

Central Bank Speakers Recap for Week 47/2022

FX	Date	Days ago	Speaker	Bias	Relevant Points
USD	22.11.22	4	George	Neutral	Wage growth remains strong, a calmer labour market with less churn could reduce inflationary pressures, many of my contacts report problems with low worker engagement, house prices remain above pre-pandemic trend and one can argue that's in part due to QE.
			Mester	Hawk	Inflation expectations remain anchored, labour demand still outpacing supply of workers, wage gains are still behind inflation rise in most sectors.
	21.11.22	5	Daly	Neutral	Not ready to say what the Fed should do at the December meeting, not taking anything off the table, at some point it will be right to slow the pace of hikes, rates could peak in the 4.75-5.25% range but that is not set in stone and Fed could hike beyond that, policy is in modestly restrictive territory, financial markets are priced like the FFR is at 6% and not at 3.75-4.00%. Inflation is unacceptably high, labour market is strong, there are a lot of global headwinds including China, the war in Ukraine and the winter in Europe. Sees herself on the hawkish side of the spectrum.
			Mester	Hawk	Makes sense to slow down the pace of hikes from 75 bps but nowhere near stopping hikes, need to be more judicious in balancing risks, we are beginning to see our actions working, we need to do more work, we are barely at restrictive territory, getting inflation back to 2% will take some time, doesn't think market expectations of FFR is really off, we will need to react if we don't see meaningful progress on inflation next year, doesn't have a recession in her forecast.
	19.11.22	7	Bostic	Dove	Ready to move away from 75 bps hikes at the December meeting, expects 0.75-1.00% more tightening to be sufficient to control inflation, Fed has to resist the temptation for rate cuts until inflation is back on track to 2% even if the economy weakens.
EUR	25.11.22	1	Lane	n/a	Even after energy and pandemic factors fade wage inflation will be a primary driver of prices over the next several years.
	24.11.22	2	De Guindos	Dove	Inflation may have peaked or close to a peak. Italy needs structural reforms to boost growth, their fiscal policy has been very prudent.
			Knot	Hawk	It remains to be seen how high rates have to go to bring down inflation.
			Makhlouf	n/a	Everyone acknowledges that we need a rate hike next month, would not rule anything out right now.
			Schnabel	Neutral	Room for slowing rate hikes remains limited because if incoming data, need to raise rates further and possibly into restrictive territory, largest risk is for policy to be falsely calibrated on the assumption of a fast decline in inflation, not yet seeing an actual wage price spiral but wages can still put upward pressure on inflation, increasing evidence that the pandemic and energy crisis have more permanent negative effects on current and future potential output.
	23.11.22	3	Centeno	n/a	75 bps rate hikes cannot be the norm, sees a lower increase in December, getting closer to neutral rate, expects December meeting to work out what the rate ceiling could be, we are nearing rate levels compatible with price stability, underscores important message sent by dropping the word "several" regarding future rate hikes, any rate hike in Europe has more significance than in the US with greater impact on financing conditions, inflation likely to peak this quarter.
			De Guindos	Dove	Will keep raising rates to try to bring inflation down, economic slowdown will not bring down inflation on its own, very likely we will see negative growth rates in Q4 in the Eurozone, inflation will still be high but start to slow down in the first quarter of next year.
	22.11.22	4	Holzmann	Hawk	Endorses 75 bps rate hike in December, no sign that core inflation is reducing, another big rate hike would give a strong signal about our determination, still open to changing is mind, rates need to rise to a point where they cause pain, expects only flattening of growth or a mild recession.
			Nagel	Hawk	Rates still relatively far from restrictive territory, 50 bps rate hike is also "strong", inflation may still be above target in 2024, gradual APP unwind should start in Q1 2023, Germany will likely experience a mild recession next year.
			Simkus	Hawk	Both 50 and 75 bps possible in December, premature to pick next hike without updating forecasts, rate hikes will continue past March if needed, the sooner QT starts the better, a recession alone will not solve the inflation situation.
21.11.22	5	Centeno	n/a	Sees "many conditions" for a smaller than 75 bps hike in December.	

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			Holzmann	Hawk	Supports a 75 bps hike in December if the situation stays the same, that would bring us into neutral area, strong consensus that we should start small on QT to test the market, should start with APP, PEPP much later, very much concerned about inflation expectations de-anchoring.
			Lane	n/a	There will be a rate hike in December but the platform for a very large hike such as 75 bps is no longer there, pros and cons of any given increment change based on how much you've already done on a cumulative basis.
			Villeroy	Neutral	Inflation in France and the EU should peak in the first half of 2023, we cannot exclude the possibility of a recession.
GBP	24.11.22	2	Mann	Hawk	Market expectations before the November meeting were too high, BOE has communicated effectively that rates need to rise, UK price and wage dynamics are inconsistent with 2% inflation target but not a wage price spiral.
			Pill	n/a	MPC was maybe a little late in deciding to not to sales of gilts, cannot accept interference with reserve remuneration, if governments want to tax banks they should do so transparently and not through the BOE.
			Ramsden	Hawk	Expects further increases in the bank rate to be required, bias is towards further tightening but would consider the case for reducing rates if the economy develops differently, not yet confident that domestically generated inflation pressures are starting to ease, impact of higher rates could take longer to come through. Premium on UK gilts has disappeared but no doubt that the UK's reputation has taken a hit.
	23.11.22	3	Pill	n/a	Further rate action likely required to ensure inflation will return sustainably to 2% target, does not anticipate raising bank rate to levels priced by markets ahead of the November monetary policy report.
	21.11.22	5	Cunliffe	Dove	Unbacked crypto assets are highly volatile and have no intrinsic value, regulators shouldn't wait to put in place tighter controls.
AUD	22.11.22	4	Lowe		Expects to increase rates further, not on a pre-set path, could return to 50 bps or leave rates unchanged.
NZD	24.11.22	2	Orr		We've had more discussion around 75 bps vs. 100 than we had around 75 vs. 50, we're unambiguously contractionary in our monetary policy.
	23.11.22	3	Conway		Decline in construction is critical to the inflation outlook, significant slowdown in home construction is on the way, it will get tougher for the building sector.
			Orr		More time was spent discussing 75 vs. 100 bps than 50 bps, economic activity is strong, it will be a shallow recession, we are talking about 2-3 quarters, we are closer to the end of the tightening cycle than to the beginning, the neutral rate has increased, inflation and wage expectations must decline.
CAD					We are officially contractionary on policy, never before has labour been more scarce, the biggest surprise since August is the persistence of global inflation.
	23.11.22	3	Macklem		Policy rate will need to rise further, how much further depends on how monetary policy is working to slow demand, we are getting closer to the end of the tightening phase but not there yet, have yet to see generalized decline in price pressures, Canadian economy is still in excess demand and it's overheated, effects of higher interest rates will take time to spread through the economy, expects growth to slow in the next few quarters, trying to balance the risks of over- and under-tightening. The BOC balance sheet peaked in March 2021 at CAD 575 bn, as of last week it was around 415 bn.
			Rogers		It does not appear that there is much contagion between crypto and conventional financial markets, watching carefully.
	22.11.22	4	Rogers		Higher rates are starting to slow the economy and tame inflation, we have a long way to get inflation back to target, adjustment will be painful, not expecting a severe economic downturn, risk of a trigger that may affect financial stability has increased, we need lower house prices to balance housing market.
CNY	23.11.22	3	Wang Yiming		Only limited room to lower interest rates, expects 2023 GDP growth to be above 5% if the impact of Covid ends, slower hikes from the Fed next year will allow more policy room for China.