

# Central Bank Speakers Recap for Week 13/2023

FX	Date	Days ago	Speaker	Bias	Relevant Points
USD	31.03.23	1	Collins	Neutral	We need to get conditions sufficiently tight and then hold, it's early days in judging whether the Fed has gone as far as it needs to go, data on PCE is good news, we need to balance risk of doing too much vs. not doing enough, weaker jobs report in March unlikely to change the monetary policy outlook.
			Williams	Neutral	Economic outlook is uncertain, data will drive monetary policy, expects inflation to cool to 3.25% this year and the unemployment rate to tick up to around 4.5%, banks are resilient and well capitalized.
	30.03.23	2	Barkin	Neutral	Supported 25 bps hike at the last meeting given substantial inflation pressure and banking resilience, declines to commit to a view on whether to hike at the next meeting, comfortable with meeting-by-meeting approach to see if a quarter-point hike is needed or not, tracking things like weekly credit card spending to see if demand is beginning to settle, deposit flows among US banks are relatively stable, not every bank failure becomes a Lehman Brothers, sees risks in commercial real estate.
			Collins	Neutral	Some additional tightening will be needed, after hiking again we will likely hold steady for the remainder of the year, Fed forecast of one more hike in 2023 looks reasonable, supported the most recent 25 bps hike, premature to say what the Fed will do at the next meeting, financial sector stress has taken some pressure off the Fed to hike rates, likely that lending cutbacks will restrain the economy, prior to the banking stress would have expected the Fed to raise rates more than the prior projection, the economy is stronger than expected but likely still feeling shift in Fed policy to a more restrictive stance.
			Kashkari	Hawk	We have very high inflation but it's not being driven by wages, we can get back to pre-pandemic economy with low inflation and low unemployment once we get inflation down, the one area of particular concern is core services ex housing has not come down, still have more work to do on bringing services inflation down.
	29.03.23	3	Barr	Neutral	We will make a meeting-by-meeting judgement on interest rates, we need stronger rules on capital and liquidity for banks of \$100 bln and above.
	27.03.23	5	Barr	Neutral	The US banking system is sound and resilient, it appeared contagion from SVB could be far-reaching and damage the broader banking system, we are prepared to use all of our tools for any size institution as needed to keep the system safe, recent actions demonstrate we are committed to ensuring all deposits are safe.
			Jefferson	Neutral	Inflation has come down and "should fall back" towards 2% target as demand falls, the Fed is still learning how much tight monetary policy has influenced the economy and inflation.
	26.03.23	6	Kashkari	Hawk	Unclear how much the current banking stresses lead to a wider credit crunch, such a crunch would slow down the US economy, monitoring this very closely, too soon to make any forecasts about the next FOMC meeting.
	EUR	31.03.23	1	Lagarde	Dove
			Villeroy	Neutral	We may still have a little way to go with rate hikes although we've committed most of our rate hiking journey, time lags after hikes means powerful impact yet to come, we estimates it takes 1-2 years for interest rates to affect inflation.
29.03.23		3	Kazimir	n/a	We should continue to raise rates but possibly at a slower pace, inflation is too high for too long, core inflation will be key in determining the next decision, we agreed not to give guidance about May policy meeting, ready to take any steps to secure price and financial stability.
			Lane	n/a	Rates must rise if banking tension has no or fairly limited impact, no reason to expect major problems, banking sector tensions seen settling down.
			Schnabel	Neutral	Underlying inflation in the Eurozone is proving sticky, rise in unit labour costs indicates possible second-round effects on inflation.
28.03.23		4	De Cos	Dove	Uncertain financial conditions may create persistent increase in banks' funding costs, macroeconomic deterioration has not been reflected in credit quality.
			Enria	n/a	Current events confirm that strong banking supervision is needed more than ever, there have been some fast outflows of bank deposits in some cases, on fall of Deutsche Bank's shares: disquiet among investors is a concern, bank CDS market is small and opaque, advocated having CDS centrally cleared.
			Lagarde	Dove	Long-term inflation expectations are near 2% but warrant monitoring, wages are growing faster supported by robust employment prospects, parameters for reducing APP will be closely in line with what we've done previously, we expect activity to remain weak in the near term, risks to growth and inflation have become more balanced.
		Müller	Hawk	Still possible to hike rates further, we must be worried about the upside risks to inflation, there may be more differing opinions at the next ECB meeting.	

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	27.03.23	5	Centeno	n/a	The size of rate hike increment will depend on data but it's clear we need to preserve price stability, banking problems will have an impact on our decisions, we have the tools for "whatever it takes" for banks, inflation expectations are still anchored, not seeing signs of second-round effects on wage setting, the pace of QT must be consistent with monetary policy stance and preserve market functioning.	
			De Cos	Dove	Recent tensions have generated a further tightening of financial conditions, that is also having an effect on outlook for economic activity and inflation, those factors have to be taken into account at our next meetings, financial stability is a necessary prerequisite to ensure price stability.	
			Nagel	Hawk	Inflation is still too high, we must be resolute in the fight against inflation, QT should be accelerated from the summer onwards.	
			Schnabel	Neutral	No real concern about financial stability risks although the situation is fragile, no sign of weakening in the labour market, balance sheet will not return to levels from before the crisis, should only be large enough to ensure sufficient liquidity, banks might want to hold much higher liquidity buffers than in the past.	
			Sources	n/a	Bloomberg: Schnabel pushed for the ECB statement to include that more hikes are possible.	
	26.03.23	6	De Guindos	Dove	Appropriate not to pre-commit to the outcome of monetary policy meetings, open-minded with respect to the future, the question is how the events in the US banking system and Credit Suisse will impact the Eurozone economy, will have to assess whether they will lead to additional tightening of financial conditions.	
			Schnabel	Neutral	Headline inflation has begun to drop but core inflation remains sticky, financial stresses so far mainly in financial markets and businesses.	
GBP	29.03.23	3	Mann	Hawk	It is going to be tough for the BoE to do its job in H2, headline inflation will be falling while core remains stubbornly high.	
	28.03.23	4	Bailey	Neutral	We are in a period of heightened tension and alertness, doesn't think recent bank problems are causing stress in the UK, seeing some evidence of a tightening in credit conditions but not critical, creditor hierarchy in the UK is a cardinal principle, guaranteeing all bank deposits should not be the norm.	
	27.03.23	5	Bailey	Neutral	If signs of persistent inflationary pressures become evident further tightening would be required, the full effect of the higher level of the bank rate is still working its way through, the path of inflation will not be entirely smooth, evidence has pointed to more resilient activity in the economy, we have seen some big strains in parts of the global banking system emerge.	
CAD	29.03.23	3	Gravelle		Way too early to talk about the normalization of rates given high inflation, continues to expect inflation to come down in the months ahead but will need to see further slowing in core inflation to get back to 2%, QT likely to end sometime around the end of 2024 or H1 2025, the bar is very high for the BOC to use large-scale bond purchases.	
CHF	30.03.23	2	Maechler		SNB remains ready to be active in FX markets, foreign currency sales have been mainstay of FX activities for some quarters.	
			Schlegel		We were not too late with measures regarding Credit Suisse, even my first meeting as SNB Vice President in August 2022 revolved around CS.	
JPY	31.03.23	1	Suzuki (FinMin)		Specific policy is up to the BOJ to decide, expects the new BOJ governor Ueda to firmly conduct monetary policy.	
	29.03.23	3	Himino		Important to maintain current easy policy to support the economy.	
			Kuroda		Wage pressure is heightening, Japan is closer than before to sustainably hit 2% inflation target.	
				Suzuki (FinMin)		Rises in long-term interest rate would squeeze policy expenditure by causing an increase in interest rate payments.
				Uchida		Will judge trend inflation by looking at various indicators, difficult to get markets to price in YCC adjustment early, will not be communicating on monetary policy ahead of meetings.
	28.03.23	4	Kuroda		Too early to debate exit from easy monetary policy, sustainable inflation target has not been reached, more time needed.	
CNY	31.03.23	1	Xuan		Regulatory oversight quality of the digital economy will be improved, new forms of finance should not be blindly accepted and recognized, digital currencies and new inventions in cryptocurrencies are not fixing issues in finance but can create new issues.	