Central Bank Speakers Recap for Week 46/2022

FX	Date	Days ago	Speaker	Bias	Relevant Points
USD	18.11.22	0	**Collins**	Neutral	Fed likely has to raise interest rates more, 75 bps still on the table, does not see clear significant evidence that inflation is coming down, there is a risk of raising rates too far, expects a modest rise in unemployment, not seeing clear and consistent evidence of softening labour markets, reasonably optimistic we can avoid a recession.
	17.11.22	1	**Bullard**	Hawk	Minimum level for restrictive policy would be 5-5.25%, even dovish assumptions about the state of monetary policy warrant further hikes, the Fed will want to err on the side of keeping rates higher for longer, leaving it up to Powell on how large rate hikes should be at any given meeting, can moderate based on incoming data once rates are high, October CPI encouraging but could easily go the other way next month, not seeing much cooling in the labour market.
			Jefferson	Neutral	Low inflation is key to achieving a long and sustained expansion.
			Kashkari	Hawk	Open question how high rates need to go, there is a lot of tightening in the pipeline, cannot be persuaded by one month's data, hesitant to predict an end to rate hikes until we see evidence that underlying demand is moderating, need to stay at it until sure inflation has stopped going up, we are united in commitment to getting inflation to 2%, inflation is demand-driven and not constrained supply, economy is sending wildly mixed signals.
			Mester	Hawk	The gilt event is a cautionary tale about unforeseen risks around hiking rates, leverage and risk in nonbank sector remains a challenge, risk is increasingly being intermediated and held outside the banking sector, short-term funding markets continue to have vulnerabilities, low liquidity in treasury markets reflects uncertain economic outlook.
	16.11.22	2	**Barr**	Neutral	Crypto finance is an urgent area for us to work on, critical to have a strong federal oversight of approval of stablecoins, paying attention to liquidity issues in treasury markets.
			Daly	Neutral	Focusing on the terminal rate, 4.75-5.25% is reasonable, after determining the high we have to determine how long to hold, pausing is off the table right now, discussion is about the pace, we're tightening into a strong economy, we want to see the economy slow, consumers are preparing for a slower economy, unemployment rate at 4.5-5% would be reasonable.
			George	Neutral	Would make sense to slow the pace of rate hikes next year to 25 bps increments, rates might have to rise to higher levels to slow the economy, the real challenge is on the dangers of prematurely ending rate hikes, have a lot of work to do.
			Waller	Hawk	More comfortable with a 50 bps hike in December and possibly smaller after that because of recent data, watching incoming data before December meeting, we still have a ways to go on rates, need to increase into 2023, need to be aggressive to reduce inflation, higher policy rate means stronger case for slowing to 50 bps, endpoint of tightening path highly dependent on inflation data, will reach terminal rate well before inflation reaches 2%, moderation in CPI welcome but will not be headfaked by one report, will watch for moderation in shelter inflation and don't expect it for at least several more months, expects wage growth to slow.
			Williams	Neutral	Important to bolster the resilience of the Treasury market, price stability is essential for the economy to function well.
	15.11.22	3	**Barr**	Neutral	Inflation is far too high, we are going to see significant softening in the economy, will see unemployment go up, will be data dependent and employment is one indicator we are looking at, we are not in a recession. Mentions the following risks in his speech: liquidity and interest rate risk, cybersecurity, commercial real estate and housing, risks in China, in crypto and the non-banking sector. Would be useful for the Fed to provide guidance to banks to safely custody crypto.
			Bostic	Dove	More rate hikes will be needed, once restrictive level is reached rates need to stay there until there is convincing evidence of inflation moving back to target, glimmers of hope in goods inflation but need to see services inflation slow as well. Full impact of monetary policy won't be felt for months, labour market remains tight, sees upward pressure in wages, risk of inducing a recession is preferable to high inflation becoming entrenched, a recession is not a foregone conclusion.
			Cook	Neutral	Inflation is much too high, focus for the Fed is addressing inflation.
			Harker	Neutral	Doesn't want to move interest rates way up and then way down, as long as we're moving consistently to collapse inflation we can pause.

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	14.11.22	4	**Barr**	Neutral	Inflation is far too high, outlook has weakened amid tighter financial conditions, Fed is heightening focus on liquidity, credit, interest rate risks; monitoring crypto-related activities is another priority.
			Brainard	Dove	It will probably appropriate soon to move to a slower pace of rate hikes but it's important to emphasize we have additional work to do, very strong agreement among committee members to show resolve against inflation, peak rate will be informed by flow of data, will take time for cumulative tightening to flow through the economy, FTX failure reinforces need that crypto needs to be under regulatory perimeter. Very cognizant of potential spillovers from coordinated central bank tightening.
	13.11.22	5	**Waller**	Hawk	November statement was designed to signal a potential step down to 50 bps, last CPI report is just one data point, markets are way out in front, will need to see a run of CPI reports before taking a foot off the break, Fed still has a long way to go, rates will stay high for a while, 7.7% CPI is "enormous", policy rate is not that high given the level of inflation, we can begin to think about moving at a slower pace.
EUR	18.11.22	0	**Knot**	Hawk	Long way to go until rates peak, pace of rate hikes likely to slow as policy tightens further, expects rates to reach broadly neutral in December, rates need to enter restrictive territory to dampen demand, will see first effects of our actions in the second half of next year, worried about doing too little rather than too much, earlier start to QT lowers inflation and the terminal rate, QT should be a backburner tool and be like watching paint dry.
			Lagarde	Dove	We expect to raise rates further, withdrawing accommodation may not be enough, inflation is far too high, recession is unlikely to bring down inflation significantly, appropriate to normalize balance sheet in a measured and gradual way, interest rates will remain the main too for adjusting our policy stance.
			Nagel	Hawk	Further decisive moves are necessary, we must not let up too soon, policy rate is still expansionary and needs to be moved into restrictive territory, a recession is insufficient to get inflation back to target, we should start with QT at the start of 2023.
	16.11.22	2	**De Cos**	Dove	Still have some way to go with rate hikes, specific level is yet unknown, balance sheet reduction needs to be very gradual and predictable, inflation spike is proving highly persistent and has broadened, future decisions should account for a higher probability of a recession. Recent collapse of crypto exchange FTX should serve as a reminder of the risks of crypto assets.
			De Guindos	Dove	The main risk to financial stability and growth is very high inflation, will start with passive QT, balance sheet reduction must be implemented with prudence.
			Panetta	n/a	Green transition need not lead to higher inflation and may even reduce it with the right policies.
			Sources		Bloomberg: policymakers may favour a 50 bps hike in December vs. 75 bps.
			Visco	Dove	The need for continued tightening policy is evident but the case for implementing a less aggressive approach is gaining ground.
	15.11.22	3	**Villeroy**	Neutral	Will probably continue to raise rates but in a more flexible and possibly less rapid manner, we are clearly approaching "normalisation range" which can be estimated at around 2%, clear signs of a turnaround in core inflation trend would be a favourable condition to interrupt rate hikes, "jumbo" hikes will not become a new habit, need to strongly and quickly regulate crypto assets internationally.
	14.11.22	4	**De Guindos**	Dove	ECB will continue to raise rates "with prudence" even if it takes an extended period of time, inflation remains far too high, wage growth may be picking up but longer-term inflation expectations remain anchored.
			Panetta	n/a	Monetary policy has to tighten to ensure inflation does not become entrenched, monetary policy should adjust and not overreact as long as inflation expectations remain anchored, being prudent does not rule out possibility of moving from withdrawing accommodation to restricting demand.
GBP	17.11.22	1	**Tenreyro**	Dove	Voted for a 25 bps increase to the Bank Rate in November, main reason for that was risk management, expects that case to become weaker as rates are higher.

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	16.11.22	2	**Bailey**	Neutral	Labour market still very tight, UK inflation reflects a series of supply shocks, signs that supply shocks are fading, core goods inflation appears to be coming off, QE has not made a very big contribution to UK inflation overshoot. Past couple of months have damaged the UK's reputation, concerned about potential future government intervention on financial regulation.
			Broadbent	Neutral	Shouldn't focus too much on length of recession as the profile is very flat, supply chain problems and the war in Ukraine ware much bigger causes of inflation than sterling weakness.
			Dhingra	Dove	There is now a risk of over-tightening, could get into a much deeper recession if rates continue to rise, seeing a really strong stagnation in services trade, undeniable that the UK is seeing a bigger slowdown in trade than the rest of the world.
			Mann	Hawk	More shocks have become embedded in price and wage setting.
CAD	14.11.22	4	**Macklem**		Once we rebalance supply and demand growth will pick up and low and predictable inflation will be restored.
CHF	17.11.22	1	**Maechler**		Will continue to raise rates if we see inflation projections above target, inflation has started with shocks but it's no longer shock-driven and has the risk of being more persistent.
	15.11.22	3	**Jordan**		Monetary policy is still expansionary, most likely have to adjust monetary policy again, risks that inflation will rise further.
	14.11.22	4	**Jordan**		Great probability that the SNB will need to further tighten monetary policy, ready to buy or sell to keep the exchange rate appropriate to steer inflation to target level, inflation likely to remain elevated for a while though lower than in other economies, nominal appreciation of the franc helps guard against inflation.
JPY	18.11.22	0	**Kuroda**		Will maintain easy policy to support the economy and achieve 2% inflation in a stable and sustained manner, not saying we cannot raise rates indefinitely but it would be inappropriate in light of current economic conditions, inflation is accelerating quite a bit, may rise further in the coming months, core CPI likely to slow pace of increase from next year, inflation likely to slow below 2% from next fiscal year, wages need to rise about 3% for inflation to hit 2% target in a sustained fashion. Very important for FX rates to move stably reflecting fundamentals, recent sharp one-sided yen moves are absolutely undesirable.
	17.11.22	1	**Kuroda**		Important to continue monetary easing, recent price hikes due to cost-push factors, might take time to achieve sustainable and stable inflation, CPI will fall below 2% next fiscal year.
			Nakaso		Central banks must remove emergency measures once financial crises are over.
			Suzuki (FinMin)		Important for the government and the BOJ to exchange opinions, specific monetary policy is up to the BOJ.
			Uchida		Too early to discuss exit from monetary stimulus, financial market stability is the most important factor to consider when it comes to exit.
	14.11.22	4	**Kuroda**		We should continue with monetary easing to boost the economy, aiming for stable and sustainable price target achievement including wages growth, economy is improving, there is a decent chance the improving economy will drive wages higher. Sharp currency moves are undesirable.