

Central Bank Speakers Recap for Week 41/2022

FX	Date	Days ago	Speaker	Bias	Relevant Points
USD	14.10.22	0	Bullard	Hawk	September inflation data warrants more front-loading though not necessarily higher rates overall, appropriate for rates to reach 4.50-4.75% by year-end, hikes in 2023 should be data-dependent, sees Core PCE below 3% by end of 2023, still fair amount of potential for soft landing, current inversion of the yield curve not an indicator of recession risk, doesn't see markets as unduly stressed.
			Cook	Neutral	Need ongoing rate hikes and see inflation actually falling in data, labour market is very strong and inflation is hot, doesn't want stop-and-go policy, US is not an economy in isolation but our mandate is domestic, very aware of international developments.
			Daly	Neutral	CPI shows that inflation is not cooperating, no doubt we need more restrictive policy, not talking about pausing or stopping, will stop raising rates when appropriate and then hold there for a while, Fed's SEP is reasonable and a good guidepost for policy, 4.5-5.0% most likely the top of the FFR, not hearing signs of recession, labour market is very strong and needs to cool further.
			George	Neutral	Supports ongoing rate increases, we need to move rates into restrictive territory, how restrictive remains to be seen, rates have to move higher for a sustained period, moving too fast could disrupt financial markets, advocates slower and steadier rate increases to allow time to see lags in policy, supersized rate increases may cause oversteer. CPI on Thursday was a reminder that we have more work to do. UK pension fund crisis is a reminder that events can interfere with CB work and that we have to be mindful in the US. Stock market is not our focus.
	13.10.22	1	Bowman	Neutral	Sizable rate hikes should remain on the table, fully supported Fed's 75 bps hikes, not yet clear how high rates will have to go, policy rate needs to rise to restrictive level and remain there "for some time", slower rate of rate increases appropriate if inflation starts to decline, outlook for growth and inflation has significant two-sided risks.
	12.10.22	2	Kashkari	Dove	50 bps vs. 75 bps rate hike is a judgment call, Fed is quite a ways away from stopping rate hikes, will need to raise to perhaps 4.5% and stay there for a while to assess the economy, have not seen much evidence underlying inflation is softening. Strong dollar is creating challenges for countries around the world but our job is focused on bringing inflation down.
	11.10.22	3	Mester	Hawk	Not ready to say how big November rate hike should be, need to do more because inflation has not slowed down, monetary policy needs to be moved to restrictive levels, biggest policy mistake is Fed not hiking rates enough, officials at the Fed are in alignment on where policy needs to go. Housing market will see more impact from monetary policy, persistence of inflation is concerning, economy's fundamental state is still good, can't say of much balance sheet will shrink, Fed is aware of global markets and economic conditions but has a domestic mandate, at present markets are functioning.
	10.10.22	4	Brainard	Dove	Monetary policy will be restrictive for some time, easing prematurely is a risk but at some point risks become more two-sided. Output has decelerated more than anticipated but full effect of policy tightening will be felt in the coming quarters, effect on price setting may take longer, paying close attention to global risks, liquidity in core financial markets is fragile.
EUR			Evans	Neutral	Sees raising the Fed Funds Rate to "a bit above 4.5% early next year" and then remaining there for some time, thinks inflation can be brought down relatively quickly without a recession.
	14.10.22	0	De Guindos	Dove	Will do whatever it takes to bring inflation down, our response will depend on how the data evolves over coming months, we are going to face a very difficult combination of low growth including a technical recession and high inflation.
			Kazimir		75 bps rate hike appropriate this month, further increases may be needed, we won't stop at neutral, rates must rise above neutral, reduction of balance sheet can wait until 2023.
			Lagarde	Dove	Expects to raise rates further over next several meetings, inflation is far too high and likely to stay above target for an extended period of time, financial markets still appear to be pricing in outcomes that could turn out to be too optimistic.
			Nagel	Hawk	It is critical to tighten monetary policy, not thinking about the neutral rate, ECB balance sheet is too large and needs to be reduced, shrinkage should start next year.
			Vasle		75 bps hikes at both October and December meetings may be appropriate, rates need to reach restrictive territory, decisions should be made meeting-by-meeting after December, once rates reach neutral it's appropriate to discuss QT, discussion and decision on QT should happen in 2023.
	13.10.22	1	Kazaks	Hawk	ECB should raise rates 75 bps in October and go for another big step in December, 50 vs. 75 bps in December is up for discussion, rate hikes should then slow but may be complemented by other measures like balance sheet reduction.

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			Nagel	Hawk	Current data point to "robust" interest rate move, policy normalization is far from complete, developments in German real estate market represent normalization.
			Simkus	Hawk	Expects a 75 bps move at the next meeting and 50 bps in December.
			Sources		ECB discusses possible timeline for balance sheet reduction earlier this month, may tweak language on reinvestments at October meeting and outline plans for balance sheet reduction in December or February, sees QT starting sometime in Q2 2023, some advocated earlier and later dates.
					Reuters: ECB staff puts target rate at 2.25% according to a new internal model called Target-Consistent Terminal Rate. Model was presented to policymakers last week but reception was mixed.
	12.10.22	2	Wunsch	Hawk	Expects rate to top 2% at the end of the year, maybe exceed 3% "at some point".
			Holzmann	Hawk	A 75 bps hike followed by 50 bps would get us to neutral, 100 bps would be excessive.
			Knot	Hawk	We're way below neutral, need "at least two more significant hikes" before entering neutral range, will need to go into restrictive territory, no indication that 75 bps hike can't achieve target. QT should be predictable and gradual. No convincing sign of wage-price spiral.
			Lagarde	Dove	Discussion on QT has started and will continue, interest rate increases are the most effective and appropriate tool in current circumstances.
	11.10.22	3	Lane		A weaker or slower transmission of monetary policy would require further tightening, stronger or faster transmission would require a less-tight policy stance, we remain attentive to the spread between different money market rates and collateral scarcity concerns.
			Villeroy	Neutral	Debate about 50 or 75 bps at next meeting is premature in such volatile markets, ECB can move more slowly after neutral rate is reached, concerns over a recession must not stop the ECB from hiking rates, quick recession is preferable to stagflation.
GBP	10.10.22	4	Centeno	Dove	Normalization of policy is absolutely necessary but must be gradual, policymakers cannot become a factor of instability.
			Knot	Hawk	Will have to take a significant interest rate step in October, too early to say how big that step needs to be, significant moves will be needed in 2023 as well, the market seems to underestimate the upward risks in the inflation outlook, expects inflation to go down in 2023 but unclear how fast.
			Villeroy	Neutral	ECB engaged in bringing down inflation to 2% target "in two to three years" from now, inflation at around 2% is still the right target.
	12.10.22	2	Pill	n/a	Still inclined to believe a significant monetary policy response will be required in November, will see how events have evolved until then, tentative signs that employment is falling, this will help contain some inflationary pressures. Fiscal announcement will stimulate demand more than supply over medium term and add to inflationary pressures.
			Spokesperson		Gilt purchases are a temporary operation, closely monitoring LDI funds as for whatever asset prices prevail after BOE stops buying gilts, working on tougher regulation. UK vulnerable to loss of foreign investor appetite. Share of households with high mortgage debt servicing levels will reach pre-GFC peak in late 2023 if interest rates rise as markets expect.
	11.10.22	3	Bailey	Neutral	Pension funds have three days left to rebalance, unprecedented volatility in long end of gilt market, very important to make clear gilt purchases are financial stability intervention.
AUD	12.10.22	2	Ellis		RBA policy is no longer expansionary, nominal neutral rate for Australia is at least 2.5%, it's not a policy destination, inflation expectations over one year are well anchored at the 2-3% target.
CHF	11.10.22	3	Jordan		Central banks are more politically vulnerable as inflation rises, central bank independence is crucial to fight inflation effectively.
JPY	14.10.22	0	Kishida (PM)		Sharp FX volatility involving speculative moves is undesirable, need to consider taking appropriate steps on currency moves, important to coordinate with international community on FX.
			Kuroda		BOJ should continue to support the Japanese economy, hiking interest rates would be the wrong thing to do.
			Suzuki (FinMin)		Wants to take appropriate action vs. excess currency volatility with regards to the yen, did not hold bilateral meeting with US Treasury Secretary, US has shown clear understanding toward Japan's FX intervention in September.
	13.10.22	1	Matsuno (Chief Cabinet Secretary)		Closely watching FX moves with a strong sense of urgency, no comment on day-to-day FX moves.

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	12.10.22	2	Kuroda		Will continue with monetary easing to achieve 2% inflation target in stable and sustainable manner, Japan's inflation will slow down once fuel and energy price rises start to wane, wages are rising but insufficiently, fast and uni-directional currency movements caused by speculation are bad for the economy, have to watch impact on economy carefully, government's FX intervention was quite appropriate.
			Matsuno (Chief Cabinet Secretary)		Closely watching FX moves with a sense of urgency, will take necessary steps, no comment on day-to-day currency moves.
			Suzuki (FinMin)		Closely watching FX moves with a sense of urgency, will take necessary steps if needed, what's important is the speed of FX move.
	11.10.22	3	Kanda (MoF official)		Always ready to take necessary steps against excess FX volatility. I can make a decision on FX intervention from anywhere - even from an airplane.
			Kishida (PM)		BOJ needs to maintain policy until wages rise, urges companies to increase wages, government will prepare measures to help companies raise salaries even as they pass on increasing input costs.
			Matsuno (Chief Cabinet Secretary)		Will take appropriate steps on excessive FX moves, closely watching with a sense of urgency, no comment on day-to-day currency moves.
			Suzuki (FinMin)		Watching FX moves closely with a sense of urgency, will respond appropriately.
CNY	14.10.22	0	Yi Gang		Will accelerate implementation of prudent monetary policy to provide stronger support for the real economy, emphasis is on infrastructure construction, will quicken the pace of utilization of loans to support the real estate market.