Free newsletter: fxmacro.info
Twitter: @fxmacroguy
28.04.23

Central Bank Speakers Recap for Week 17/2023

FX	Date	Days ago	Speaker	Bias	Relevant Points
EUR	26.04.23	2	**De Guindos**	Dove	Wages are going to accelerate, the labour market in the Eurozone is quite impressive.
			Herodotou	n/a	Rate hikes are beginning to have an impact on the economy, core inflation is sticky and we have to work on that, recent financial-market tensions may have an additional impact on financing conditions in addition to our monetary policy, we need to gauge that and see how it could potentially contribute to our monetary policy stance.
			Vujcic	n/a	There is no choice but to raise rates further.
	25.04.23	3	**Lane**	n/a	Latest data suggests we have to hike rates again in May, still not the right time to stop raising rates, further hikes beyond May will depend on the data, does not think Europe is in a 1970's style situation with regards to inflation.
			Sources	n/a	Econostream: ECB more likely to hike by 25 bps rather than 50 bps, risk of doing too little currently still greater than the risk of doing too much, it would require "quite a negative" inflation surprise in April.
			Villeroy	Neutral	Inflation will probably come down towards 2% at the end of 2024, food price inflation will start to ease in H2 2023.
	24.04.23	4	**Makhlouf**	n/a	It is too early to plan for a pause in our tightening of policy, will be especially focused on incoming data at our next policy decision, based on the evidence we have today rates will need to stay at restrictive levels.
			Schnabel	Neutral	50 bps is not off the table, far too early to declare victory on inflation, thinks core inflation will peak in the next few months but it's not clear that it will happen very soon, need to see a sustained decline in core inflation that gives us confidence that our measures are starting to work, not seeing a recession under most recent ECB projections.
			Villeroy	Neutral	We have travelled most of the rate hike journey, some wage increase catch-up with inflation is normal, there may be a need for some additional rate hikes but they must be limited in number and size.
			Wunsch	Neutral	Wouldn't be surprised if rates hit 4% at some point, inflation numbers are not going in the right direction yet, waiting on wage growth and core inflation to cool before reaching the point of pausing.
GBP	25.04.23	3	**Broadbent**	Neutral	We would have tightened policy sooner had we seen inflation shocks coming, the BoE's policy approach has not been optimal, the UK has second-round effects but not a wage-price spiral, not ruling out particular monetary policy moves in advance.
			Pill		“Somehow in the UK, someone needs to accept that they’re worse off and stop trying to maintain their real spending power by bidding up prices, whether higher wages or passing the energy costs through onto customers”, risk is that monetary policy does too much, inflation may dip below the 2% target in 2 years.
CHF	28.04.23	0	**Jordan**		At most recent monetary policy assessment in March we emphasized that we would continue to tighten monetary policy if necessary, prices went up more than we would have liked in the first three months of 2023.
JPY	28.04.23	0	**Ueda**		Appropriate to continue monetary easing, will not hesitate to ease further if necessary, risk from tightening too hastily is larger than monetary policy falling behind the curve, inflation likely to slow below 2% in latter half of the year, there is a good chance to judge achievement of the 2% inflation target this year even before next year's shunto negotiations, policy review period is set to one-and-a-half years, that does not mean there will be no policy changes during that time, review is not aimed at conducting specific policy measures, no idea what kind of policy the review may lead to, any policy shifts should be carried out if necessary and not rely on policy review period, policy review does not signify that monetary easing was ineffective, the chance of starting exit from easy policy in the next 1.5 years is not zero but chance of it being delayed to 2-4 year later is also not zero unfortunately.
	26.04.23	2	**Ueda**		Monetary policy is not aimed at funding government spending, consideration towards the government's debt-financing cost won't constrain necessary monetary policy moves, cost-push inflation driven by rising raw material costs seems to be subsiding in Japan.
	25.04.23	3	**Suzuki (FinMin)**		There may be some movements in Japan's monetary policy in the future, which poses various challenges in sustaining stable debt issuance.
			Ueda		Appropriate to maintain easy monetary policy and YCC given current economic and price developments, Japan's bond yield curve is currently smooth as a whole, if wages and inflation rise more than expected the BOJ will tighten monetary policy such as by increasing interest rates, trend inflation remains below 2% but gradually accelerating, monetary policy steps taken now will affect the economy and prices in 6-18 months ahead, tightening policy now could push down inflation in the future which is already likely to slow on dissipating effect of import costs, the risk of undershooting forecasts is bigger than the risk of overshooting.

Central Bank Speakers Recap for Week 17/2023

FX	Date	Days ago	Speaker	Bias	Relevant Points
	24.04.23	4	**Ueda**		BOJ must maintain monetary easing as trend inflation is still below 2%, if it can be foreseen that trend inflation reaches 2% the BOJ must head for policy normalization, import prices are being passed on to domestic prices more than expected, how to revise YCC will depend on various factors such as economic conditions and the pace of inflation at that time, conditions for tweaking YCC are inflation forecasts at 6 months, 1 year and 18 months ahead must be quite strong and close to 2%, can't say how the BOJ would specifically tweak YCC.