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26.05.23

Central Bank Speakers Recap for Week 21/2023

FX	Date	Days ago	Speaker	Bias	Relevant Points	Src
USD	26.05.23	0	**Mester**	Hawk	Everything is on the table for June, still more data to see ahead of the June meeting, doesn't know exactly how tight monetary policy is right now, does think they will have to tighten "a bit more", important not to under-tighten, the Fed has made slow progress on inflation and that's concerning, may have to revise up her inflation projections in the June SEP, hasn't seen much sign that banking stress is affecting credit conditions.	source
	25.05.23	1	**Barkin**	Neutral	Demand is definitely cooling in part because it was overstimulated during the pandemic, rate hikes are also helping to reduce demand, some businesses are still saying they need to raise prices, the labour market is quite tight.	source
			Collins	Neutral	The Fed may be at or near a time to pause rate hikes, a pause would give the Fed space to measure impact, inflation is too high but there are promising signs of moderation, banking sector likely to weigh on demand.	source
	24.05.23	2	**Bostic**	Neutral	Best case scenario is the Fed will not consider a rate cut well into 2024, will base rate decisions on data, does not want to be locked into a pre-determined path, expects to see stress in the jobs market when inflation is falling towards the target.	source
			Waller	Hawk	Does not expect data in the next couple of months to make it clear the terminal interest rate has been reached, does not support stopping hikes unless there is clear evidence that inflation is moving down to 2% target, prudent risk management may suggest skipping a hike in June and leaning towards July, need to maintain flexibility for June meeting, concerned about the lack of progress on inflation, a rebound in housing market is raising questions about how sustained lower rent increases will be, doesn't like that we have MBS on the balance sheet, there are good yield curve inversions and that may be what we have now, a good inversion is when it suggests inflation will come down.	source
	23.05.23	3	**Logan**	Neutral	Backstop should be available whenever banks need it including nights, weekends or holidays.	source
	22.05.23	4	**Barkin**	Neutral	Will not prejudge June meeting outcome, still looking to be convinced inflation is in a steady decline, the Fed would have to think hard about the design of a CBDC if Congress did authorize it.	source
			Bostic	Neutral	Comfortable waiting a little bit to see how the economy plays out, will take decisions one meeting at a time and let things play out.	source
			Bullard	Hawk	The Fed will have to go higher this year by perhaps 50 bps, the September dot plot was based on slow growth and inflation improvements that have not occurred, core measures of inflation have not changed much in recent months, the Fed should err on the side of doing more, recession arguments are overstated, base case remains relatively slow growth for the rest of the year and into 2024.	source
			Daly	Neutral	Prudent to refrain from commenting on Fed policy action, declined to say what the Fed should do at the June meeting, wants to see if policy tightening is affecting the economy, still a lot of data before June meeting, tighter credit conditions may be like 1-2 rate hikes, would be historical anomaly to get 2% inflation with sub-4% unemployment, seems reasonable to see unemployment to go above 4%.	source
			Kashkari	Hawk	It's a close call whether to raise or pause in June, it may be that we have to go north of 6% but that isn't clear yet, not seeing evidence that banking stress is doing the Fed's job on inflation, services inflation seems "pretty darn entrenched", it is way too early to declare the all clear on banking problems.	source
	21.05.23	5	**Kashkari**	Hawk	Open to the idea of moving a little bit more slowly on rate hikes, would object to any kind of declaration that we're done, if the committee chooses to skip a meeting to get more information that could make sense, a skip to get more information is very different than saying we're done.	source
EUR	26.05.23	0	**Lane**	n/a	The ECB shouldn't predict where rate hikes will end, no sense of certainty on the terminal rate, uncertainty in inflation dynamics is high, food inflation will reverse later this year, energy price fall will feed into core prices but timeframe is uncertain, there is some upside risks to wage growth.	source
			Makhlouf	n/a	My lead option is to hike rates in June and July, open about subsequent decisions, haven't seen wage settlements that raise concerns on a Eurozone level, very relaxed about market pricing of rates.	source
			Vujcic	n/a	It is questionable if we will be able to get to 2% inflation in the next two years, inflation momentum is still persistent.	source
	25.05.23	1	**De Guindos**	Dove	Wages pose upside risk to inflation outlook, fiscal policy is an important factor for inflation, governments should roll back related support measures as the energy crisis fades, banking tensions add to downside inflation risks.	source
			Knot	Hawk	We need at least two more rate hikes, both should be 25 bps each, totally open-minded on what happens with rates after summer, should stay put for a significant period of time, market pricing of rate cuts is overly optimistic, headline inflation peak behind us but not sure if at peak of underlying inflation, most of the impact of the ECB's tightening is still in the pipeline.	source

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			Villeroy	Neutral	Rates should peak in the next three meetings, rates are clearly in restrictive territory, we have completed most of the rate hike journey, monitoring the passthrough of "massive" past rate hikes.	source
	24.05.23	2	**Panetta**	n/a	The GC is to decide in October whether to launch preparation phase to develop and test a digital Euro, the ECB would issue a digital Euro but not distribute it.	source
	23.05.23	3	**De Guindos**	Dove	The non-bank financial sector remains particularly exposed to asset price corrections and credit risk should corporate sector fundamentals deteriorate substantially, more concerned about conflict between monetary and fiscal policy than about financial instability.	source
			Lagarde	Dove	Rate are yet to reach sufficiently restrictive levels, rates are to stay restrictive as long as necessary.	source
			Nagel	Hawk	Several more rate hikes are needed to tame inflation, will need to maintain peak rate for a sufficiently long time until inflation has fallen sustainably.	source
	22.05.23	4	**de Cos**	Dove	The ECB still has some way to go to tight monetary policy, interest rates will have to remain in restrictive territory for extended periods to achieve inflation goal.	source
			Lane	n/a	The markets believe that inflation will come back to 2% in the foreseeable future.	source
			Villeroy	Neutral	The primary question today is not how much further to hike rates but how large the pass-through is of what is already in the pipe, expects that we will be at the terminal rate not later than September, how long we maintain rates is now more important than the precise terminal level, we can hike or pause at the next three meetings, in the current tightening cycle the lag in policy transmission may be at the upper end of 1-2 year range.	source
	21.05.23	5	**Lagarde**	Dove	We are not done yet, we are not pausing based on the information I have today, the inflation outlook is too high for too long, we have covered a large chunk of the journey towards taming inflation and bringing it back to our target, so many things can go wrong that we cannot give forward guidance.	source
GBP	25.05.23	1	**Haskel**	Hawk	Further increases in the bank rate cannot be ruled out, April core inflation was higher than expected.	source
	24.05.23	2	**Bailey**	Neutral	Our projections show that we will mee the inflation target this year, quite a lot of inflation is imported, today's numbers showed a welcome fall below double digits, food inflation is taking longer to fall than was expected, I don't think "spiral" is the right word to use when asked about core inflation in wages, inflation expectations are coming down.	source
	23.05.23	3	**Bailey**	Neutral	We are nearer to the peak on interest rates, rate hikes must be conducted very carefully, cannot try to fight inflation with very severe increase in rates, inflation has turned the corner, services inflation is tracking more or less as we thought in February, further policy tightening would be required if there's evidence of more persistent pressures.	source
			Mann	Hawk	Can't make a judgment on peak interest rates yet, the situation is data-dependent.	source
			Pill	n/a	Longer-term inflation expectations have not drifted away from target.	source
AUD	24.05.23	2	**Jacobs**		The balance sheet is starting to unwind pandemic bond purchases, around AUD 20 bln have matured, pace will increase to about AUD 35-45 bln per year.	source
NZD	26.05.23	0	**Silk**		The cash rate needs to stay on hold for an extended period, can now hold and see what develops, must be watchful of over-tightening policy.	source
	24.05.23	2	**Conway**		The labour market is becoming less pressured.	source
			Orr		Rates are restrictive and well above neutral, both growth and inflation are weaker than expected, we can alter our assessment if need to do so.	source
					The latest data is satisfactory, it's been a long battle, today was the first time the monetary policy committee went to a vote over the decision, expects to keep a restrictive policy for some time, it's not longer about a labour shortage but now about a demand shortage.	source
JPY	26.05.23	0	**Ueda**		Must avoid tightening policy prematurely, falling raw material costs likely to slow inflation in coming months, the BOJ could make tweaks to YCC if the balance between the benefit and the cost of the policy shifts, if the BOJ were to modify YCC in the future there are various ways of doing so, shortening the duration of targeted bonds to the 5-year zone, won't comment on whether we would definitely do so or how likely this would be.	source
	25.05.23	1	**Ueda**		Changing YCC target from 10-year to 5-year zone would be among options if the BOJ were to tweak policy in the future, inflation likely to slow ahead but if this projection proves wrong we will act swiftly, must avoid tightening policy prematurely, starting to see good signs in the economy but there is still some ways to achieve inflation target in a stable and sustainable manner, don't think the BOJ's current balance sheets consisting of massive JGBs and ETFs is normal for a central bank.	source