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## ECB's Knot Wants More Data to Take View on September Rate Cut

- Dutch central-bank chief speaks on panel in Rotterdam
- Officials are preparing for move at next decision on Sept. 12

By [Cagan Koc](#) 27 August 2024

**European Central Bank Governing Council member Klaas Knot said he's awaiting more information before deciding on whether to support an interest-rate cut next month.**

**Questioned in Rotterdam on his outlook for monetary policy, the hawkish Dutch central-bank head said he favors gradual easing so long as inflation stays on track to return to the 2% goal next year but declined to give a view on the upcoming gathering on Sept. 12.**

"I will have to wait until I have the full data and information going into that meeting to decide my position on whether September is appropriate," Knot said on Tuesday. "I would have to do so again in October and December."

Key reports due before the September decision include euro-zone inflation data later this week, which economists forecast to have slowed to the weakest in three years.

ECB officials have been [signaling](#) that another reduction in borrowing costs is likely next month. That's the view of investors, too, who are betting on two — or possibly even three — more rate cuts this year as inflation heads back toward 2% and the euro zone's economic recovers falters. Knot didn't specify whether he agrees with that outlook.

"As long as our disinflation path still converges toward the return of 2 percent inflation before the end of 2025, then of course I'm comfortable with gradually taking our foot off the brake — because then we need less restriction," he said.

The remarks chime with the cautious tone struck at the weekend by Chief Economist Philip Lane, who stressed that the return to the target for consumer prices "is not yet secure," and "the monetary stance will have to remain in restrictive territory for as long as is needed."

In separate comments on Tuesday, their dovish colleague Mario Centeno signaled that there's little doubt about the direction of monetary, given indicators such as lower inflation.

"When we look at the data, the path for interest rates in the euro area seems relatively clear to me," he said in a podcast posted on the Bank of Portugal's website on Tuesday. "We look at the trajectory of the data and not only at each data point."

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