

ECB Watcher

Is this already forward guidance?

HCOB Economics

January 30, 2026

Dr. Cyrus de la Rubia / Nils Müller

Executive Summary: Is this already forward guidance? (I)

- The ECB Governing Council will hold its next monetary policy meeting on February 5. Our analysis of the latest public statements by ECB Governing Council members paints a remarkably consistent picture: 95% have spoken out in favor of maintaining the current key interest rate level at this meeting. This means that the meeting itself is unlikely to be spectacular in terms of the decision. The focus is now on two questions: First, when will the next interest rate move come? Second, in which direction will it go?
- The consensus in the Council remains that the ECB is “in a good position.” The current deposit facility rate of 2.00% appears appropriate given the stable inflation trend. Since March 2025, the eurozone’s HICP inflation rate (headline, YoY) has remained steady between 1.9% and 2.2%, close to the ECB’s 2% target. The economic situation is also surprisingly robust: despite geopolitical tensions and new tariff barriers, the eurozone grew by 1.5% in real terms in 2025.
- We expect the ECB to leave interest rates unchanged until the second half of 2026. After that, we anticipate two moderate key interest rate hikes of 25 basis points each: one towards the end of 2026 and another at the beginning of 2027.
- The background to this is a foreseeable increase in inflationary momentum due to rising fiscal spending, particularly on investment and defense in Germany, as well as structural factors such as increasing fragmentation in global trade, demographic-driven skills shortages, and cost pressures from climate protection measures. In the medium term, inflation is therefore likely to move away from the 2% target and settle in the range of 2.5% to 3.0%. However, the stronger euro is counteracting structural inflationary pressure.
- In recent statements by ECB Governing Council members, we continued to perceive a fundamentally wait-and-see attitude, but at the same time we also noticed a shift in communication, which we interpret as a slight departure from the previous rhetoric of a strictly data-dependent “meeting-to-meeting” approach. While the ECB had consistently emphasized in recent months that it would not pre-commit to a fixed interest rate path, several statements now contain elements of cautious forward guidance.

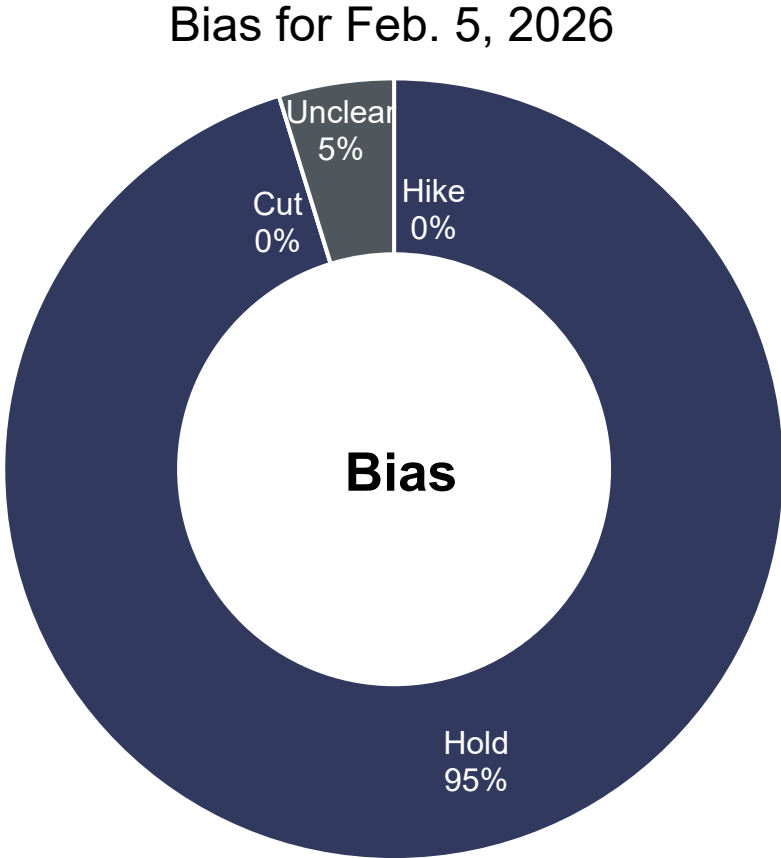
Executive Summary: Is this already forward guidance? (II)

- Chief economist Philip Lane explained that the current interest rate level “delivers the baseline for the next several years.” At the same time, he emphasized that the ECB would react if “developments in either direction” become apparent.” Nevertheless, his choice of words implies a certain direction for the ECB's future monetary policy. We consider it very risky to indicate a path for the coming years in these turbulent times; six to 12 months would have sufficed.
- Executive Board member Isabel Schnabel also spoke of a “good place” for key interest rates, which she expected to remain in place “for an extended period.” The head of the Estonian central bank, Madis Müllner, expressed a similar view, considering current market expectations that the ECB's policy rate “may remain at the current level for the next few quarters” to be appropriate.
- The head of the French central bank, François Villeroy de Galhau, was more explicit, dismissing speculation about possible interest rate hikes as a “fanciful theory.” He pointed to declining core inflation, subdued wage growth in France, low-cost Chinese imports, and the possibility of a “fall in the dollar if the Fed's independence is challenged.” He emphasized that the ECB would “remain pragmatic and flexible,” but his clear rejection of an interest rate hike this year amounts to implicit forward guidance that goes beyond the previous meeting-to-meeting approach.
- However, Martin Kocher, head of the Austrian central bank, put things into perspective by explicitly referring to the continuing high level of uncertainty and the ECB's official principle of remaining data-dependent. “I think we agreed on no precommitments for any rate decisions,” he said. He added: “I'm strongly committed to this [...] meeting-by-meeting approach [...] and that means we don't know what's going to happen during the next couple of months on the interest rates.”
- Meanwhile, the first personnel changes are underway at the institutional level: in mid-January, the Eurogroup nominated Croatian central bank governor Boris Vujčić to succeed Luis de Guindos as ECB vice president. De Guindos' term ends on May 31, 2026, and Vujčić is scheduled to take office on June 1, 2026. His confirmation by EU heads of state and government in March is considered a formality.

Executive Summary: Is this already forward guidance? (III)

- We currently classify Vujčić as slightly dovish, after he had previously acted more like a hawk for a long time. However, he does not represent any extreme positions, which is why he can be trusted to play a mediating role within the ECB Governing Council.
- Vujčić's nomination marks the start of a personnel cycle that will affect four of the six members of the Executive Board by 2027, including the position of Chief Economist Philip Lane (May 31, 2027), ECB President Christine Lagarde (October 31, 2027), and Isabel Schnabel (October 31, 2027). The debate about succession is already in full swing, and names of possible successors are already circulating.
- Among those considered to have good chances of becoming ECB president are Klaas Knot, former head of the Dutch central bank, Bundesbank President Joachim Nagel, and Pablo Hernández de Cos, former governor of the Spanish central bank and current BIS General Manager. In addition to economic expertise, the selection is likely to be influenced by the following factors: national origin, monetary policy profile, institutional experience, and, to some extent, gender balance on the Executive Board.
- Our favorite quote this time comes from ECB President Christine Lagarde at the World Economic Forum in Davos, a suspected jab at US President Donald Trump, who once again cited extremely high growth figures for the US in Davos. Lagarde warned: “[There had been] a lot of noise this week [around growth figures cited by participants.] It’s important to speak the truth.”

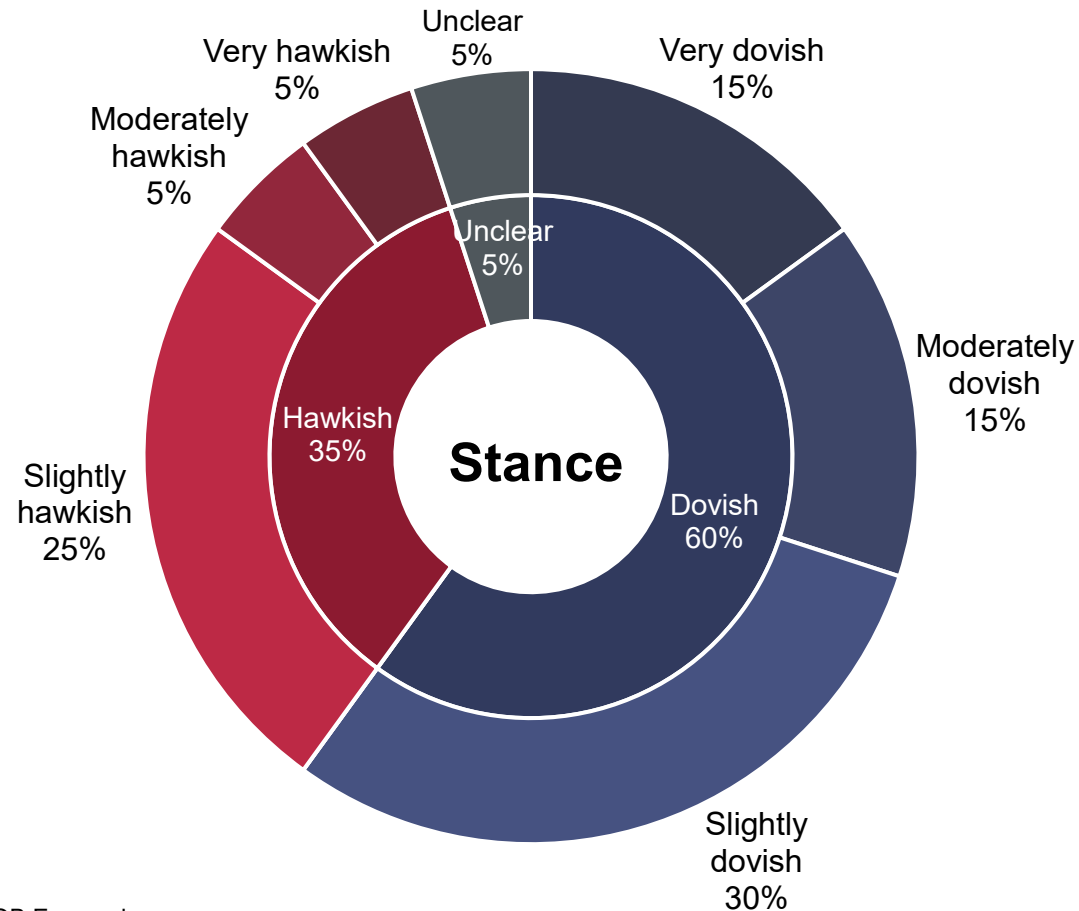
The members of the ECB Governing Council agree: 95% share the view that the current interest rate level is appropriate.



Source: HCOB Economics
Note: We take the following into account when assessing a Governing Council member's bias: Statements since the last Governing Council meeting, previous statements, general stance, group dynamics, and the current economic situation of the eurozone and the respective country that the member represents. Only members with a voting right are considered.

General stance of the Council: Due to the rotation principle among national central bank representatives, the doves will be in the majority at the February meeting.

Doves and Hawks in the ECB Governing Council



Source: HCOB Economics

Definition of „dovish“: certain tolerance when exceeding the inflation target.

Definition of „hawkish“: very limited tolerance when exceeding the inflation target.

Unclear includes persons whom we cannot assign to any stance due to few or no statements.

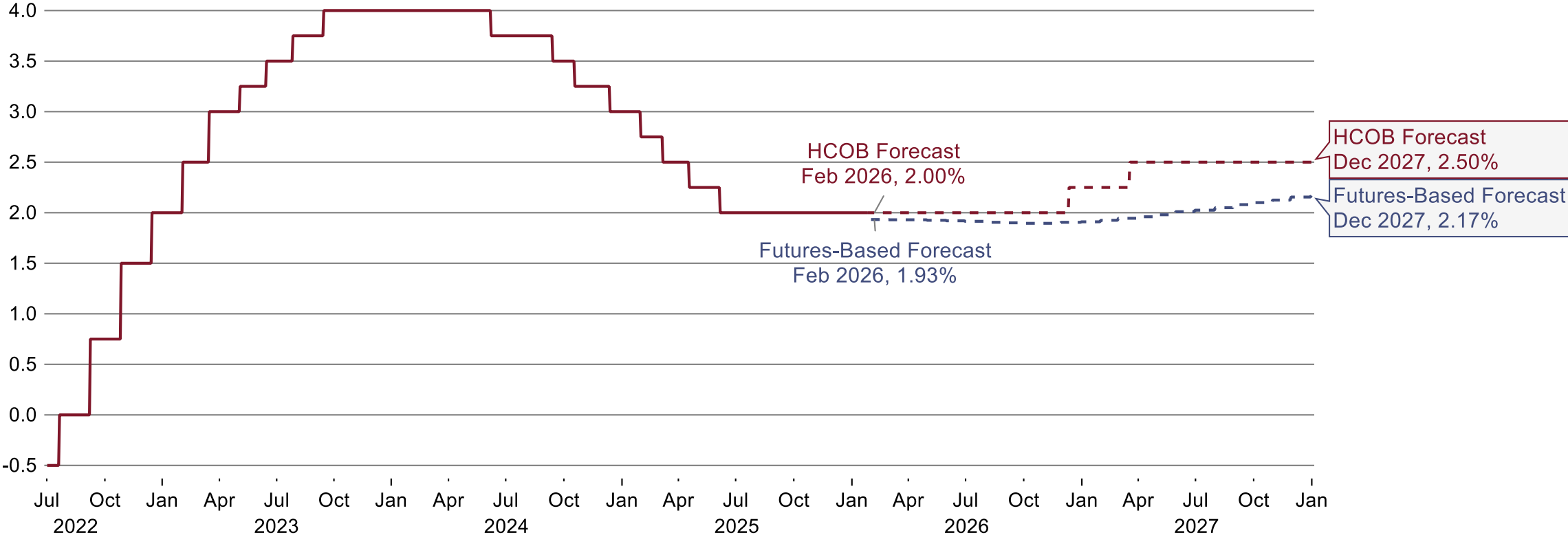
Note: With “stance” we mean a member’s general stance, which is rather static and likely not to change that much from meeting to meeting. The categorization of each Governing Council member is based on an subjective qualitative judgement from HCOB Economics. Only members with a voting right are considered in this figure.

ECB Chief Economist Lane explained that the current interest rate level sets the baseline for the coming years, but that the ECB will respond flexibly to new data.

ECB Council Member	Position	Voting on Feb. 5, 2026	Bias for Feb. 5, 2026	General stance	Inflation (HICP, YoY, latest)	GDP (share of EZ in %)
Christine Lagarde	ECB President	Yes	Hold	Slightly hawkish	1.9	100
Luis de Guindos	ECB Vice-President	Yes	Hold	Moderately dovish	1.9	100
Isabel Schnabel	ECB Board Member	Yes	Hold	Very hawkish	1.9	100
Piero Cipollone	ECB Board Member	Yes	Hold	Moderately dovish	1.9	100
Philip R. Lane	ECB Board Member	Yes	Hold	Slightly dovish	1.9	100
Frank Elderson	ECB Board Member	Yes	Hold	Slightly hawkish	1.9	100
NCB President of						
Joachim Nagel	Germany	Yes	Hold	Moderately hawkish	2	28.2
François Villeroy de Galhau	France	Yes	Hold	Very dovish	0.7	19
Fabio Panetta	Italy	Yes	Hold	Very dovish	1.2	14.3
José Luis Escrivá	Spain	Yes	Hold	Slightly dovish	3	10.4
Olaf Sleijpen	The Netherlands	No	Hold	Slightly hawkish	2.5	7.3
Pierre Wunsch	Belgium	No	Hold	Slightly hawkish	2.2	4
Gabriel Makhoulouf	Ireland	No	Hold	Slightly hawkish	2.7	3.7
Martin Kocher	Austria	Yes	Hold	Slightly hawkish	3.8	3.2
Álvaro Santos Pereira	Portugal	Yes	Hold	Slightly dovish	2.4	1.9
Olli Rehn	Finland	No	Hold	Moderately dovish	1.7	1.8
Yannis Stournaras	Greece	Yes	Hold	Very dovish	2.9	1.6
Peter Kažimír	Slovakia	Yes	Hold	Slightly hawkish	4.1	0.9
Dimitar Radev	Bulgaria	No	Hold	Moderately hawkish	3.5	0.7
Boris Vujčić	Croatia	Yes	Hold	Slightly dovish	3.8	0.6
Gaston Reinesch	Luxembourg	Yes	Unclear	Unclear	3.3	0.6
Gediminas Šimkus	Lithuania	Yes	Hold	Moderately dovish	3.2	0.5
Vacant	Slovenia	No	Unclear	Unclear	2.6	0.4
Madis Müller	Estonia	No	Hold	Moderately hawkish	4	0.3
Mārtiņš Kazāks	Latvia	Yes	Hold	Slightly hawkish	3.4	0.3
Christodoulos Patsalides	Cyprus	Yes	Hold	Slightly dovish	0.1	0.2
Alexander Demarco	Malta	Yes	Hold	Slightly dovish	2.4	0.2

Interest rate forecast by HCOB Economics: We expect the next monetary policy move to be a rate hike in the second half of 2026.

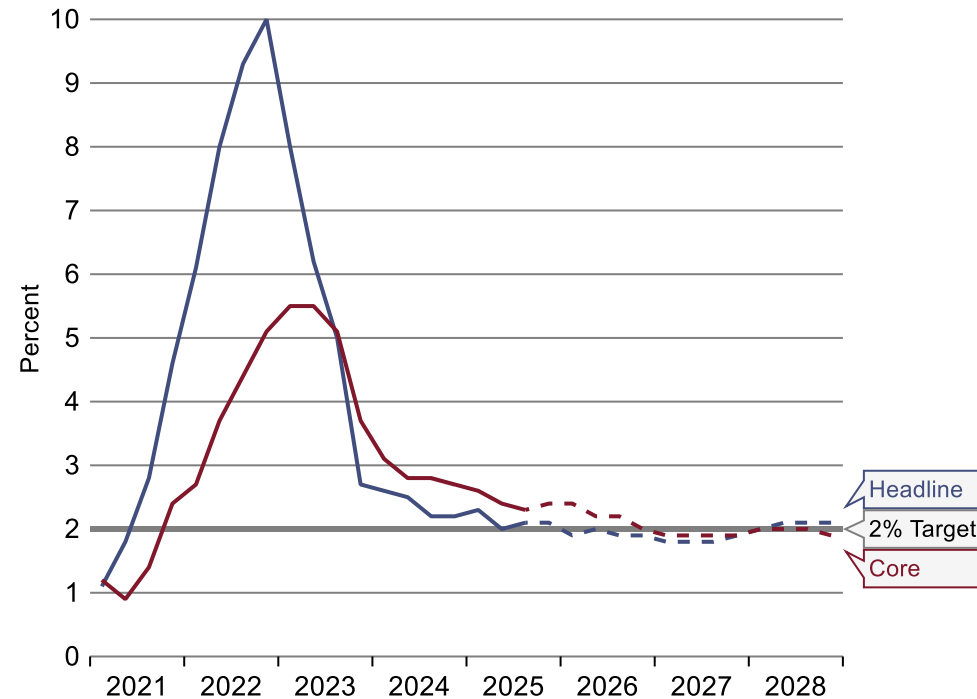
ECB Deposit Facility Rate Forecast of HCOB Economics and Forecast based on ESTR Futures



Source: Macrobond, HCOB Economics

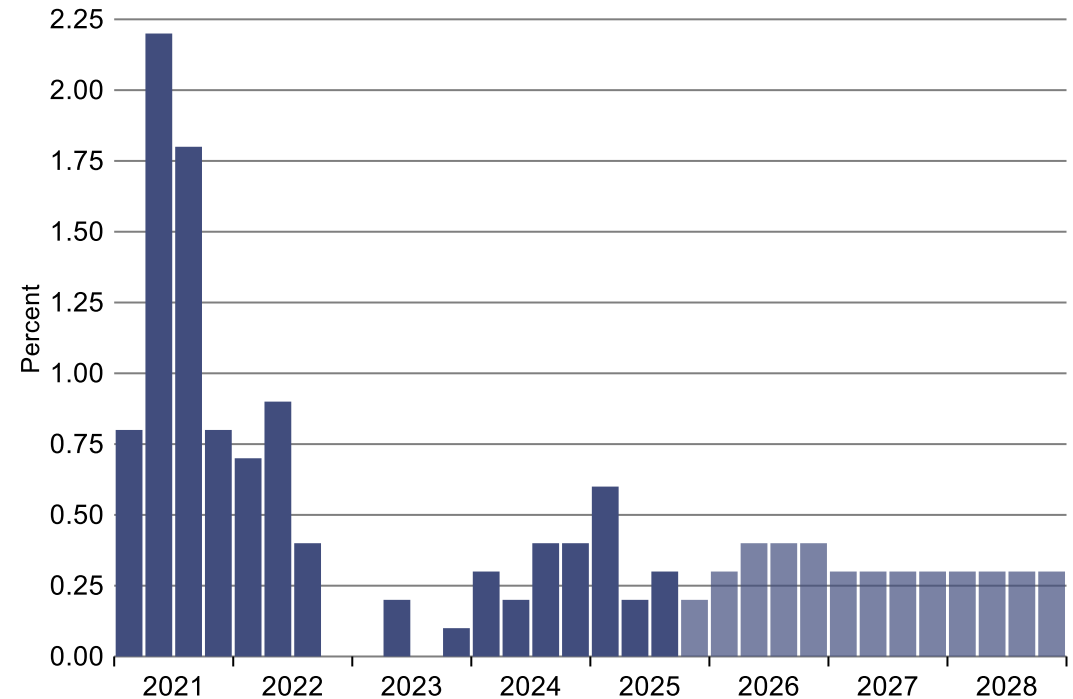
ECB projections from December: The ECB expects headline inflation to remain close to its 2% target.

Eurozone HICP Inflation and ECB Macroeconomic Projections, YoY, December 2025



Source: Macrobond, HCOB Economics, ECB (European Central Bank)

Eurozone Real GDP Growth and ECB Macroeconomic Projections, QoQ, December 2025



Source: Macrobond, HCOB Economics, ECB (European Central Bank)

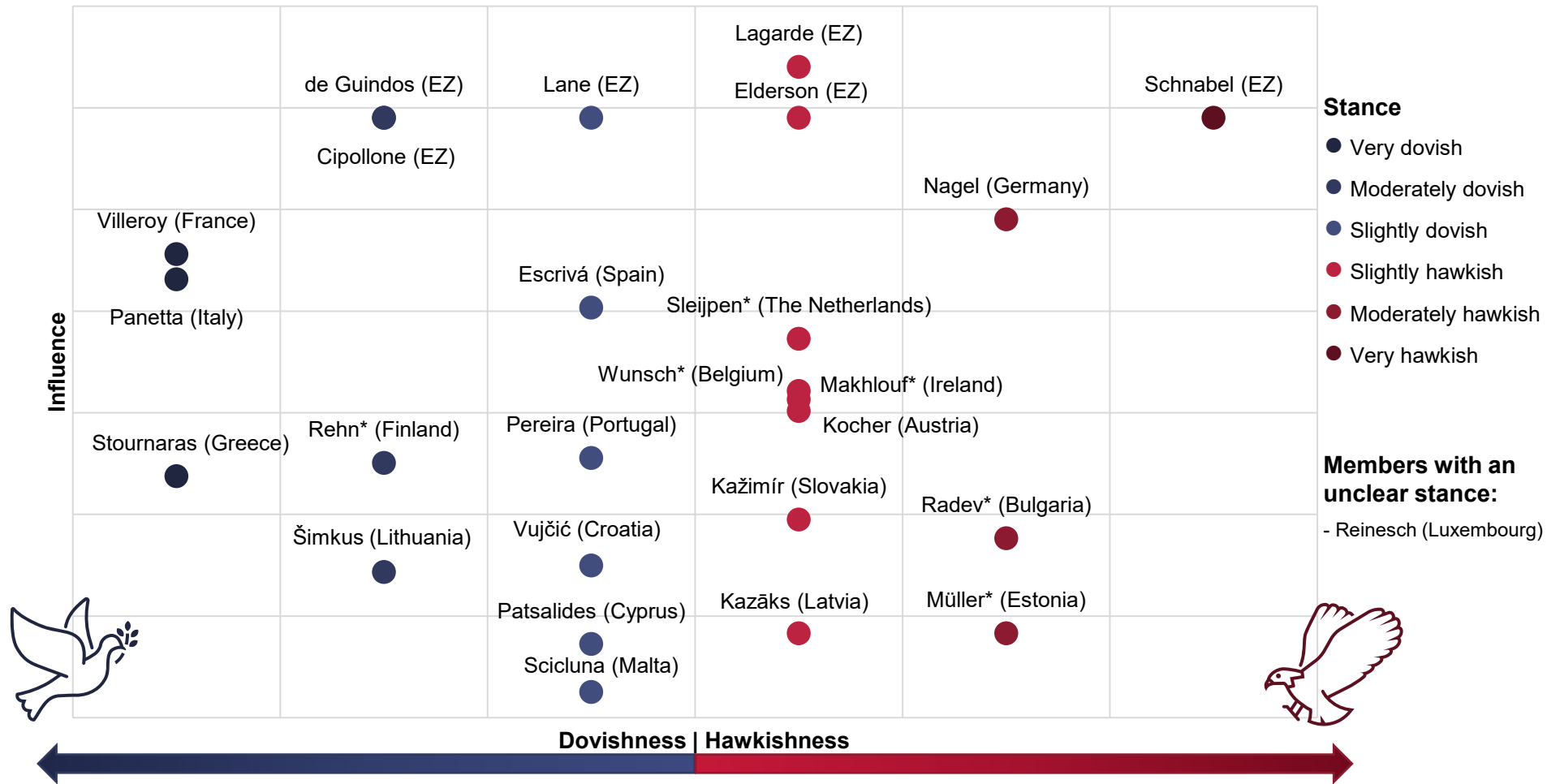
Appendix

- **Reshuffling in the ECB Governing Council:**
- **Influence and stance**
- **“One person, one quote”**

Reshuffling in the ECB Governing Council: The Eurogroup has nominated Boris Vujčić, Croatian National Bank Governor, for the position of ECB Vice President.

Current representative	Country / Position	Stance	End of Term	Succession Status
Boštjan Vasle	Slovenia	—	08.01.2025	Primož Dolenc (<i>hawkish</i>) acts as interim governor without voting rights on the ECB Governing Council. He has been officially nominated for the office of governor. Confirmation by the Slovenian parliament is still pending.
Peter Kažimír	Slovakia	Hawkish	01.06.2025	No successor appointed yet. Remains in office with full voting rights. Reappointment unlikely.
Edward Scicluna	Malta	Dovish	31.12.2025	Alexander Demarco (<i>dovish</i>), previously Deputy Governor of the Central Bank of Malta, was appointed as his successor.
—	Bulgaria	—	—	Dimitar Radev (<i>hawkish</i>), Governor of the Bulgarian National Bank, has become new member of the ECB Governing Council after Bulgaria joined the euro on January 1, 2026.
Gediminas Šimkus	Lithuania	Dovish	30.03.2026	No successor has been appointed yet.
Luis de Guindos	Vice President	Dovish	31.05.2026	In January 2026, the Eurogroup nominated Boris Vujčić (<i>dovish</i>), Governor of the Croatian National Bank, as his successor. The final appointment, which is usually considered a mere formality, is due to be made by EU heads of state and government in March.
Boris Vujčić	Croatia	Dovish	31.05.2026	No successor has been appointed yet.
Madis Müllner	Estonia	Hawkish	06.06.2026	Ülo Kaasik (<i>hawkish</i>), Deputy Governor of the Bank of Estonia, was appointed as his successor.
Yannis Stournaras	Greece	Dovish	26.06.2026	No successor has been appointed yet. There is speculation that his term of office may be extended.
Gabriel Makhlouf	Ireland	Hawkish	31.08.2026	No successor has been appointed yet.

Influence and stance: We classify the new ECB Governing Council member Dimitar Radev (Bulgaria) as a moderate hawk.



Note 1: Influence gauge is based on share of eurozone GDP. Governing Council members with no voting right for the next meeting are marked with a superscript star.

Note 2: With “stance” we mean a member’s general stance, which is rather static and likely not to change that much from meeting to meeting. The categorization of each ECB Governing Council member is based on a subjective qualitative judgement from HCOB Economics.

“One person, one quote”: Quotes made since the December meeting (I)

- **Christine Lagarde (ECB President):** “We have an inflation that would be very slightly affected [by tariffs being raised], probably to the upside, but as we have inflation under control at 1.9%, the impact would be minimal. What is far more serious is the degree of uncertainty created by the constant reversals of President Trump.”
- **Luis de Guindos (ECB Vice-President):** “[The current level of interest rates is appropriate.] Obviously, the situation can change, uncertainty is very high and unexpected developments are occurring.”
- **Isabel Schnabel (ECB Board Member):** “I believe the upside risks [to inflation] dominate, and that leads me to the assessment that interest rates will probably remain stable for quite some time if nothing unforeseen happens.”
- **Piero Cipollone (ECB Board Member):** “GDP has been resilient and we’re expecting figures that may even outperform the forecasts. And inflation has been hovering around our target in recent months. We are undoubtedly in a good place.”
- **Philip R. Lane (ECB Board Member):** “The current level of the interest rate delivers the baseline for the next several years. But if we see developments in either direction, we will react.”
- **Joachim Nagel (NCB Official of Germany):** “Taking [uncertainties regarding the tariff discussion] aside monetary policy in the euro system is on a good path. We are more or less back to our target. So I would say well we are in neutral territory.”

“One person, one quote”: Quotes made since the December meeting (II)

- **François Villeroy de Galhau (NCB Official of France):** “[There is a misconception] that we could raise rates this year. Barring an unlikely shock, this is a fanciful theory, given the latest figures showing underlying inflation has fallen back to 2.3%, wage moderation [...] the influx of low-cost Chinese imports, and the possibility of a fall in the dollar if the Fed’s independence is challenged. We shall remain pragmatic and agile in the face of these risks.”
- **Fabio Panetta (NCB Official of Italy):** “China is pushing hard to expand into other markets, [which is not good news for Europe].”
- **José Luis Escrivá (NCB Official of Spain):** “We are open to moving rates either way, but for now we are very comfortable at 2%.”
- **Olaf Sleijpen (NCB Official of the Netherlands):** “[The ECB is still in a] good place. [Inflation is] very close to 2%. [Currently there is] no reason [to move rates.]”
- **Pierre Wunsch (NCB Official of Belgium):** “I very officially dropped my slight dovish bias that I had over the last few months. [The ECB’s monetary policy is] in a good place. [I am not making any bet, not even on the direction] of rates when they do change.”
- **Gabriel Makhlouf (NCB Official of Ireland):** “In my view, it is too difficult to provide a definitive answer [to the question in what direction the next interest rate change might be, i.e., up or down] as the risks to inflation and growth are so wide-ranging.”

“One person, one quote”: Quotes made since the December meeting (III)

- **Martin Kocher (NCB Official of Austria):** “At the moment, the international environment is so uncertain that we think it’s optimal to have this full optionality and to decide at the meeting whether we stick with our monetary stance, we stick with our interest rates, or whether we want to change them, adjust them upwards or downwards.”
- **Álvaro Santos Pereira (NCB Official of Portugal):** “If [inflation] continues like this, there are no reasons to change monetary policy, which has already done what was needed to help the economy when it was necessary.”
- **Olli Rehn (NCB Official of Finland):** “[The next rate move will not necessarily be a hike, but that the Governing Council will keep] its full freedom of action [and decide] meeting by meeting [based on incoming data and analysis.]”
- **Yannis Stournaras (NCB Official of Greece):** “[The ECB is in a] good place. We must preserve optionality and stand ready to move our policy rates in either direction.”
- **Peter Kažimír (NCB Official of Slovakia):** “We remain flexible and ready to step in should future developments warrant fresh action. [...] The inflation outlook is stabilising and is projected to remain close to our target by the end of the projection horizon.”
- **Dimitar Radev (NCB Official of Bulgaria):** “The current level of interest rates can be assessed as appropriate based on the available information and the inflation outlook. The ECB Governing Council does not commit to a pre-defined interest rate path.”

“One person, one quote”: Quotes made since the December meeting (IV)

- **Gediminas Šimkus (NCB Official of Lithuania):** “I fully believe there is an equal chance that our next move, whenever it comes, is either an increase or a cut in rates.”
- **Madis Müller (NCB Official of Estonia):** “I also think that investors’ expectation, which they have expressed through transactions on the financial markets, that the central bank’s interest rates may remain at the current level for the next few quarters is justified.”
- **Mārtiņš Kazāks (NCB Official of Latvia):** “Given high uncertainty, given that risks are on both sides, I think it’s still very appropriate to use the modus operandi that we have been using already for some time, which is data-dependent, meeting-by-meeting, with full optionality.”
- **The following members of the Governing Council of the ECB have not made any relevant public statements on monetary policy since the last meeting:**
 - Frank Elderson (ECB Board Member)
 - Boris Vujčić (NCB Official of Croatia)
 - Gaston Reinesch (NCB Official of Luxembourg)
 - Position currently vacant (NCB Official of Slovenia)
 - Christodoulos Patsalides (NCB Official of Cyprus)
 - Alexander Demarco (NCB Official of Malta)

Contact

Editing and dispatch

Economics

Dr. Cyrus de la Rubia

Chief Economist

Tel: +49 160 90180792

cyrus.delarubia@hcob-bank.com

Christian Eggers

Senior FX Trader

Tel: +49 171 8493460

christian.eggers@hcob-bank.com

Nils Müller

Junior Economist

Tel: +49 171 3534492

nils.mueller@hcob-bank.com

Jonas Feldhusen

Junior Economist

Tel: +49 151 22942945

jonas.feldhusen@hcob-bank.com

Further contact persons

Capital Market Sales

Fritz Bedbur

Tel: +49 151 14651131

Boris Gettkowski

Tel: +49 175 2281619

Christoph Matthews

Tel: +49 160 97222509

Editorial deadline for this issue: 1/30/2026

You can find the glossary for our publications on the Hamburg Commercial Bank's website at: http://www.hcob-bank.de/publikationen_glossar

Gerhart-Hauptmann-Platz 50

20095 Hamburg

Phone 040-3333-0

- The market information contained in this presentation is for informational purposes only.
- It can not substitute own market research or separate legal-, tax- and financial advice and information. This information is a marketing communication by the meaning of Section 63 Paragraph 6 German Securities Trading Act [“Wertpapierhandelsgesetz”, “WpHG”] and Article 24 Paragraph 3 of the Directive 65/2014/EU. This information does not contain 'information recommending or suggesting in investment strategy' or 'investment recommendations' (“investment research”) by the meaning of Section 2 Paragraph 9 Point 5 WpHG or Article 3 Paragraph 1 Point 34 and Point 35 of the Regulation (EU) No. 596/2014. Therefore, this information is not prepared in accordance with legal requirements designed to promote the independence of investment research and it is not subject to any prohibition on dealing ahead of the dissemination of investment research. This presentation does not constitute an offer to buy or sell certain assets.
- Hamburg Commercial Bank AG points out that the herein published market information is only meant for investors with own economical experience, who are able to evaluate the risks and chances of the herein discussed market / markets and who are themselves able to conduct research through a variety of sources. The statements and data contained in this presentation are based on either thorough research by Hamburg Commercial Bank AG or on sources that are considered reliable but cannot be verified. Hamburg Commercial Bank AG regards the sources used as reliable but can not assess their reliability with absolute certainty. Single pieces of information could only be assessed regarding their plausibility; an assessment regarding their accuracy has not been made. Furthermore, this presentation contains estimates and predictions based upon numerous assumptions and subjective evaluations made by Hamburg Commercial Bank AG as well as outside sources. This information is only meant to provide non-binding perceptions of markets and products as of the time this presentation was issued. Hamburg Commercial Bank AG and its respective employees thoroughly conducted work on this presentation but can not guarantee completeness, actuality and accuracy of the provided information and predictions.
- This document may only be distributed in compliance with the legal regulations in the respective countries and persons obtaining possession of this document should inform themselves about and comply with the applicable local regulations.
- This document does not contain all material information needed for economic decisions and the information and predictions provided can vary from those made by other sources / market participants. Hamburg Commercial Bank AG as well as their organizational bodies and employees can not be held responsible for losses resulting from the use of this presentation, its contents or for losses which in any way are connected to this presentation.
- Hamburg Commercial Bank AG points out that it is not allowed to disseminate this presentation or any of its contents. Damages to Hamburg Commercial Bank AG resulting from the unauthorised dissemination of this presentation or any of its contents have to be compensated for by the disseminator. The disseminator has to keep Hamburg Commercial Bank AG free from all claims arising from the unauthorised dissemination of this presentation or any of its contents and all legal cost in connection with those claims. This particularly applies to a dissemination of this presentation to U.S. Persons or persons situated in United Kingdom.