ECB cuts deposit rate

Yesterday, the ECB announced its key policy decisions to cut the deposit rate by 10 basis points to minus 0.5 % and to restart net purchases under its asset purchase program at a monthly pace of 20 billion EUR as from Nov. 1. The eurozone base interest rate and the rate on the marginal lending facility will remain unchanged at their current levels of 0 % and 0.25 %, respectively, the bank said. The ECB Governing Council said it now expects the key interest rates to remain at their present or lower levels "until it has seen the inflation outlook robustly converge to a level sufficiently close to but below 2 % within its projection horizon," dropping the timeframe of "at least through the first half of 2020" as stated in July's policy guidance. As for bond purchases, which were once suspended in Dec. 2018, the bank said it expects the program to run "for as long as necessary to reinforce the accommodative impact of its policy rates, and to end shortly before it starts raising the key ECB interest rates". Gold and silver closed around their opening values, but oscillated during the releasing period of the ECB and US economy data. Platinum is trying to keep the level above $950 and palladium recorded a new all-time high at $1,616.50. Good luck and a nice weekend