

Central Bank Speakers Recap for Week 18/2023

FX	Date	Days ago	Speaker	Bias	Relevant Points
USD	05.05.23	0	Bullard	Hawk	Quarter-point hike this week was a good step, this puts the Fed above 5% but there's a lot of inflation in the economy, ready to be data-dependent with an "open mind" on whether to pause or hike at the June meeting, policy is at the "low end" of restrictive zone and it's not clear enough for a downward path of inflation, should not have a recession as a base case, the base case is slow growth and declining inflation, labour market is very tight and will take time to cool, sense is that regional banks will do just fine, ultimate impact of bank stress on the economy will be small, we can achieve a soft landing.
	03.05.23	2	Powell	Neutral	Prepared to do more if warranted, it is a meaningful change to no longer say we anticipate more firming of policy, real rates are around 2% so policy is tight, we're possibly at a sufficiently restrictive level or not far off, we think we need to stay at this rate for a while, no decision on pause was made today and we will decide on June in June, we will take a data dependent approach, the extent of effects of credit tightening remain uncertain, we won't have to raise rates quite as high due to banking stresses, future policy actions will depend on how events unfold, reducing inflation likely to require below-trend growth and some softening of jobs market, there are some signs that labour supply and demand are coming back into balance, nominal wage growth has shown some signs of easing, the US banking system is sound and resilient, committed to learning the right lessons from the banking rout.
EUR	05.05.23	0	Müller	Hawk	It is prudent to allow previous hikes to make an impact.
			Simkus	Hawk	Interest rates are not high enough and will need to be raised further, we will keep rates high for a sufficiently long time to get inflation back to 2%.
			Villeroy	Neutral	Favours smaller rate hikes, change in rate increase rhythm is an important signal, there will likely be several more hikes but we have done the essential, our goal is to win the fight against inflation without triggering a recession.
			Visco	Dove	The peak of ECB interest rates may not be too far off, market's view of the terminal rate is "an important reference point" for the ECB, policy can only be moving towards higher rates, must proceed with caution, policy is being transmitted into the economy in an "energetic" way.
	04.05.23	1	Lagarde	Dove	We know that we have more ground to cover, 25 bps hike had almost unanimous support, some suggested 50 bps and some said 25 bps but no one said no change, not making any commitment to rate cuts at any point, this is not a pause, very strong consensus around the path we chose, we are continuing the hiking process, this is a journey and we have not arrived yet, will continue to follow a data-dependent approach, reports from corporates regarding borrowing suggest that rates are restrictive, corporate demand for bank loans was "really, really down", price pressures remain strong, incoming information broadly supports medium-term outlook formed at the previous meeting, private domestic demand and consumption likely to remain weak, no longer says growth risks are to the downside.
			Sources		Reuters: Some ECB policymakers see 2-3 rate hikes ahead, Holzmann was the lone holdout but didn't have a vote at the meeting, policymakers reached a deal on smaller hike in return for guidance for more hikes ahead and an APP wind down, policymakers don't see the need to sell APP bonds.
AUD	03.05.23	2	Kohler		Has some confidence that goods inflation will moderate this year, rise in energy costs is smaller than forecast six months ago, tight labour market and services demand to fuel domestic inflation pressures.
	02.05.23	3	Lowe		The Board had a strong consensus to raise rates, some further tightening may be required to get inflation back to target range within a reasonable timeframe, don't need to get inflation back to target straight away but can't take too long, we are taking a bit more time than other countries but there is a limit, will do what is necessary to bring inflation back to target, not on a pre-set course, AUD had responded to change in rates outlook since April pause.
CAD	04.05.23	1	Macklem		If we see signs inflation remains stuck materially above 2% we could hike again, not thinking about rate cuts, expects inflation to decline to about 3% this summer, encouraged by progress so far but the way back down to 2% is going to be more difficult, the lesson from history on inflation is not to be half-hearted, persistent wage growth in 4-5% range will make it hard to reach 2% target, not terribly worried about pressure on CAD, housing market probably still has got some weakening to do.
CHF	05.05.23	0	Jordan		We cannot exclude further tightening of monetary policy, inflation is still an issue in Switzerland.
JPY	02.05.23	3	Ueda		Risks to Asia's economy are smaller than those in other parts of the world, China's economy is in good shape now due to reopening but could face pressure longer-term from heightening geopolitical risks.