

Central Bank Overview: last meeting

CB	Date	Days	Event	Content	Market Reaction	Source
Fed	2023-06-14	36	Rates	Hold at 5.00-5.25% (as expected)		
			Statement	The Fed left rates unchanged at their June meeting. Given reason: holding the rate steady allows the Committee to assess additional information and implications for monetary policy. Virtually everything else in the statement was left unchanged.	USD higher on the statement	
			Presser	The full effects of our policy have yet to be felt, nearly all policymakers view some further rate hikes this year as appropriate, inflation has moderated somewhat but still has a long way to go, if the economy evolves as expected the median of participants sees 5.6% FFR at year-end, Fed projections are not a plan or a decision, will continue to make our decisions meeting by meeting, have not made a decision about July, I expect July to be a live meeting, it's common sense to go a bit slower on rate hikes as we near the destination, inflation risks are still to the upside, not seeing a lot of progress on core PCE, rate cuts are not appropriate this year and no policymaker saw rate cuts this year, economic data came in consistent with but on the high side of expectations, the conditions we need to see in place to get inflation down are coming into place including lower growth labour slack, we don't know the full extent of the banking turmoil.	USD lower on the presser	
			Projections	<ul style="list-style-type: none"> * GDP growth has been upgraded from 0.4 to 1.0% this year and lowered by 0.1% in 2024 and 2025 * PCE inflation has been lowered from 3.3 to 3.2% for this year and left unchanged for the next two years; it remains above the 2% target through 2025 * Core PCE inflation for this year is seen at 3.9 vs. 3.6% in March and 2.6% in 2024 * The projected Fed funds rate has been revised higher through the entire projection horizon: 5.6 vs. 5.1% for this year, 4.6 vs. 4.3% next year, and 3.4 vs. 3.1% in 2025 		
	2023-07-05	15	Minutes	<ul style="list-style-type: none"> * Participants agreed that inflation was unacceptably high and declines in inflation had been slower than they had expected. * Participants noted that the full effects of monetary tightening had likely yet to be observed, though several highlighted the possibility that much of the effect of past monetary policy tightening may have already been realized. * Almost all participants judged it appropriate or acceptable to maintain the target range for the federal funds rate at 5 to 5-1/4 percent at this meeting. Leaving the target range unchanged at this meeting would allow them more time to assess the economy's progress toward the Committee's goals of maximum employment and price stability. * Some participants indicated that they favored raising the target range for the federal funds rate 25 basis points at this meeting or that they could have supported such a proposal. The labor market remained very tight, momentum in economic activity had been stronger than earlier anticipated, and there were few clear signs that inflation was on a path to return to the Committee's 2 percent objective. * All participants agreed that it was appropriate to continue the process of reducing the Federal Reserve's securities holdings. * Almost all participants noted that additional increases in the target federal funds rate during 2023 would be appropriate. Many also noted that a further moderation in the pace of policy firming was appropriate. 	USD higher, 2y and 10y yields mostly flat with 2s up a bit and 10s down a bit	x

FX	Date	LON	Data	Act	Exp	Prev	Reaction
USD	Wed 14.06.23	13:30	Core PPI m/m	0.2	0.2	0.2	USD weaker
			PPI m/m	-0.3	-0.1	0.2	
		19:00	FOMC Statement				USD higher
	Thu 15.06.23	13:30	Core Retail Sales m/m	0.1	0.1	0.4	USD weaker
			Empire State Manufacturing Index	6.6	-15.0	-31.8	
			Philly Fed Manufacturing Index	-13.7	-13.9	-10.4	
			Retail Sales m/m	0.3	-0.2	0.4	
			Unemployment Claims	262	246	261	
		14:15	Industrial Production m/m	-0.2	0.1	0.5	USD weaker
	Fri 16.06.23	15:00	Prelim UoM Consumer Sentiment	63.9	60.1	59.2	USD higher
	Mon 19.06.23	15:00	NAHB Housing Market Index	55	51	50	USD slightly higher
	Tue 20.06.23	13:30	Building Permits	1.49	1.42	1.42	USD higher
			Housing Starts	1.63	1.40	1.40	
	Thu 22.06.23	13:30	Unemployment Claims	264	261	262	USD stronger
			Existing Home Sales	4.30	4.25	4.28	USD higher
	Fri 23.06.23	14:45	Flash Manufacturing PMI	46.3	48.6	48.4	USD higher
			Flash Services PMI	54.1	53.9	54.9	
	Tue 27.06.23	13:30	Core Durable Goods Orders m/m	0.6	0.0	-0.3	USD lower
			Durable Goods Orders m/m	1.7	-0.8	1.1	
		14:00	HPI m/m	0.7	0.5	0.6	USD sideways
			S&P/CS Composite-20 HPI y/y	-1.7	-2.5	-1.1	
		15:00	CB Consumer Confidence	109.7	103.9	102.3	USD higher
			New Home Sales	763	677	683	
			Richmond Manufacturing Index	-7	-12	-15	
	Wed 28.06.23	13:30	Goods Trade Balance	-91.1	-93.3	-96.8	USD stronger
			Bank Stress Test Results				USD unchanged
	Thu 29.06.23	13:30	Unemployment Claims	239	265	264	USD stronger
			Pending Home Sales m/m	-2.7	-0.5	0.0	USD weaker
	Fri 30.06.23	13:30	Core PCE Price Index m/m	0.3	0.4	0.4	USD weaker
			Personal Income m/m	0.4	0.3	0.4	
			Personal Spending m/m	0.1	0.2	0.8	
		14:45	Chicago PMI	41.5	43.6	40.4	USD weaker
	Mon 03.07.23	15:00	ISM Manufacturing PMI	46.0	47.2	46.9	USD lower
			ISM Manufacturing Prices	41.8	44.0	44.2	
	Wed 05.07.23	15:00	Factory Orders m/m	0.3	0.7	0.4	USD sideways
			FOMC Minutes				USD stronger
	Thu 06.07.23	12:30	Challenger Job Cuts y/y	25.2		286.7	USD unchanged
			ADP Non-Farm Employment Change	497	250	278	USD sharply higher
		13:15	Unemployment Claims	248	247	239	USD higher
			Trade Balance	-69.0	-68.9	-74.6	
		15:00	ISM Services PMI	53.9	51.3	50.3	USD stronger
			JOLTS Job Openings	9.82	9.93	10.10	
	Fri 07.07.23	14:30	Unemployment Rate	3.6	3.6	3.7	
			Average Hourly Earnings m/m	0.4	0.3	0.3	USD weaker
		13:30	Non-Farm Employment Change	209	224	339	
	Mon 10.07.23	20:00	Consumer Credit m/m	7.2	21.1	23.0	USD sideways
	Tue 11.07.23	11:00	NFIB Small Business Index	91.0	89.9	89.4	USD sideways
	Wed 12.07.23	13:30	CPI m/m	0.2	0.3	0.1	USD sharply lower
			Core CPI m/m	0.2	0.3	0.4	
			CPI y/y	3.0	3.1	4.0	
	Thu 13.07.23	13:30	Core PPI m/m	0.1	0.2	0.2	USD briefly higher
			PPI m/m	0.1	0.2	-0.3	
			Unemployment Claims	237	251	248	
	Fri 14.07.23	15:00	Prelim UoM Consumer Sentiment	72.6	65.5	64.4	USD stronger
			Prelim UoM Inflation Expectations	3.4		3.3	
	Mon 17.07.23	13:30	Empire State Manufacturing Index	1.1	0.2	6.6	USD higher
	Tue 18.07.23	13:30	Core Retail Sales m/m	0.2	0.4	0.1	USD higher
			Retail Sales m/m	0.2	0.5	0.3	
		14:15	Industrial Production m/m	-0.5	0.0	-0.2	USD sideways
		15:00	NAHB Housing Market Index	56	56	55	USD lower
	Wed 19.07.23	13:30	Building Permits	1.43	1.48	1.49	USD sideways
			Housing Starts	1.44	1.47	1.63	
	Thu 20.07.23	13:30	Unemployment Claims	228	239	237	USD stronger
			Philly Fed Manufacturing Index	-13.5	-10.1	-13.7	
		15:00	Existing Home Sales	4.16	4.21	4.30	USD stronger

Fed Speakers Crib Sheet

Comments ordered by bias and speaker, newest comments marked blue

Bias	Speaker	Date	Days ago	Relevant Points
Neutral	Barkin	12.07.23	8	Inflation is still too high, still a question whether inflation can settle while labour market remains as strong as it is, comfortable doing more with policy if incoming data does not confirm inflation will return to target.
		22.06.23	28	Will not prejudge the July meeting, would be content with more hikes if inflation is not progressing towards the goal, would support rate cuts when there is conviction that inflation is heading down, still a good way from the 2% inflation target, demand is still elevated compared with its pre-pandemic trend and boosting inflation but it does seem it's weakening.
		16.06.23	34	Comfortable doing more on interest rates if the coming data doesn't confirm that slowing demand is returning inflation to the 2% target, higher rates may create the risk of a more significant slowdown, experience of the 1970s shows that the Fed should not back off its inflation fight too soon, inflation has proven stubbornly persistent, still looking to be convinced that weakening demand will control it.
	Barr	10.07.23	10	Inflation is far too high, we are quite attentive to bringing it down to target, we have made a lot of progress on inflation, still have a bit of work to do, the need for regulators to focus on bank resilience broadly has been reinforced by recent bank failures.
	Bostic	10.07.23	10	There's no expectation of needing to raise rates further, this is a hard judgment call, the path forward is no longer obvious, even with a 25 bps move at the next meeting it will still require patience, it's a "pretty straightforward story" that inflation could return to 2% without rates rising further, a lot of the strength in the economy is due to pandemic support, inflation is too high and not sustainable, there are no expectations for a dramatic sea change in inflation, the biggest risk is not moving inflation back to target and all of the Fed is in consensus on that view, the trajectory on inflation right now is "in the right direction", policy is clearly in restrictive territory and the Fed can be patient, would not be comfortable if inflation stalls or expectations rise, right now expectations are pretty well anchored.
		29.06.23	21	I don't see as much urgency to move as stated by others, nobody should take a signal from my view that we should pause, we're not seeing inflation moving away from target, comfortable waiting, there are undoubtedly scenarios where we could move at two meetings in a row but not expecting that will happen, will do more if needed, less concerned about high inflation.
				Not ready to rule out further rate hikes if required but does not see need, does not see Fed rate cuts in 2023 or 2024, monetary policy has only recently moved into restrictive territory, effects of monetary policy tightening are starting to show up in the real economy, policy in place to bring inflation back to 2% target, it's unambiguous that inflation has fallen considerably, inflation is in a gradual cooling trend that should continue, inflation should cool even if Fed leaves current policy in place, expects to reach inflation goal without causing severe downturn.
		23.06.23	27	Expects jobless rate to rise from historically low level, not seeing elements of risk appearing in the economy, credit risk is likely coming and real estate could pose a risk, the banking sector is quite strong.
		21.06.23	29	Rates should stay where they are for the rest of the year, does not see rate cuts for most of 2024, further rate hikes may needlessly drain the economy, wants to give the economy more time to adjust to rate hikes before doing more, policy has not been restrictive for long enough for its effects to be felt so it's prudent to wait, maintaining the current rate will be passive tightening of the real rate that will still aid in fighting inflation, risk of inflation rebounding is "not my baseline", some further slowing of the labour market may be necessary, contagion that was feared from earlier bank failures has not materialized.
	Bowman	22.06.23	28	Additional rate hikes will be needed to reach sufficiently restrictive level, inflation still "unacceptably high" despite drop in headline number, core inflation has essentially plateaued since the fall of 2022, will look for inflation on a consistent downward path in deciding appropriate policy steps at coming meetings.
	Cook	21.06.23	29	We are not there yet on getting inflation back to target, there isn't much here to indicate any unease about hiking in July.
		20.06.23	30	Focused on inflation until the job is done.
	Daly	13.07.23	7	Going to continue to work on rate hikes until we are sure that inflation is on the path to come back down toward 2%, the good news on inflation this week is indeed good news but too early to say we can declare victory, saying that we needed two hikes was a way to keep optionality open, cumulative effects of monetary tightening still to work their way through the system, thought that the banking crisis could be worth 1 to 2 tightenings but not seeing that impact, as inflation starts coming down we can start lowering the nominal rate to bring real rates down to neutral levels, wants to start heading towards the neutral rate as we approach 2% on inflation.
		10.07.23	10	There is more we need to do to raise rates, risks have become more balanced, sees the need for two more rate hikes this year to bring inflation back to 2% goal, the precise number of hikes may be adjusted based on economic data, the risk of underacting continues to outweigh the risk of overacting but these risks are becoming more balanced.
		23.06.23	27	Two more rate hikes this year is a "very reasonable" projection, it's only a projection and we don't know for sure, prudent to slow the pace of hikes as we approach destination, risks over overtightening and undertightening are about balanced, strongly supported June decision to hold rates and watch the data, credit tightening so far is consistent with what would have been expected without March banking turmoil.
	Jefferson	21.06.23	29	Recent bank troubles present downside economic risk, watching commercial real estate for risks.
		20.06.23	30	I remain focused on returning inflation to 2%, inflation has started to abate, must remain attentive to inflation and banking-sector stress, US banking system is sound and resilient, I remain attuned to any threats to banking system stability.
Logan	06.07.23	14	More rate hikes are likely necessary, would have been okay with a June hike, challenging and uncertain environment enabled June pause, very concerned whether inflation will cool quickly enough, skeptical about the lagged impact of past rate hikes, the housing market may have bottomed out, the Fed has room to shrink the balance sheet for quite some time.	

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	Powell	29.06.23	21	The process of getting to 2% inflation target has a long way to go, expects moderate pace of interest rate decisions to continue, a strong majority of the FOMC expects it to be appropriate to hike rates two or more times by the end of the year, inflation is well above the goal, the extent of effects from tighter credit conditions remains uncertain, will take time for the rest of the economy to feel the full impact of rate hikes so far, the labour market is very tight.
		28.06.23	22	We believe there is more restrictive policy coming, policy hasn't been restrictive for very long, have not made a decision to hike at every other meeting, would not take moving at consecutive meetings off the table, data over the last quarter has been strong, as we get closer and close to the goal the risks become more balanced, haven't seen much progress in non-housing services, high labour costs in non-housing services are causing inflationary pressures, need to see more softening in the labour market.
		22.06.23	28	A strong majority feels there is a little further to go on rate hikes, decision last week was to move more slowly, we kept rates on hold to give ourselves more time to make a decision, headline inflation has come down but that's largely from energy and food and not principally a function of monetary policy, we still have a long way to go, we have not seen much progress in the way of services inflation, we expect inflation to move down this year, I see a path for inflation to continue falling with little increase in unemployment.
		21.06.23	29	Nearly all FOMC participants expect it will be appropriate to raise rates somewhat further by year end, the two hikes pencilled into the dot plot is a pretty good guess of what will happen, a big majority believes in raising rates twice this year, the level for rates and speed of hikes are separate, it may make sense to move rates higher at more moderate pace, the Fed is now moderating the pace of rate hikes, will continue to make our decisions meeting by meeting, we never use the word pause and wouldn't use that here today, the process of getting inflation back to 2% "has a long way to go", will take time to see full effects of policy tightening, tighter credit likely to weight on economic activity but extent remains uncertain, longer-term inflation expectations appear to remain well anchored, factors contributing to inflation decline are happening but later than expected, it is important that the balance sheet doesn't just grow with every cycle, balance sheet should be smaller than now but need a buffer against scarce reserves, don't want to be in the same position as last reduction cycle, there is a gradual cooling in the labour market but we're not there yet, still significant labour shortages, the US dollar is still the dominant reserve currency.
		14.06.23	36	The full effects of our policy have yet to be felt, nearly all policymakers view some further rate hikes this year as appropriate, inflation has moderated somewhat but still has a long way to go, if the economy evolves as expected the median of participants sees 5.6% FFR at year-end, Fed projections are not a plan or a decision, will continue to make our decisions meeting by meeting, have not made a decision about July, I expect July to be a live meeting, it's common sense to go a bit slower on rate hikes as we near the destination, inflation risks are still to the upside, not seeing a lot of progress on core PCE, rate cuts are not appropriate this year and no policymaker saw rate cuts this year, economic data came in consistent with but on the high side of expectations, the conditions we need to see in place to get inflation down are coming into place including lower growth labour slack, we don't know the full extent of the banking turmoil.
		Williams	05.07.23	15
Hawk		26.06.23	24	Restoring price stability is of "paramount importance".
	Kashkari	12.07.23	8	May need to raise rates further if high inflation persists, the fight against inflation must succeed, bank supervisors should ensure all banks are prepared to withstand higher rate environment.
	Mester	10.07.23	10	The Fed will need to tighten somewhat further to lower inflation, no decision yet on the need for a July hike, the outlook for the terminal rate matches or is just above June's median forecast, there was a preference for a June hike but there's an understanding as to why there wasn't any action taken, closer to the end of the tightening campaign than to the start, policy is less restrictive compared to history, raising rates again will reduce the risk of more action in the future, the economy has proven stronger than expected, core inflation remains too high and broad-based, wage pressures remain too high to get inflation back to 2%, business leaders' fears of a recession have declined, too early to say the neutral rate has shifted much.
	Waller	13.07.23	7	September is a live meeting for monetary policy, in favour of raising rates at the July meeting, likely to need two more 25 basis point rate hikes this year, the bulk of past rate hikes already have impacted economy, economic strength gives the Fed space to hike further, fighting inflation remains main goal, cooler CPI data is welcome but need to see if it is sustained, inflation has shown false dawns before, the jobs market has slowed but remains strong, a soft landing for the economy is still possible.
Dove		16.06.23	34	The US economy is still ripping along, it's disturbing that core inflation is not improving, will probably require more tightening, so far it looks as if the idea of labour market softening without much rise in unemployment is holding up, it's still not clear that recent bank failures have had a material effect on credit conditions.
	Goolsbee	14.07.23	6	There is a path to curb inflation without recession.
		07.07.23	13	Sees 1-2 more rate hikes this year, I haven't seen anything that says one or two more hikes this year is wrong, still undecided on July hike, I feel like we're on the golden path to "no recession and the inflation target", the job market is outstanding, there's a lag to monetary policy, inflation is down somewhat but needs to come down more,

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<i>Bias</i>	<i>Speaker</i>	<i>Date</i>	<i>Days ago</i>	<i>Relevant Points</i>
		30.06.23	20	There is nothing in the Fed's mandate about stock prices, I hope the market remains sober, have to see through the market's ups and downs, have not made up my mind on rates, there is a number of data releases before the next Fed meeting, there is a lag in the impact of interest rates on the economy, hopeful we can get inflation down to target without a recession, the strongest part of the economic data is the labour market.
		21.06.23	29	Decision last week was a close call for me, have not decided yet on July, the Feds framework is "wait and see", perfectly appropriate to have a reconnaissance mission now, trying to figure out if we have done enough and how much more needs to be done, probably won't gain enough info in 6 weeks but will learn more, over the next couple months will get a sense if goods inflation is coming down, the lags argument is a tremendously important one.
		16.06.23	34	Pausing for now to scope out economic developments, there are conflicting pieces of evidence coming from the economy: is it too hot and we need to do more or have we done enough on rates over the last year?, we're just going to have to play it by ear I guess.
n/a	Kugler	21.06.23	29	Both sides of the Fed's mandate are important, pushing inflation down is the Fed's main mission now.
		20.06.23	30	Deeply committed to setting monetary policy to reduce inflation and promote maximum employment, important to bring inflation down to 2% target.