

Central Bank Overview: last meeting

CB	Date	Days	Event	Content	Market Reaction	Source
ECB	2023-06-15	35	Rates	Hike by 25 bps to 3.50% (as expected)		
			Statement	<ul style="list-style-type: none"> * Hiked because inflation is projected to remain too high for too long * Rates will be brought to sufficiently restrictive levels and will be kept there for as long as necessary * Will continue to follow a data-dependent approach * APP reinvestments will be discontinued as of July 2023 * Inflation is expected to average 5.4% this year, 3.0% next year and 2.2% in 2025 * Underlying price pressures remain strong although some show tentative signs of softening * GDP growth is projected to be 0.9% this year, 1.5% next year, 1.6% in 2025 	EUR up on the statement	
			Presser	<p>Rates to remain restrictive as long as necessary, we are not thinking about pausing, we are not done, we are not at the destination, a hike in July is likely unless there is a material change, we are not satisfied with the inflation outlook, 2.2% inflation in 2025 is not satisfactory, very broad consensus behind today's decision, does not want to comment on the terminal rate, borrowing costs have increased steeply and loan growth has slowed, will continue to follow a data-dependent approach, wage increases are becoming an increasingly important component of inflation, the labour market remains a source of strength, longer-term inflation expectations warrant monitoring, the Eurozone economy has stagnated in recent months, manufacturing continues to weaken as services remain resilient, outlook for growth and inflation is highly uncertain.</p>	... and sideways during the press conference	
	2023-07-13	7	Minutes	<ul style="list-style-type: none"> * Members broadly concurred with the assessment that inflation was still projected to remain too high for too long, calling into question whether it was returning to target in a timely manner. * Doubts were expressed about whether a particular emphasis on core inflation was justified, as it was not seen to be a leading indicator of future headline inflation. It was argued that the Governing Council should not put too much emphasis on the behaviour of core inflation, as its mandate related to headline inflation. * It was cautioned that strong wage growth was becoming a key driver of inflation, and convincing evidence that underlying inflation had peaked was still lacking but according to recent data releases core inflation had stabilised and might have reached a turning point. * Members generally concurred that interest rates had reached restrictive territory, while it remained unclear at what point the stance would become sufficiently restrictive. * A very broad consensus supported the 25 basis point rate increase proposed, while a preference was also initially expressed for a 50 bps hike in view of the risk of high inflation becoming more persistent. * A very broad consensus also prevailed in favour of confirming the end of reinvestments under the APP as of July. * Members agreed to hold the cash rate steady and reassess the situation at the August meeting. 	EUR unchanged	x

FX	Date	LON	Data	Act	Exp	Prev	Reaction
EUR	Thu 15.06.23	10:00	Trade Balance	-7.1	16.8	17.0	EUR sideways
		13:15	ECB Rate Statement				EUR stronger
	Tue 20.06.23	07:00	German PPI m/m	-1.4	-0.7	0.3	EUR stronger
	Thu 22.06.23	15:00	Consumer Confidence	-16	-17	-17	EUR unchanged
	Fri 23.06.23	08:30	German Flash Manufacturing PMI	41.0	43.6	43.2	EUR weaker
			German Flash Services PMI	54.1	56.3	57.2	EUR weaker
		09:00	Flash Manufacturing PMI	43.6	44.8	44.8	EUR weaker
			Flash Services PMI	52.4	54.5	55.1	EUR weaker
	Mon 26.06.23	09:00	German ifo Business Climate	88.5	91.2	91.7	EUR lower
	Wed 28.06.23	07:00	German GfK Consumer Climate	-25.4	-22.9	-24.2	EUR unchanged
	Thu 29.06.23	09:00	ECB Economic Bulletin				EUR unchanged
		13:00	German Prelim CPI m/m	0.3	0.2	-0.1	EUR weaker
	Fri 30.06.23	07:00	German Retail Sales m/m	0.4	0.2	0.8	EUR unchanged
		10:00	CPI Flash Estimate y/y	5.5	5.6	6.1	EUR unchanged
			Core CPI Flash Estimate y/y	5.4	5.5	5.3	EUR unchanged
	Tue 04.07.23	07:00	German Trade Balance	14.4	17.3	18.4	EUR weaker
	Wed 05.07.23	10:00	PPI m/m	-1.9	-1.7	-3.2	EUR briefly lower
	Thu 06.07.23	07:00	German Factory Orders m/m	6.4	1.1	-0.4	EUR sideways
		10:00	Retail Sales m/m	0.0	0.2	0.0	EUR sideways
	Fri 07.07.23	07:00	German Industrial Production m/m	-0.2	0.0	0.3	EUR unchanged
	Mon 10.07.23	09:30	Sentix Investor Confidence	-22.5	-18.9	-17.0	EUR higher
	Tue 11.07.23	10:00	German ZEW Economic Sentiment	-14.7	-10.7	-8.5	EUR weaker
			ZEW Economic Sentiment	-12.2	-10.2	-10.0	EUR weaker
	Thu 13.07.23	10:00	Industrial Production m/m	0.2	0.3	1.0	EUR unchanged
		12:30	ECB Monetary Policy Meeting Accounts				EUR unchanged
	Fri 14.07.23	10:00	Trade Balance	-0.9	-10.3	-7.1	EUR stronger
	Thu 20.07.23	07:00	German PPI m/m	-0.3	-0.4	-1.4	EUR stronger
		15:02	Consumer Confidence	-15	-16	-16	EUR unchanged

ECB Speakers Crib Sheet

Most recent comments first

Days ago	Date	Speaker	Bias	Relevant Points
3	19.07.23	Nagel	Hawk	25 bps rate hike very likely next week, inflation is a greedy beast, would be a mistake to ease up on the inflation fight too soon and cut rates prematurely.
		Stournas	n/a	Inflation is falling and more tightening could hurt the economy, another 25 bps of rate hikes would be enough.
4	18.07.23	Knot	Hawk	Rate hikes beyond July are possible but not certain, we need to hike rates in July, looks like core inflation has plateaued, there is still a lot of data between now and September, optimistic to see inflation reaching 2% in 2024.
		Visco	n/a	Inflation is stubborn and more complicated, manufacturing is slowing while services are booming.
5	17.07.23	Nagel	Hawk	Expects a 25 bps hike in July, must wait to see what data signals for September, too early to declare victory over inflation, does not currently see a risk of overtightening, core inflation is very sticky, a hard landing is unlikely.
		Vasle	n/a	Core inflation remains high and resilient.
9	13.07.23	Stournas	n/a	We said a July hike was likely but data since has become weaker, September hike is not a given particularly since data points to a stagnation in Q3, emphasizes data-dependence.
		Visco	n/a	We are not very far from the peak in interest rates, he "somewhat disagrees" with the preference for further tightening.
10	12.07.23	Lane	n/a	The full economic impact of tightening will play out over the next couple years.
		Vujcic	n/a	September ECB meeting is very open, slowing down the pace of rate hikes is certainly a possibility, even if we pause we will say we can resume hiking, not discussing outright bond sales.
11	11.07.23	Villeroy	Neutral	We are close to the peak of interest rates, we will need to stay at the peak for a while, starting to see good news on inflation, inflation will continue to decline and will be back at 2% by 2025.
		Nagel	Hawk	Inflation remains too high, a hard landing can be avoided.
12	10.07.23	Herodotou	n/a	Inflation is worse than high rates, monetary policy is the only tool to fight inflation, high interest rates won't be permanent.
		Villeroy	Neutral	We will soon reach the high point of interest rates, this will not be a peak but a high plateau on which we will have to remain for a sufficiently long time to fully transmit all the effects of monetary policy, raising the inflation target is not a good idea.
13	09.07.23	Centeno	n/a	Inflation is coming down faster than the way up, expects inflation under 3% by the end of the year.
		De Guindos	Dove	We will continue to follow a data-dependent approach, evolution of core inflation will be key to future policy decisions, September meeting is an open question, our job is not yet done, need clear indications that inflation will converge to 2% target, underlying price pressures remain strong but most indicators have started to show some signs of softening, now beginning to see impact of rate hikes on parts of the economy.
15	07.07.23	Lagarde	Dove	We still have work to do to bring inflation back down to target, inflation has started to decline, the priority is to maintain price stability.
		Nagel	Hawk	Rates to stay restrictive for an extended period of time, rates will have to remain high for a longer period, does not see the threat of excessive tightening, can't say yet where rates will peak.
16	06.07.23	Nagel	Hawk	Interest rates must rise further but too early to say how far, price stability won't come by itself, wary of proclaiming a new era of high interest rates.
		Visco	Dove	Does not agree with the idea of tightening too much over tightening too little, more rate hikes is not the only way to curb inflation, can also aim to maintain rates adequately high for a sufficient period of time, rate decision is taken on a meeting by meeting basis and depends on incoming data.
17	05.07.23	Nagel	Hawk	Inflation is not retreating as we would like it to, still have a way to go with policy tightening, policy signals are clearly pointing in the direction of further tightening.
		Nagel	Hawk	We've seen a greater persistence in inflation, inflation is stickier, the decision when to stop raising rates is not straightforward, we're near the top of the ladder.
19	03.07.23	Nagel	Hawk	September meeting decision is absolutely open.
		Centeno	n/a	We are reaching the time when monetary policy can pause, we are very close, not overreacting is a huge concern for every central bank.
22	30.06.23	Villeroy	Neutral	We need to be sufficiently patient on the duration rates are kept high, we are closer to terminal levels of rates, need to be more cautious about forward guidance but would not throw it away completely, inflation expectations remain well anchored, more confident on a soft landing but not without pain, expects a catch up in real wages and not a price spiral.
		Müller	Hawk	Too early to say where rates will end up, we need to look at the data for a rate hike beyond July, rate hikes are gradually having an impact, risks to inflation are still on the upside.
23	29.06.23	De Cos	Dove	There is more ground to cover on rates, July rate hike is set.
		De Guindos	Dove	We will very likely hike again in July, for September we are data dependent, we still have ground to cover, not seeing enough tangible evidence of stabilizing domestic inflation, the European economy is stagnant at best, manufacturing does not give great hope for a strong recovery, our baseline does not include a recession, transmission of monetary policy will be slower because there are more fixed-rate mortgages.
24	28.06.23	Lagarde	Dove	Inflation is easing as quickly as it went up, over-tightening is not an acceptable position, the economy is already taking a hit and inflation will react, we are definitely getting to the terminal rate.
		Centeno	n/a	Bloomberg: Officials are considering a faster reduction of the ECB bond portfolio. Econostream: ECB insiders are "reasonably relaxed" about the current pace of QT, passive runoff is sufficient "for now".
		Sources	n/a	

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		Vasle	n/a	We need to keep tightening policy at our next meeting, beyond that we will remain data dependent, the burden of proof will be on invalidating a rate hike rather than validating one, inflation remains persistent.
		Vujcic	n/a	There is a good chance of a September rate hike, we can engineer a soft landing.
25	27.06.23	Wunsch	Neutral	A rate pause would need a clear signal of slowing core inflation, stalfation is the base case, more action is needed if core does not moderate, we must accept that our ability to fix inflation at exactly 2% is limited, wouldn't tighten monetary policy if inflation was at 2.3% and the economy was weak.
		Kazaks	Hawk	Market pricing of rate cuts in early 2024 is wrong, sees rate hikes past July but when and by how much will be data dependent, doesn't think that in July we'll be comfortable enough to say we're done, there are still strong risks of persistence in inflation.
		Simkus	Hawk	We are not done with hiking rates, should not rule out the option of a hike in September but too early to say, must keep rates restrictive to reach 2% inflation target.
		Lagarde	Dove	We need to bring rates to "sufficiently restrictive" territory, need to communicate clearly that we'll stay at those levels for as long as necessary, we have not yet seen the full impact of the cumulative rate hikes since last July, not likely to say with full confidence that rates have peaked, we are committed to reaching inflation target come what may, we cannot waver and declare victory yet.
		Sources	n/a	A rate pause would need a clear signal of slowing core inflation, stalfation is the base case, more action is needed if core does not moderate, we must accept that our ability to fix inflation at exactly 2% is limited, wouldn't tighten monetary policy if inflation was at 2.3% and the economy was weak.
26	26.06.23	Simkus	Hawk	At least one more rate hike is required.
		Sources	n/a	Econostream: there is a decent chance of another rate hike at the September meeting, even greater agreement that market pricing for when a rate cut will occur is unreasonably optimistic.
27	25.06.23	De Guindos	Dove	Monetary policy measures are starting to have an impact on financing conditions, a contraction in credit will pass through to the real economy with dampening demand to lower inflation, the finishing line is in sight in response to a question if the target is a long way off, if an end to rate hikes can be expected before the summer holidays will depend on the incoming data.
28	24.06.23	Makhlouf	n/a	Undecided regarding a rate increase beyond July, prepared to look at the evidence.
29	23.06.23	De Cos	Dove	We will hike rates again in July but not possible to say what comes after that, we still have ground to cover, core inflation is more resistant than expected.
		Lane	n/a	Not seeing a wage price spiral but more like an inverse spiral, wages "inevitably" need to catch up and that will slow disinflation, it's a catch-up phase not a spiral.
30	22.06.23	Nagel	Hawk	Rates have not peaked and eventual peak must be held for an extended period until inflation is broken, tight labour market could result in persistent inflationary pressures.
31	21.06.23	Rehn	Neutral	We will bring interest rates to levels sufficiently restrictive and keep them there as long as necessary, the rise in CPI is slowing but not to the extent desired, inflation ex energy and food is only falling gradually, it is important that core inflation is on a steady and sustained decline.
		Schnabel	Neutral	Domestic inflation is driven by profits and wages.
		Nagel	Hawk	Confident that inflation will come back to target, there is still a way to go, have to be stubborn because inflation is stubborn, it would be a first-order error to give up on raising rates too early, not seeing a credit crunch.
		Kazimir	n/a	Further policy tightening in September is not certain, would need to have core inflation under control to stop tightening, we need more data ahead of September.
32	20.06.23	Villeroy	Neutral	The duration of terminal rate is more important than the level, future rate decisions to depend on inflation data, inflation is past the peak in France and the Eurozone.
		Simkus	Hawk	Would not be surprised if we raised rates in September, we'll be in a floor system for some time into the future, open to discussing if we could to more with APP than stopping reinvestments.
		Vujcic	n/a	Have to consider risks of doing too much vs. doing too little, core inflation pressures remain in the Eurozone, bringing down inflation is more art than science, sometimes a soft landing is not possible.
33	19.06.23	Schnabel	Neutral	We need to keep raising interest rates until we see convincing evidence that developments in underlying inflation are consistent with headline inflation returning to 2%, risks to the inflation outlook are tilted to the upside, a monetary policy stance that errs on the side of determination insures against costly policy mistakes, rules suggest that the optimal rate path would have been steeper, the fact that we underestimated inflation persistence last year raises the probability that we are also underestimating inflation today, we need to remain highly data-dependent and err on the side of doing too much rather than too little.
		Simkus	Hawk	No doubt rates will be raised in July, no need to rush with September assessment.
		De Guindos	Dove	There is no doubt inflation will ease, underlying prices could face more limitations in that slowdown.
		Kazimir	n/a	We need to raise rates again in July, regarding September I'm awaiting analysis of cumulative impact of past ECB measures, stopping rate hikes too soon is "much more significant" risk than overtightening, tightening is the only reasonable way ahead.
		Lane	n/a	Another hike in July seems appropriate and then we will see in September, September is still far away, inflation will come down fairly quickly in the next couple of years, need to be data-dependent on the inflation outlook.
		Stournas	n/a	Cannot exclude a further rate hike but can't say now, we are data driven, might keep terminal rates for six months or a year, we are definitely close to the end of rate hikes, a further decrease in inflation is expected.
36	16.06.23	Rehn	Neutral	Future decisions will continue to follow a data-dependent approach.

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		Villeroy	Neutral	Nobody should rush to a premature conclusion about our calendar nor our terminal rate, the duration of high interest rates matters more than the level, persistence matters more than the peak, we are data-driven and not forecast-driven.
		Wunsch	Neutral	Could hike again in September unless core inflation drops substantially, core inflation holding around 5% could require a rate hike in September and possibly beyond, not yet seeing a beginning slowdown in core inflation.
		Holzmann	Hawk	Has no view on what should happen with rates beyond July but if things continue as they are then further action will be needed, key question is how persistent core inflation is.
		Nagel	Hawk	We may need to keep raising rates after the summer break, still a long way to reach the inflation target.
		Lagarde	Dove	We will continue to follow a data-dependent approach after July, it is very likely we will continue to increase rates at our next policy meeting in July.
		Centeno	n/a	Rates should remain in restrictive territory for some time after the summer, policy is on restrictive terrain, it's not a support to growth, we must act to control inflation.
37	15.06.23	Lagarde	Dove	Rates to remain restrictive as long as necessary, we are not thinking about pausing, we are not done, we are not at the destination, a hike in July is likely unless there is a material change, we are not satisfied with the inflation outlook, 2.2% inflation in 2025 is not satisfactory, very broad consensus behind today's decision, does not want to comment on the terminal rate, borrowing costs have increased steeply and loan growth has slowed, will continue to follow a data-dependent approach, wage increases are becoming an increasingly important component of inflation, the labour market remains a source of strength, longer-term inflation expectations warrant monitoring, the Eurozone economy has stagnated in recent months, manufacturing continues to weaken as services remain resilient, outlook for growth and inflation is highly uncertain.
		Sources		<p>Bloomberg: The ECB will be set for a tough debate on a September hike in July, several officials favour the expected July hike to be the last of the cycle.</p> <p>Reuters: ECB policymakers see topic of rates corridor gaining relevance later this year, began debate on evening out the interest rates corridor but discarded a move this week and see no decision in July.</p>