quarter, while survey-based confidence indicators up to September have **improved** further from low levels, overall confirming our previous expectations of a gradual recovery in economic activity. Looking ahead, output is expected to recover at a **slow** pace, in particular owing to a gradual **improvement** in domestic demand supported by the accommodative monetary policy stance. Euro area economic activity should, in addition, **benefit** from a gradual **strengthening** of external demand for exports. Furthermore, the overall **improvements** in financial markets seen since last summer appear to be gradually working their way through to the real economy, as should the **progress** made in fiscal consolidation. In addition, real incomes have **benefited** recently from generally lower inflation. This being said, **unemployment in the euro area remains high**, and the necessary balance sheet adjustments in the public and private sectors will continue to weigh on economic activity.

Positive	Negative	Neutral
0.943658412	0.041079171	0.015262508

The risks surrounding the economic outlook for the euro area continue to be on the downside. Developments in global money and financial market conditions and related uncertainties may have the potential to **negatively** affect economic conditions. Other downside risks include higher commodity prices in the context of renewed geopolitical **tensions**, **weaker** than expected global demand and **slow** or **insufficient** implementation of structural reforms in euro area countries.

Positive	Negative	Neutral
0.009798094	0.956329763	0.033872124

*According to Eurostat's flash estimate, and broadly in line with expectations, euro area annual HICP inflation decreased in September 2013 to 1.1%, from 1.3% in August. On the basis of current futures prices for energy, annual inflation rates are expected to remain at such low levels in the coming months. Taking the appropriate medium-term perspective, underlying price pressures are expected to remain subdued, reflecting the broad-based **weakness** in aggregate demand and the modest pace of the recovery. Medium to long-term inflation expectations continue to be firmly anchored in line with price stability.*

Inflation text paragraph

Positive	Negative	Neutral
0.142925665	0.826843858	0.030230451

The risks to the outlook for price developments are expected to be still broadly balanced over the medium term, with upside risks relating in particular to higher commodity prices as well as stronger than expected increases in administered prices and indirect taxes, and downside risks stemming from **weaker** than expected economic activity.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.913673282	0.044660345	0.041666359

Turning to the monetary analysis, data for August indicate that the underlying growth of broad money (M3) and, in particular, credit remained subdued. Annual growth in M3 continued to be broadly stable at 2.3% in August, compared with 2.2% in July. Annual growth in M1 remained strong but decreased to 6.8% in August, from 7.1% in July. Net capital inflows into the euro area continued to be the main factor supporting annual M3 growth, while the annual rate of change of loans to the private sector remained **weak**. The annual growth rate of loans to households (adjusted for loan sales and securitisation) stood at 0.4% in August, broadly unchanged since the turn of the year. The annual rate of change of loans to non-financial corporations (adjusted for loan sales and securitisation) was -2.9% in August, compared with -2.8% in July. **Weak** loan dynamics for non-financial corporations continue to reflect primarily their lagged relationship with the business cycle, credit risk and the ongoing adjustment of financial and non-financial sector balance sheets.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.025927229	0.947747529	0.026325265

Since the summer of 2012 substantial **progress** has been made in **improving** the funding situation of banks and, in particular, in **strengthening** the domestic deposit base in a number of **stressed** countries. In order to ensure an adequate transmission of monetary policy to the financing conditions in euro area countries, it is essential that the fragmentation of euro area credit markets declines further and that the resilience of banks is **strengthened** where needed. Further decisive steps to establish a banking union will help to **accomplish** this objective.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.893305063	0.012887076	0.093807951

To sum up, the economic analysis indicates that price developments should remain in line with price stability over the medium term. A cross-check with the signals from the monetary analysis confirms this picture.

Inflation text paragraph

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.458581954	0.021226376	0.52019161

As regards fiscal policies, euro area countries should not unravel their efforts to reduce **deficits** and put high government debt ratios on a downward path. The draft budgetary plans that countries will now deliver for the first time under the “two-pack” regulations need to provide for sufficiently far-reaching measures to **achieve** the fiscal targets for 2014. Governments must also decisively **strengthen** efforts to implement the needed structural reforms in product and labour markets. These reforms are required not only to help countries to **regain** competitiveness and to rebalance within the euro area, but also to create more flexible and **dynamic** economies that generate sustainable economic growth and employment.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.566409171	0.03423012	0.399360716

We are now at your disposal for questions. (Excluded).

Lowest inflation in the sample and happy ECB

Date of the meeting 15.4.2015.

Inflation (nowcast): -0.1%

Whole text tone: -0.023

Number of words: 652

Positive words: 23

Negative words: 8

Inflation text tone: -0.005

Number of words: 199

Positive words: 2

Negative words: 1

Whole text FinBERT tone: -0.800

Whole text tone (standardised): -1.372

Whole text FinBERT tone (standardised): -1.972

Absolute difference: 0.600

<https://www.ecb.europa.eu/press/pressconf/2015/html/is150415.en.html>

Positive words are marked with this colour

Negative words are marked with this colour

Introductory statement from 15.4.2015

*Ladies and gentlemen, the Vice-President and I are very pleased to welcome you to our press conference.
(Excluded)*

Based on our regular economic and monetary analyses, and in line with our forward guidance, we decided to keep the key ECB interest rates unchanged.

Inflation text paragraph

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.118858851	0.024197532	0.856943607

As regards non-standard monetary policy measures, on 9 March we started purchasing euro-denominated public sector securities as part of our expanded asset purchase programme, which also comprises purchases of asset-backed securities and covered bonds. Purchases are intended to run until the end of September 2016 and, in any case, until we see a sustained adjustment in the path of inflation that is consistent with our aim of **achieving** inflation rates below, but close to, 2% over the medium term. When carrying out its assessment, the Governing Council will follow its monetary policy strategy and concentrate on trends in inflation, looking through **unexpected** outcomes in measured inflation in either direction if judged to be transient and to have no implication for the medium-term outlook for price stability.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.336076051	0.021915697	0.642008245

The implementation of our asset purchase programmes is proceeding **smoothly**, with volumes in line with the announced figure of €60 billion of securities per month. In addition, there is clear evidence that the monetary policy measures we have put in place are **effective**. Financial market conditions and the cost of external finance for the private sector have eased considerably over the past months and borrowing conditions for firms and households have **improved** notably, with a pick-up in the demand for credit.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.960647583	0.020374127	0.018978259

Looking ahead, our focus will be on the full implementation of our monetary policy measures. Through these measures, we will contribute to a further improvement in the economic outlook, a reduction in economic slack and a recovery in money and credit growth. Together, such developments will lead to a sustained return of inflation towards a level below, but close to, 2% over the medium term and will underpin the firm anchoring of medium to long-term inflation expectations.

Inflation text paragraph

Positive Negative Neutral

0.939355791 0.013343873 0.047300272

Let me now explain our assessment in greater detail, starting with the economic analysis. Real GDP in the euro area rose by 0.3%, quarter on quarter, in the last quarter of 2014. Domestic demand, especially private consumption, continued to be the main driver behind the ongoing recovery. The latest economic indicators, including survey data up to March, suggest that the euro area economy has gained further momentum since the end of 2014. Looking ahead, we expect the economic recovery to broaden and strengthen gradually. Domestic demand should be further supported by ongoing improvements in financial conditions, as well as by the progress made with fiscal consolidation and structural reforms. Moreover, the lower level of the price of oil should continue to support households' real disposable income and corporate profitability and, therefore, private consumption and investment. Furthermore, demand for euro area exports should benefit from improvements in price competitiveness. However, the euro area recovery is likely to continue to be dampened by the necessary balance sheet adjustments in a number of sectors and the sluggish pace of implementation of structural reforms.

Positive Negative Neutral

0.958279014 0.019421905 0.022299018

While remaining on the downside, the risks surrounding the economic outlook for the euro area have become more balanced on account of the recent monetary policy decisions, the fall in oil prices and the lower euro exchange rate.

Inflation text paragraph

Positive Negative Neutral

0.820150077 0.125883088 0.053966794

According to Eurostat's flash estimate, euro area annual HICP inflation was -0.1% in March 2015, up from -0.3% in February and -0.6% in January. This pattern largely reflects an increase in oil prices in euro terms since mid-January. On the basis of the information available and current oil futures prices, annual HICP inflation is expected to remain very low or still **negative** in the months ahead. Supported by the **favourable** impact of our monetary policy measures on aggregate demand, the impact of the lower euro exchange rate and the assumption of base effects and somewhat higher oil prices in the years ahead, inflation rates are expected to increase later in 2015 and to pick up further during 2016 and 2017.

Inflation text paragraph

Positive	Negative	Neutral
0.943708003	0.028395291	0.027896807

The Governing Council will continue to monitor closely the risks to the outlook for price developments over the medium term. In this context, we will focus in particular on the pass-through of our monetary policy measures, as well as on geopolitical, exchange rate and energy price developments.

Inflation text paragraph

Positive	Negative	Neutral
0.104780197	0.011845567	0.883374214

Turning to the monetary analysis, recent data confirm the gradual increase in underlying growth in broad money (M3). The annual growth rate of M3 increased to 4.0% in February 2015, up from 3.7% in January. Annual growth in M3 continues to be supported by its most liquid components, with the narrow monetary aggregate M1 growing at an annual rate of 9.1% in February.

Positive	Negative	Neutral
0.956362665	0.015776614	0.027860738

Loan dynamics also gradually **improved** further. The annual rate of change of loans to non-financial corporations (adjusted for loan sales and securitisation) was -0.4% in February, after -0.9% in January, continuing its gradual recovery from a trough of -3.2% in February 2014. In this respect, the April 2015 bank lending survey confirms that **improvements** in lending conditions support a further recovery in loan growth, in particular for firms. Despite these **improvements**, the dynamics of loans to non-financial corporations remain subdued and continue to reflect the lagged relationship with the business cycle, credit risk, credit supply factors and the ongoing adjustment of financial and non-financial sector balance sheets. The annual growth rate of loans to households (adjusted for loan sales and securitisation) increased further to 1.0% in February 2015, after 0.9% in January. The monetary policy measures we have put in place should support further **improvements** both in borrowing costs for firms and households and in credit flows across the euro area.

Positive	Negative	Neutral
0.946717083	0.028011471	0.025271537

To sum up, a cross-check of the outcome of the economic analysis with the signals coming from the monetary analysis confirms the need to implement firmly the Governing Council's recent decisions. The full implementation of all our monetary policy measures will provide the necessary support to the euro area recovery and bring inflation rates towards levels below, but close to, 2% in the medium term.

Inflation text paragraph

Positive Negative Neutral

0.933341682 0.017698964 0.048959389

Monetary policy is focused on maintaining price stability over the medium term and its accommodative stance contributes to supporting economic activity. However, in order to reap the full **benefits** from our monetary policy measures, other policy areas must contribute decisively. Given continued high structural unemployment and low potential output growth in the euro area, the ongoing cyclical recovery should be supported by **effective** supply-side measures. In particular, in order to increase investment, **boost** job creation and raise productivity, both the implementation of product and labour market reforms and actions to **improve** the business environment for firms need to **gain** momentum in several countries. A swift and **effective** implementation of these reforms will not only lead to higher sustainable growth in the euro area but will also raise expectations of permanently higher incomes and encourage both households to expand consumption and firms to increase investment today, thus reinforcing the current economic recovery. Fiscal policies should support the economic recovery while remaining in compliance with the Stability and Growth Pact. Full and consistent implementation of the Pact is key for confidence in our fiscal framework. In view of the necessity to step up structural reform efforts in a number of countries, it is also important that the macroeconomic **imbalance** procedure is implemented **effectively** in order to address the **excessive imbalances** as identified in individual Member States.

Positive Negative Neutral

0.90781635 0.010528714 0.081654862

We are now at your disposal for questions. (Excluded)

Smallest absolute difference between (standardised) whole text lexicon-based and FinBERT-based tone

Date of the meeting 3.12.2015.

Inflation (nowcast): 0.1%

Whole text tone: -0.014

Number of words: 800

Positive words: 20

Negative words: 9

Inflation text tone: -0.003

Number of words: 323

Positive words: 7

Negative words: 6

Whole text FinBERT tone: -0.492

Whole text tone (standardised): -0.750

Whole text FinBERT tone (standardised): -0.756

Absolute difference: 0.006

<https://www.ecb.europa.eu/press/pressconf/2015/html/is151203.en.html>

Positive words are marked with this colour

Negative words are marked with this colour

Introductory statement from 3.12.2015

Ladies and gentlemen, the Vice-President and I are very pleased to welcome you to our press conference. We will now report on the outcome of today's meeting of the Governing Council, which was also attended by the Commission Vice-President, Mr Dombrovskis. (Excluded)

*Based on our regular economic and monetary analyses, we today conducted a thorough assessment of the **strength** and **persistence** of the factors that are currently **slowing** the return of inflation to levels below, but close to, 2% in the medium term and re-examined the degree of monetary accommodation. As a result, the Governing Council took the following decisions in the pursuit of its price stability objective:*

Inflation text paragraph

Positive	Negative	Neutral
0.209960938	0.027847067	0.762192011

First, as regards the key ECB interest rates, we decided to lower the interest rate on the deposit facility by 10 basis points to -0.30%. The interest rate on the main refinancing operations and the rate on the marginal lending facility will remain unchanged at their current levels of 0.05% and 0.30% respectively.

Inflation text paragraph

Positive	Negative	Neutral
0.081046149	0.396180689	0.522773147

*Second, as regards non-standard monetary policy measures, we decided to extend the asset purchase programme (APP). The monthly purchases of €60 billion under the APP are now intended to run until the end of March 2017, or beyond, if necessary, and in any case until the Governing Council sees a sustained adjustment in the path of inflation consistent with its aim of **achieving** inflation rates below, but close to, 2% over the medium term.*

Inflation text paragraph

Positive	Negative	Neutral
0.837956786	0.012721554	0.149321616

*Third, we decided to reinvest the principal payments on the securities purchased under the APP as they mature, for as long as necessary. This will contribute both to **favourable** liquidity conditions and to an appropriate monetary policy stance. The technical details will be communicated in due time.*

Positive	Negative	Neutral
0.549363554	0.00997765	0.440658778

Fourth, we decided to include, in the public sector purchase programme, euro-denominated marketable debt instruments issued by regional and local governments located in the euro area in the list of assets that are eligible for regular purchases by the respective national central banks.

Positive	Negative	Neutral
0.075217359	0.010145106	0.914637506

Fifth, we decided to continue conducting the main refinancing operations and three-month longer-term refinancing operations as fixed rate tender procedures with full allotment for as long as necessary, and at least until the end of the last reserve maintenance period of 2017.

Positive	Negative	Neutral
0.120789766	0.012430763	0.866779506

Today's decisions were taken in order to secure a return of inflation rates towards levels that are below, but close to, 2% and thereby to anchor medium-term inflation expectations. The latest staff projections incorporate the favourable financial market developments following our last monetary policy. They still indicate continued downside risks to the inflation outlook and slightly weaker inflation dynamics than previously expected. This follows downward revisions in earlier projection exercises. The persistence of low inflation rates reflects sizeable economic slack weighing on domestic price pressures and headwinds from the external environment.

Inflation text paragraph

Positive	Negative	Neutral
0.021999663	0.949433327	0.02856705

Our new measures will ensure accommodative financial conditions and further strengthen the substantial easing impact of the measures taken since June 2014, which have had significant positive effects on financing conditions, credit and the real economy. Today's decisions also reinforce the momentum of the euro area's economic recovery and strengthen its resilience against recent global economic shocks. The Governing Council will closely monitor the evolution in the outlook for price stability and, if warranted, is willing and able to act by using all the instruments available within its mandate in order to maintain an appropriate degree of monetary accommodation. In particular, the Governing Council recalls that the APP provides sufficient flexibility in terms of adjusting its size, composition and duration.

Inflation text paragraph

Positive	Negative	Neutral
0.836134851	0.008022004	0.155843154

Let me now explain our assessment in greater detail, starting with the economic analysis. Euro area real GDP increased by 0.3%, quarter on quarter, in the third quarter of 2015, following a rise of 0.4% in the previous quarter, most likely on account of a continued positive contribution from consumption alongside more muted developments in investment and exports. The most recent survey indicators point to ongoing real GDP growth in the final quarter of the year. Looking ahead, we expect the economic recovery to proceed. Domestic demand should be further supported by our monetary policy measures and their favourable impact on financial conditions, as well as by the earlier progress made with fiscal consolidation and structural reforms. Moreover, low oil prices should provide support for households' real disposable income and corporate profitability and, therefore, private consumption and investment. In addition, government expenditure is likely to increase in some parts of the euro area, reflecting measures in support of refugees. However, the economic recovery in the euro area continues to be dampened by subdued growth prospects in emerging markets and moderate global trade, the necessary balance sheet adjustments in a number of sectors and the sluggish pace of implementation of structural reforms.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.948672712	0.031717956	0.01960939

This outlook is broadly reflected in the December 2015 Eurosystem staff macroeconomic projections for the euro area, which foresee annual real GDP increasing by 1.5% in 2015, 1.7% in 2016 and 1.9% in 2017. Compared with the September 2015 ECB staff macroeconomic projections, the prospects for real GDP growth are broadly unchanged.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.757303774	0.054633785	0.188062444

The risks to the euro area growth outlook relate in particular to the heightened uncertainties regarding developments in the global economy as well as to broader geopolitical risks. These risks have the potential to weigh on global growth and foreign demand for euro area exports and on confidence more widely.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.100945473	0.284666777	0.614387751

According to Eurostat's flash estimate, euro area annual HICP inflation was 0.1% in November 2015, unchanged from October but lower than expected. This reflected somewhat **weaker** price increases in services and industrial goods, mainly compensated for by a less **negative** contribution from energy prices. On the basis of the information available and current oil futures prices, annual HICP inflation rates are expected to rise at the turn of the year, mainly on account of base effects associated with the fall in oil prices in late 2014. During 2016 and 2017, inflation rates are foreseen to pick up further, supported by our previous monetary policy measures – and supplemented by those announced today – the expected economic recovery, and the pass-through of past declines in the euro exchange rate. The Governing Council will closely monitor the evolution of inflation rates over the period ahead.

Inflation text paragraph

Positive	Negative	Neutral
0.734593868	0.188003391	0.077402808

This broad pattern is also reflected in the December 2015 Eurosystem staff macroeconomic projections for the euro area, which foresee annual HICP inflation at 0.1% in 2015, 1.0% in 2016 and 1.6% in 2017. In comparison with the September 2015 ECB staff macroeconomic projections, the outlook for HICP inflation has been revised down slightly.

Positive	Negative	Neutral	sentiment
0.010507276	0.955196023	0.034296628	negative

Turning to the monetary analysis, recent data confirm solid growth in broad money (M3), with the annual rate of growth of M3 increasing to 5.3% in October 2015 from 4.9% in September. Annual growth in M3 continues to be mainly supported by its most liquid components, with the narrow monetary aggregate M1 growing at an annual rate of 11.8% in October, after 11.7% in September.

Positive	Negative	Neutral
0.95237267	0.021047657	0.026579658

Loan dynamics continued the path of gradual recovery observed since the beginning of 2014. The annual rate of change of loans to non-financial corporations (adjusted for loan sales and securitisation) increased to 0.6% in October, up from 0.1% in September. Despite these **improvements**, developments in loans to enterprises continue to reflect the lagged relationship with the business cycle, credit risk and the ongoing adjustment of financial and non-financial sector balance sheets. The annual growth rate of loans to households (adjusted for loan sales and securitisation) increased to 1.2% in October, compared with 1.1% in September. Overall, the monetary policy measures in place since June 2014 have clearly **improved** borrowing conditions for both firms and households and credit flows across the euro area.

Positive	Negative	Neutral
0.959871709	0.021723108	0.018405175

To sum up, a cross-check of the outcome of the economic analysis with the signals coming from the monetary analysis confirmed the need for further monetary stimulus in order to secure a return of inflation rates towards levels that are below, but close to, 2%.

Inflation text paragraph

Positive	Negative	Neutral
0.867675543	0.03446395	0.097860575

Monetary policy is focused on maintaining price stability over the medium term and its accommodative stance supports economic activity. However, in order to reap the full **benefits** from our monetary policy measures, other policy areas must contribute decisively. Given continued **high structural unemployment** and low potential output growth in the euro area, the ongoing cyclical recovery should be supported by **effective** structural policies. In particular, actions to **improve** the business environment, including the provision of an adequate public infrastructure, are vital to increase productive investment, **boost** job creation and raise productivity. The swift and **effective** implementation of structural reforms, in an environment of accommodative monetary policy, will not only lead to higher sustainable economic growth in the euro area but will also raise expectations of permanently higher incomes and accelerate the **beneficial** effects of reforms, thereby making the euro area more resilient to global shocks. Fiscal policies should support the economic recovery, while remaining in compliance with the fiscal rules of the European Union. Full and consistent implementation of the Stability and Growth Pact is crucial for confidence in our fiscal framework. At the same time, all countries should strive for a more growth-friendly composition of fiscal policies.

Positive	Negative	Neutral
0.88173908	0.009559774	0.10870111

We are now at your disposal for questions. (Excluded)

Low inflation and happy ECB

Date of the meeting 21.7.2016.

Inflation (nowcast): 0.1%

Whole text tone: -0.031

Number of words: 686

Positive words: 24

Negative words: 3

Inflation text tone: -0.016

Number of words: 188

Positive words: 5

Negative words: 2

Whole text FinBERT tone: -0.693

Whole text tone (standardised): -1.884

Whole text FinBERT tone (standardised): -1.550

Absolute difference: 0.334

<https://www.ecb.europa.eu/press/pressconf/2016/html/is160721.en.html>

Positive words are marked with this colour

Negative words are marked with this colour

Introductory statement from 21.7.2016

Ladies and gentlemen, the Vice-President and I are very pleased to welcome you to our press conference. We will now report on the outcome of today's meeting of the Governing Council, which was also attended by the Commission Vice-President, Mr Dombrovskis. (Excluded)

Based on our regular economic and monetary analyses, we decided to keep the key ECB interest rates unchanged. We continue to expect them to remain at present or lower levels for an extended period of time, and well past the horizon of our net asset purchases. Regarding non-standard monetary policy measures, we confirm that the monthly asset purchases of €80 billion are intended to run until the end of March 2017, or beyond, if necessary, and in any case until the Governing Council sees a sustained adjustment in the path of inflation consistent with its inflation aim.

Positive	Negative	Neutral
0.199880928	0.029599696	0.770519376

Today we discussed developments since our last monetary policy meeting in early June. Following the UK referendum on EU membership, our assessment is that euro area financial markets have weathered the spike in uncertainty and volatility with encouraging resilience. The announced readiness of central banks to provide liquidity, if needed, and our accommodative monetary policy measures, as well as a robust regulatory and supervisory framework, have all helped to keep market stress contained. Financing conditions remain highly supportive, which contributes to a strengthening in credit creation. They continue to support our baseline scenario of an ongoing economic recovery and an increase in inflation rates.

Inflation text paragraph

Positive	Negative	Neutral	sentiment
0.948824942	0.016512834	0.034662206	positive

At the same time, given prevailing uncertainties, the Governing Council will continue to monitor economic and financial market developments very closely and to safeguard the pass-through of its accommodative monetary policy to the real economy. Over the coming months, when we have more information, including new staff projections, we will be in a better position to reassess the underlying macroeconomic conditions, the most likely paths of inflation and growth, and the distribution of risks around those paths. If warranted to achieve its objective, the Governing Council will act by using all the instruments available within its mandate.

Inflation text paragraph

Positive	Negative	Neutral
0.39095667	0.010179508	0.59886378

Let me now explain our assessment in greater detail, starting with the economic analysis. Euro area real GDP increased by 0.6%, quarter on quarter, in the first quarter of 2016, after 0.4% in the last quarter of 2015. Growth continues to be supported by domestic demand, while export growth has remained modest. Incoming data point to ongoing growth in the second quarter of 2016, though at a lower rate than in the first quarter. Looking ahead, we continue to expect the economic recovery to proceed at a moderate pace. Domestic demand remains supported by the pass-through of our monetary policy measures to the real economy. Favourable financing conditions and improvements in corporate profitability continue to promote a recovery in investment. Sustained employment gains, which are also benefiting from past structural reforms, and still relatively low oil prices provide additional support for households' real disposable income and thus for private consumption. In addition, the fiscal stance in the euro area is expected to be mildly expansionary in 2016 and to turn broadly neutral in 2017 and 2018.

Positive Negative Neutral

0.959454417 0.017670993 0.022874579

At the same time, headwinds to the economic recovery in the euro area include the outcome of the UK referendum and other geopolitical uncertainties, subdued growth prospects in emerging markets, the necessary balance sheet adjustments in a number of sectors and a sluggish pace of implementation of structural reforms. Against this background, the risks to the euro area growth outlook remain tilted to the downside.

Positive Negative Neutral

0.015347231 0.954892159 0.029760549

According to Eurostat, euro area annual HICP inflation in June 2016 was 0.1%, up from -0.1% in May, mainly reflecting higher energy and services price inflation. Looking ahead, on the basis of current futures prices for oil, inflation rates are likely to remain very low in the next few months before starting to pick up later in 2016, in large part owing to base effects in the annual rate of change of energy prices. Supported by our monetary policy measures and the expected economic recovery, inflation rates should increase further in 2017 and 2018.

Inflation text paragraph

Positive Negative Neutral

0.953561664 0.0235666 0.022871798

Turning to the monetary analysis, broad money (M3) continued to increase at a robust pace in May 2016, with its annual rate of growth standing at 4.9%, after 4.6% in April. As in previous months, annual growth in M3 was mainly supported by its most liquid components, with the narrow monetary aggregate M1 expanding at an annual rate of 9.1% in May, after 9.7% in April.

Positive Negative Neutral

0.949208021 0.017745268 0.033046801

Loan dynamics followed the path of gradual recovery observed since the beginning of 2014. The annual rate of change of loans to non-financial corporations (adjusted for loan sales and securitisation) increased to 1.4% in May 2016, compared with 1.2% in April. Developments in loans to enterprises continue to reflect the lagged relationship with the business cycle, credit risk and the ongoing adjustment of financial and non-financial sector balance sheets. The annual growth rate of loans to households (adjusted for loan sales and securitisation) remained broadly stable at 1.6% in May, after 1.5% in April.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.887088239	0.046584535	0.066327192

The euro area bank lending survey for the second quarter of 2016 indicates further **improvements** in loan supply conditions for loans to enterprises and households and a continued increase in loan demand across all loan categories. Furthermore, banks continued to report that the targeted longer-term refinancing operations had contributed to more **favourable** terms and conditions on loans.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.958415568	0.016952433	0.024631912

The monetary policy measures in place since June 2014 have significantly **improved** borrowing conditions for firms and households, as well as credit flows across the euro area. The comprehensive package of new monetary policy measures adopted in March this year underpins the ongoing **upturn** in loan growth, thereby supporting the recovery of the real economy. In the light of the prevailing uncertainties, it is essential that the bank lending channel continues to function well.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.940596342	0.012997625	0.046406042

*To sum up, a cross-check of the outcome of the economic analysis with the signals coming from the monetary analysis confirmed the need to preserve an appropriate degree of monetary accommodation in order to secure a return of inflation rates towards levels that are below, but close to, 2% **without undue delay**.*

Inflation text paragraph

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.835466981	0.026310811	0.138222262

Monetary policy is focused on maintaining price stability over the medium term and its accommodative stance supports economic activity. As emphasised repeatedly by the Governing Council, and as again strongly echoed in both European and international policy discussions, in order to reap the full benefits from our monetary policy measures, other policy areas must contribute much more decisively, both at the national and at the European level. The implementation of structural reforms needs to be substantially stepped up to reduce structural unemployment and boost potential output growth in the euro area. Structural reforms are necessary in all euro area countries, although specific reform needs differ across the individual economies. The focus should be on actions to raise productivity and improve the business environment, including the provision of an adequate public infrastructure, which are vital to increase investment and boost job creation. The enhancement of current investment initiatives, including the extension of the Juncker plan, progress on the capital markets union and reforms that will improve the resolution of non-performing loans will also contribute positively to this objective. In an environment of accommodative monetary policy, the swift and effective implementation of structural reforms, in line with the 2016 country-specific recommendations recently approved by the European Council, will not only lead to higher sustainable economic growth in the euro area but will also make the euro area more resilient to global shocks. Fiscal policies should also support the economic recovery, while remaining in compliance with the fiscal rules of the European Union. Full and consistent implementation of the Stability and Growth Pact over time and across countries is crucial to maintain confidence in the fiscal framework. At the same time, all countries should strive for a more growth-friendly composition of fiscal policies.

Positive Negative Neutral

0.803471744 0.009387535 0.187140718

We are now at your disposal for questions. (Excluded)

Lowest (standardised) net negativity in whole texts according to the lexicon-based method

Date of the meeting 14.12.2017.

Inflation (nowcast): 1.5%

Whole text tone: -0.031

Number of words: 636

Positive words: 23

Negative words: 3

Inflation text tone: -0.024

Number of words: 208

Positive words: 5

Negative words: 0

Whole text FinBERT tone: -0.832

Whole text tone (standardised): -1.940

Whole text FinBERT tone (standardised): -2.100

Absolute difference: 0.160

<https://www.ecb.europa.eu/press/pressconf/2017/html/ecb.is171214.en.html>

Positive words are marked with this colour

Negative words are marked with this colour

Introductory statement from 14.12.2017

Ladies and gentlemen, the Vice-President and I are very pleased to welcome you to our press conference. We will now report on the outcome of today's meeting of the Governing Council, which was also attended by the President of the Eurogroup, Mr Dijsselbloem, and by the Commission Vice-President, Mr Dombrovskis. (Excluded)

Based on our regular economic and monetary analyses, we decided to keep the key ECB interest rates unchanged. We continue to expect them to remain at their present levels for an extended period of time, and well past the horizon of our net asset purchases.

Inflation text paragraph

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
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0.239381358	0.027095161	0.733523428
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Regarding non-standard monetary policy measures, we confirm that from January 2018 we intend to continue to make net asset purchases under the asset purchase programme (APP), at a monthly pace of €30 billion, until the end of September 2018, or beyond, if necessary, and in any case until the Governing Council sees a sustained adjustment in the path of inflation consistent with its inflation aim. If the outlook becomes **less favourable**, or if financial conditions become **inconsistent with further progress** towards a sustained adjustment in the path of inflation, we stand ready to increase the APP in terms of size and/or duration. The Eurosystem will reinvest the principal payments from maturing securities purchased under the APP for an extended period of time after the end of its net asset purchases, and in any case for as long as necessary. This will contribute both to **favourable** liquidity conditions and to an appropriate monetary policy stance.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
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0.71974057	0.00964992	0.270609558
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Our monetary policy decisions have preserved the very *favourable* financing conditions that are still needed for a sustained return of inflation rates towards levels that are below, but close to, 2%. The incoming information, including our new staff projections, indicates a strong pace of economic expansion and a significant *improvement* in the growth outlook. The strong cyclical momentum and the significant reduction of economic slack give grounds for *greater confidence* that inflation will converge towards our inflation aim. At the same time, domestic price pressures remain muted overall and have yet to show convincing signs of a sustained upward trend. An *ample* degree of monetary stimulus therefore remains necessary for underlying inflation pressures to continue to build up and support headline inflation developments over the medium term. This continued monetary support is provided by the additional net asset purchases that we decided on at our October monetary policy meeting, by the sizeable stock of acquired assets and the forthcoming reinvestments, and by our forward guidance on interest rates.

Inflation text paragraph

Positive Negative Neutral

0.944006622 0.015005319 0.040988065

Let me now explain our assessment in greater detail, starting with the economic analysis. The economic expansion in the euro area continued in the third quarter of 2017, when real GDP increased by 0.6% quarter on quarter, after 0.7% in the second quarter. The latest data and survey results point to solid and broad-based growth momentum. Our monetary policy measures, which have facilitated the deleveraging process, continue to support domestic demand. Private consumption is underpinned by ongoing employment *gains*, which are also *benefiting* from past labour market reforms, and by rising household wealth. Business investment continues to *strengthen* on the back of very *favourable* financing conditions, rising corporate *profitability* and *strengthening* demand. Housing investment has also risen further over recent quarters. In addition, euro area exports are being supported by the broad-based global expansion.

Positive Negative Neutral

0.956903756 0.012852531 0.030243672

This assessment is broadly reflected in the December 2017 Eurosystem staff macroeconomic projections for the euro area. These projections foresee annual real GDP increasing by 2.4% in 2017, 2.3% in 2018, 1.9% in 2019 and 1.7% in 2020. Compared with the September 2017 ECB staff macroeconomic projections, the outlook for real GDP growth has been revised up substantially.

Positive Negative Neutral

0.940689802 0.028851669 0.030458547

Risks surrounding the euro area growth outlook remain broadly balanced. On the one hand, the strong cyclical momentum, underpinned by continued **positive** developments in sentiment indicators, could lead to further positive growth surprises in the near term. On the other hand, downside risks continue to relate primarily to global factors and developments in foreign exchange markets.

Positive	Negative	Neutral
0.749548614	0.033219807	0.217231512

According to Eurostat's flash estimate, euro area annual HICP inflation was 1.5% in November, up from 1.4% in October. At the same time, measures of underlying inflation have moderated somewhat recently, in part owing to special factors. Looking ahead, on the basis of current futures prices for oil, annual rates of headline inflation are likely to moderate in the coming months, mainly reflecting base effects in energy prices, before increasing again. Underlying inflation is expected to rise gradually over the medium term, supported by our monetary policy measures, the continuing economic expansion, the corresponding absorption of economic slack and rising wage growth.

Inflation text paragraph

Positive	Negative	Neutral
0.95348084	0.022981178	0.023537936

This assessment is also broadly reflected in the December 2017 Eurosystem staff macroeconomic projections for the euro area, which foresee annual HICP inflation at 1.5% in 2017, 1.4% in 2018, 1.5% in 2019 and 1.7% in 2020. Compared with the September 2017 ECB staff macroeconomic projections, the outlook for headline HICP inflation has been revised up, mainly reflecting higher oil and food prices.

Inflation text paragraph

Positive	Negative	Neutral
0.711914837	0.185329497	0.102755569

Turning to the monetary analysis, broad money (M3) continues to expand at a **robust** pace, with an annual rate of growth of 5.0% in October 2017, from 5.2% in September, reflecting the impact of the ECB's monetary policy measures and the low **opportunity** cost of holding the most liquid deposits. Accordingly, the narrow monetary aggregate M1 continued to be the main contributor to broad money growth, expanding at an annual rate of 9.4% in October, after 9.8% in September.

Positive	Negative	Neutral
0.951779842	0.020887898	0.027332162

The recovery in the growth of loans to the private sector observed since the beginning of 2014 is proceeding. The annual growth rate of loans to non-financial corporations increased to 2.9% in October 2017, after 2.4% in September, while the annual growth rate of loans to households remained stable at 2.7%.

Positive	Negative	Neutral
0.957341135	0.020708319	0.021950442

The pass-through of the monetary policy measures put in place since June 2014 continues to significantly support borrowing conditions for firms and households, access to financing – notably for small and medium-sized enterprises – and credit flows across the euro area.

Positive	Negative	Neutral
0.954497099	0.017966703	0.027536139

To sum up, a cross-check of the outcome of the economic analysis with the signals coming from the monetary analysis confirmed the need for an ample degree of monetary accommodation to secure a sustained return of inflation rates towards levels that are below, but close to, 2%.

Inflation text paragraph

Positive	Negative	Neutral
0.921194494	0.027734527	0.051070962

In order to reap the full benefits from our monetary policy measures, other policy areas must contribute decisively to strengthening the longer-term growth potential and reducing vulnerabilities. The implementation of structural reforms in all euro area countries needs to be substantially stepped up to increase resilience, reduce structural unemployment and boost euro area productivity and growth potential. Regarding fiscal policies, the increasingly solid and broad-based expansion strengthens the case for rebuilding fiscal buffers. This is particularly important in countries where government debt remains high. All countries would benefit from intensifying efforts towards achieving a more growth-friendly composition of public finances. A full, transparent and consistent implementation of the Stability and Growth Pact and of the macroeconomic imbalance procedure over time and across countries remains essential to increase the resilience of the euro area economy. Strengthening Economic and Monetary Union remains a priority. The Governing Council welcomes the ongoing discussions on completing the banking union and the capital markets union, and on further enhancing the institutional architecture of our Economic and Monetary Union.

Positive	Negative	Neutral
0.886378109	0.008527756	0.105094172

We are now at your disposal for questions. (Excluded)

Third largest absolute difference between (standardised) whole text lexicon-based and FinBERT-based tone

Date of the meeting 24.1.2019.

Inflation (nowcast): 1.6%

Whole text tone: 0.002

Number of words: 508

Positive words: 11

Negative words: 12

Inflation text tone: 0.005

Number of words: 210

Positive words: 3

Negative words: 4

Whole text FinBERT tone: -0.718

Whole text tone (standardised): 0.307

Whole text FinBERT tone (standardised): -1.648

Absolute difference: 1.955

<https://www.ecb.europa.eu/press/pressconf/2019/html/ecb.is190124~cd3821f8f5.en.html>

Positive words are marked with this colour

Negative words are marked with this colour

Introductory statement from 24.01.2019

Ladies and gentlemen, the Vice-President and I are very pleased to welcome you to our press conference. We will now report on the outcome of today's meeting of the Governing Council, which was also attended by the Commission Vice-President, Mr Dombrovskis. (Excluded)

Based on our regular economic and monetary analyses, we decided to keep the key ECB interest rates unchanged. We continue to expect them to remain at their present levels at least through the summer of 2019, and in any case for as long as necessary to ensure the continued sustained convergence of inflation to levels that are below, but close to, 2% over the medium term.

Inflation text paragraph

Positive Negative Neutral

0.680115223 0.049557779 0.270326972

Regarding non-standard monetary policy measures, we intend to continue reinvesting, in full, the principal payments from maturing securities purchased under the asset purchase programme for an extended period of time past the date when we start 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.

Positive Negative Neutral

0.695181549 0.010746751 0.294071645

The incoming information has continued to be weaker than expected on account of softer external demand and some country and sector-specific factors. The persistence of uncertainties in particular relating to geopolitical factors and the threat of protectionism is weighing on economic sentiment. At the same time, supportive financing conditions, favourable labour market dynamics and rising wage growth continue to underpin the euro area expansion and gradually rising inflation pressures. This supports our confidence in the continued sustained convergence of inflation to levels that are below, but close to, 2% over the medium term. Significant monetary policy stimulus remains essential to support the further build-up of domestic price pressures and headline inflation developments over the medium term. This will be provided by our forward guidance on the key ECB interest rates, reinforced by the reinvestments of the sizeable stock of acquired assets. In any event, the Governing Council stands ready to adjust all of its instruments, as appropriate, to ensure that inflation continues to move towards the Governing Council's inflation aim in a sustained manner.

Inflation text paragraph

Positive Negative Neutral

0.894564331 0.022483423 0.082952224

Let me now explain our assessment in greater detail, starting with the economic analysis. Euro area real GDP increased by 0.2%, quarter on quarter, in the third quarter of 2018, following growth of 0.4% in the previous two quarters. Incoming data have continued to be weaker than expected as a result of a slowdown in external demand compounded by some country and sector-specific factors. While the impact of some of these factors is expected to fade, the near-term growth momentum is likely to be weaker than previously anticipated. Looking ahead, the euro area expansion will continue to be supported by favourable financing conditions, further employment gains and rising wages, lower energy prices, and the ongoing – albeit somewhat slower – expansion in global activity.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.91868186	0.057919033	0.023399211

The risks surrounding the euro area growth outlook have moved to the downside on account of the persistence of uncertainties related to geopolitical factors and the threat of protectionism, vulnerabilities in emerging markets and financial market volatility.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.040391319	0.924396813	0.035211947

Euro area annual HICP inflation declined to 1.6% in December 2018, from 1.9% in November, reflecting mainly lower energy price inflation. On the basis of current futures prices for oil, headline inflation is likely to decline further over the coming months. Measures of underlying inflation remain generally muted, but labour cost pressures are continuing to strengthen and broaden amid high levels of capacity utilisation and tightening labour markets. Looking ahead, underlying inflation is expected to increase over the medium term, supported by our monetary policy measures, the ongoing economic expansion and rising wage growth.

Inflation text paragraph

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.74817425	0.223823681	0.028002178

Turning to the monetary analysis, broad money (M3) growth moderated to 3.7% in November 2018, after 3.9% in October. M3 growth continues to be backed by bank credit creation. The narrow monetary aggregate M1 remained the main contributor to broad money growth.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.827991903	0.039893959	0.132114202

The annual growth rate of loans to non-financial corporations stood at 4.0% in November 2018, after 3.9% in October, while the annual growth rate of loans to households remained broadly unchanged at 3.3%. The euro area bank lending survey for the fourth quarter of 2018 suggests that overall bank lending conditions remained **favourable**, following an extended period of net easing, and demand for bank credit continued to rise, thereby underpinning loan growth.

Positive Negative Neutral

0.955248773 0.020941569 0.023809677

The pass-through of the monetary policy measures put in place since June 2014 continues to significantly support borrowing conditions for firms and households, access to financing – in particular for small and medium-sized enterprises – and credit flows across the euro area.

Positive Negative Neutral

0.949774086 0.013869262 0.036356721

*To sum up, a cross-check of the outcome of the economic analysis with the signals coming from the monetary analysis confirmed that an **ample** degree of monetary accommodation is still necessary for the continued sustained convergence of inflation to levels that are below, but close to, 2% over the medium term.*

Inflation text paragraph

Positive Negative Neutral

0.889340401 0.035469808 0.075189859

In order to reap the full **benefits** from our monetary policy measures, other policy areas must contribute more decisively to raising the longer-term growth potential and reducing vulnerabilities. The implementation of structural reforms in euro area countries needs to be substantially stepped up to increase resilience, reduce structural unemployment and **boost** euro area productivity and growth potential. Regarding fiscal policies, the Governing Council reiterates the need for rebuilding fiscal buffers. This is particularly important in countries where government debt is high and for which full adherence to the Stability and Growth Pact is **critical** for safeguarding sound fiscal positions. Likewise, the transparent and consistent implementation of the EU's fiscal and economic governance framework over time and across countries remains essential to bolster the resilience of the euro area economy. **Improving** the functioning of Economic and Monetary Union remains a priority. The Governing Council welcomes the ongoing work and urges further specific and decisive steps to complete the banking union and the capital markets union.

Positive Negative Neutral

0.775527239 0.011810984 0.212661877

We are now at your disposal for questions. (Excluded)

Largest number of words

Date of the meeting 10.12.2020.

Inflation (nowcast): -0.3%

Whole text tone: 0.004

Number of words: 1238

Positive words: 26

Negative words: 31

Inflation text tone: -0.004

Number of words: 225

Positive words: 4

Negative words: 3

Whole text FinBERT tone: -0.241

Whole text tone (standardised): 0.447

Whole text FinBERT tone (standardised): 0.236

Absolute difference: 0.210

<https://www.ecb.europa.eu/press/pressconf/2020/html/ecb.is201210~9b8e5f3cdd.en.html>

Positive words are marked with this colour

Negative words are marked with this colour

Introductory statement from 10.12.2020

Ladies and gentlemen, the Vice-President and I are very pleased to welcome you to our press conference. We will now report on the outcome of today's meeting of the Governing Council, which was also attended by the Commission Executive Vice-President, Mr Dombrovskis. (Excluded)

While the **rebound** of economic activity in the third quarter was stronger than expected and the prospects for the roll-out of vaccines are **encouraging**, the pandemic continues to pose **serious** risks to public health and to the euro area and global economies. The resurgence in COVID-19 cases and the associated containment measures are significantly restricting euro area economic activity, which is expected to have **contracted** in the fourth quarter of 2020. While activity in the manufacturing sector continues to hold up well, services activity is being **severely** curbed by the increase in infection rates and the new restrictions on social interaction and mobility. Inflation remains very low in the context of **weak** demand and significant slack in labour and product markets. Overall, the incoming data and our staff projections suggest a more pronounced near-term impact of the pandemic on the economy and a more **protracted weakness** in inflation than previously envisaged.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.01359888	0.965760112	0.020640945

In view of the economic **fallout** from the resurgence of the pandemic, today the Governing Council recalibrated its monetary policy instruments as follows:

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.050182033	0.033311568	0.91650641

*First, the Governing Council decided to keep the key ECB interest rates unchanged. We expect them to remain at their present or lower levels until we have seen the inflation outlook **robustly** converge to a level sufficiently close to, but below, 2 per cent within our projection horizon, and such convergence has been consistently reflected in underlying inflation dynamics.*

Inflation text paragraph

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.848988533	0.045441996	0.105569415

Second, we decided to increase the envelope of the pandemic emergency purchase programme (PEPP) by €500 billion to a total of €1,850 billion. We also extended the horizon for net purchases under the PEPP to at least the end of March 2022. In any case, we will conduct net purchases until the Governing Council judges that the coronavirus crisis phase is over.

Positive Negative Neutral

0.897716463 0.008962477 0.093321107

We will conduct our purchases under the PEPP to preserve favourable financing conditions over this extended period. We will purchase flexibly according to market conditions and with a view to preventing a tightening of financing conditions that is inconsistent with countering the downward impact of the pandemic on the projected path of inflation. In addition, the flexibility of purchases over time, across asset classes and among jurisdictions will continue to support the smooth transmission of monetary policy. If favourable financing conditions can be maintained with asset purchase flows that do not exhaust the envelope over the net purchase horizon of the PEPP, the envelope need not be used in full. Equally, the envelope can be recalibrated if required to maintain favourable financing conditions to help counter the negative pandemic shock to the path of inflation.

Positive Negative Neutral

0.183066934 0.010669021 0.806264043

The extension of our PEPP purchases over a longer horizon reflects the prolonged fallout from the pandemic for the economy and inflation. It allows for a continuous market presence and more durable support from our monetary stimulus. Preserving favourable financing conditions over the pandemic period will help to reduce uncertainty and bolster confidence, thereby encouraging consumer spending and business investment, and, ultimately, underpinning the economic recovery and helping to offset the downward impact of the pandemic on the projected path of inflation.

Positive Negative Neutral

0.9450894 0.013530985 0.041379586

We also decided to extend the reinvestment of principal payments from maturing securities purchased under the PEPP until at least the end of 2023. In any case, the future roll-off of the PEPP portfolio will be managed to avoid interference with the appropriate monetary policy stance.

Positive Negative Neutral

0.125468805 0.020553922 0.853977323

Third, the Governing Council decided to further recalibrate the conditions of the third series of targeted longer-term refinancing operations (TLTRO III). Specifically, we decided to extend the period over which considerably more favourable terms will apply by twelve months, to June 2022. We will also conduct three additional operations between June and December 2021. Moreover, we decided to raise the total amount that counterparties will be entitled to borrow in TLTRO III operations from 50 per cent to 55 per cent of their stock of eligible loans. In order to provide an incentive for banks to sustain the current level of bank lending, the recalibrated TLTRO III borrowing conditions will be made available only to banks that achieve a new lending performance target. The extension of the pandemic-related low interest rate period under TLTRO III, the addition of more operations and the increase in the amount that can potentially be borrowed will preserve the very attractive funding conditions for banks. This will help to ensure that they can continue to offer favourable lending conditions and have ample liquidity to extend loans to households and firms.

Positive Negative Neutral

0.849466741 0.006921749 0.14361158

Fourth, we decided to extend to June 2022 the duration of the set of collateral easing measures adopted by the Governing Council on 7 and 22 April 2020. The extension of these measures will continue to ensure that banks can make full use of the Eurosystem's liquidity operations, most notably the recalibrated TLTROs. The Governing Council will reassess the collateral easing measures before June 2022, ensuring that Eurosystem counterparties' participation in TLTRO III operations is not adversely affected.

Positive Negative Neutral

0.47038582 0.009122567 0.52049166

Fifth, the Governing Council also decided to offer four additional pandemic emergency longer-term refinancing operations (PELTROs) in 2021, which will continue to provide an effective liquidity backstop.

Positive Negative Neutral

0.931068003 0.017641971 0.051290095

Sixth, net purchases under our asset purchase programme (APP) will continue at a monthly pace of €20 billion. We continue to expect monthly net asset purchases under the APP to run for as long as necessary to reinforce the accommodative impact of our policy rates, and to end shortly before we start raising the key ECB interest rates.

Positive Negative Neutral

0.627000868 0.018392617 0.354606539

We also intend to continue reinvesting, in full, the principal payments from maturing securities purchased under the APP for an extended period of time past the date when we start 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.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.735008359	0.00998606	0.255005538

Seventh, the Eurosystem repo facility for central banks (EUREP) and all temporary swap and repo lines with non-euro area central banks will be extended until March 2022.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.088306919	0.027524985	0.884168029

Finally, we decided to continue conducting our regular lending operations as fixed rate tender procedures with full allotment at the prevailing conditions for as long as necessary.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.112829901	0.009294857	0.877875268

Separate press releases with further details of the measures taken by the Governing Council will be published this afternoon at 15:30 CET.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.020414785	0.027105847	0.952479422

The monetary policy measures taken today will contribute to preserving favourable financing conditions over the pandemic period, thereby supporting the flow of credit to all sectors of the economy, underpinning economic activity and safeguarding medium-term price stability. At the same time, uncertainty remains high, including with regard to the dynamics of the pandemic and the timing of vaccine roll-outs. We will also continue to monitor developments in the exchange rate with regard to their possible implications for the medium-term inflation outlook. We therefore continue to stand ready to adjust all of our instruments, as appropriate, to ensure that inflation moves towards our aim in a sustained manner, in line with our commitment to symmetry.

Inflation text paragraph

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.744784772	0.011131582	0.244083703

Let me now explain our assessment in greater detail, starting with the economic analysis. Following a sharp **contraction** in the first half of 2020, euro area real GDP **rebounded** strongly and rose by 12.5 per cent, quarter on quarter, in the third quarter, although remaining well below pre-pandemic levels. The second wave of the pandemic and the associated intensification of containment measures observed since mid-October are expected to result in a renewed significant decline in activity in the fourth quarter, although to a much lesser extent than observed in the second quarter of this year.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.387748688	0.592221558	0.0200298

Economic developments continue to be uneven across sectors, with activity in the services sector being more **adversely** affected by the new restrictions on social interaction and mobility than activity in the industrial sector. Although fiscal policy measures are supporting households and firms, consumers remain cautious in the light of the pandemic and its ramifications for employment and earnings. Moreover, **weaker** balance sheets and uncertainty about the economic outlook are weighing on business investment.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.018564908	0.959797919	0.021637177

Looking ahead, the news of prospective roll-outs of vaccines allows for **greater confidence** in the assumption of a gradual resolution of the health **crisis**. However, it will take time until widespread immunity is **achieved**, while further resurgences in infections, with **challenges** to public health and economic prospects, cannot be ruled out. Over the medium term, the recovery of the euro area economy should be supported by **favourable** financing conditions, an expansionary fiscal stance and a recovery in demand as containment measures are lifted and uncertainty recedes.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.94818759	0.014691013	0.03712143

This assessment is broadly reflected in the baseline scenario of the December 2020 Eurosystem staff macroeconomic projections for the euro area. These projections foresee annual real GDP growth at -7.3 per cent in 2020, 3.9 per cent in 2021, 4.2 per cent in 2022 and 2.1 per cent in 2023. Compared with the September 2020 ECB staff macroeconomic projections, the outlook for economic activity has been revised down in the short term, but is seen to broadly recover to the level projected in the September baseline scenario over the medium term.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.121044546	0.799149513	0.079805866

Overall, the risks surrounding the euro area growth outlook remain tilted to the downside, but have become less pronounced. While the news about the prospects for vaccine roll-outs in the near future is **encouraging**, downside risks remain related to the implications of the pandemic for economic and financial conditions.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.409832716	0.481816411	0.108350813

*According to Eurostat's flash estimate, euro area annual inflation remained unchanged at -0.3 per cent in November. On the basis of oil price dynamics and taking into account the temporary reduction in the German VAT rate, headline inflation is likely to remain **negative** until early 2021. Thereafter, it is expected to increase owing to the end of the temporary VAT reduction in Germany and upward base effects in energy price inflation. At the same time, underlying price pressures are expected to remain subdued owing to **weak** demand, notably in the tourism and travel-related sectors, as well as to low wage pressures and the appreciation of the euro exchange rate. Once the impact of the pandemic fades, a recovery in demand, supported by accommodative fiscal and monetary policies, will put upward pressure on inflation over the medium term. Market-based indicators and survey-based measures of longer-term inflation expectations remain at low levels.*

Inflation text paragraph

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.552297831	0.373466313	0.074235797

This assessment is broadly reflected in the baseline scenario of the December 2020 Eurosystem staff macroeconomic projections for the euro area, which foresees annual inflation at 0.2 per cent in 2020, 1.0 per cent in 2021, 1.1 per cent in 2022 and 1.4 per cent in 2023. Compared with the September 2020 ECB staff macroeconomic projections, the outlook for inflation has been revised down for 2020 and 2022.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.011040072	0.943797827	0.045162044

Turning to the monetary analysis, the annual growth of broad money (M3) remained broadly unchanged at 10.5 per cent in October 2020. Strong money growth has been supported by the ongoing asset purchases by the Eurosystem, which have become the largest source of money creation. In the context of a still heightened preference for liquidity in the money-holding sector and a low **opportunity** cost of holding the most liquid forms of money, the narrow monetary aggregate M1 continues to be the main contributor to broad money growth.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.907029212	0.012283075	0.080687769

The growth of lending to the private sector has plateaued, while still recording higher growth rates than prior to the COVID-19 pandemic. Following strong increases in the early months of the pandemic, the annual growth rate of loans to non-financial corporations fell to 6.8 per cent in October, after 7.1 per cent in September. This deceleration has occurred in the context of abating emergency liquidity needs, **weak** investment and tighter credit conditions on loans to firms, as signalled by our bank lending survey for the euro area for the third quarter of 2020. The annual growth rate of loans to households stood at 3.1 per cent in October, unchanged from September.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.014697043	0.967028439	0.018274577

Overall, our policy measures, together with the measures adopted by national governments and European institutions, remain essential to support bank lending conditions and access to financing, in particular for those most affected by the ramifications of the pandemic.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.824524462	0.010547161	0.164928436

To sum up, a cross-check of the outcome of the economic analysis with the signals coming from the monetary analysis confirmed that an **ample** degree of monetary accommodation is necessary to support economic activity and the **robust** convergence of inflation to levels that are below, but close to, 2 per cent over the medium term.

Inflation text paragraph

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.870867074	0.02712325	0.102009639

Regarding fiscal policies, an ambitious and coordinated fiscal stance remains **critical**, in view of the sharp **contraction** in the euro area economy. Fiscal measures taken in response to the pandemic emergency should, as much as possible, be targeted and temporary in nature. At the same time, **weak** demand from firms and households and the heightened risk of a **delayed** recovery in the light of the new lockdowns owing to the second wave of the pandemic warrant continued support from national fiscal policies. The three safety nets endorsed by the European Council for workers, businesses and sovereigns provide important funding support in this context.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.684250295	0.038250934	0.277498782

The Governing Council recognises the key role of the Next Generation EU package and **stresses** the importance of it becoming operational without **delay**. It calls on Member States to deploy the funds for productive public spending, accompanied by productivity-enhancing structural policies. This would allow the Next Generation EU programme to contribute to a faster, stronger and more uniform recovery and would increase economic resilience and the growth potential of Member States' economies, thereby

supporting the effectiveness of monetary policy in the euro area. Such structural policies are particularly important in addressing long-standing structural and institutional weaknesses and in accelerating the green and digital transitions.

<i>Positive</i>	<i>Negative</i>	<i>Neutral</i>
0.846675456	0.009237248	0.1440873

We are now ready to take your questions. (Excluded)