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10.12.22

BoE Speakers Crib Sheet

Most recent comments first

Days ago	Date	Speaker	Bias	Relevant Points
6	04.12.22	**Dhingra**	Dove	Higher interest rates could lead to a deeper and longer recession if tightening continues at current pace, falling real wages are inidcative that there's no wage price spiral yet.
10	30.11.22	**Pill**	n/a	Our base case does not involve rates reaching 5.25%, wage growth is inconsistent with 2% inflation target, labour market remains tight, demand is easing as household incomes are squeezed.
11	29.11.22	**Bailey**	Neutral	Scale of QT needed is uncertain, no reason to think BOE will not meet goal to reduce gilt holdings by £80 bln in a year, gilt market is not back to normal, want to observe what happens because of current gilt sales before deciding scale of following year's programme.
		Mann	Hawk	Once inflation expectations have been managed the Bank Rate can come off a future peak, medium-term inflation expectations are very important for my assessment of where the Bank Rate should go.
16	24.11.22	**Mann**	Hawk	Market expectations before the November meeting were too high, BOE has communicated effectively that rates need to rise, UK price and wage dynamics are inconsistent with 2% inflation target but not a wage price spiral.
		Ramsden	Hawk	Expects further increases in the bank rate to be required, bias is towards further tightening but would consider the case for reducing rates if the economy develops differently, not yet confident that domestically generated inflation pressures are starting to ease, impact of higher rates could take longer to come through. Premium on UK gilts has disappeared but no doubt that the UK's reputation has taken a hit.
		Pill	n/a	MPC was maybe a little late in deciding to mot to sales of gilts, cannot accept interference with reserve remuneration, if governments want to tax banks they should do so transparently and not through the BOE.
17	23.11.22	**Pill**	n/a	Further rate action likely required to ensure inflation will return sustainably to 2% target, does not anticipate raising bank rate to levels priced by markets ahead of the November monetary policy report.
19	21.11.22	**Cunliffe**	Dove	Unbacked crypto assets are highly volatile and have no intrinsic value, regulators shouldn't wait to put in place tighter controls.
23	17.11.22	**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.
24	16.11.22	**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.
		Mann	Hawk	More shocks have become embedded in price and wage setting.
		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.
29	11.11.22	**Bailey**	Neutral	More rate hikes likely in the coming months, bringing inflation under control will likely take 18-24 months, hopeful that inflation will peak over the winter.
		Haskel	Hawk	Important for the BOE and monetary policy to stand firm against the risk of persistent inflation, policy would have to be tighter for longer if price rises become embedded, UK growth already slowing down, signs of a slowdown do not imply less tightening given the strength of the labour market.
		Tenreyro	Dove	Main rationale for further tightening was risk management, this will likely become weaker in future months, policy would have to loosen perhaps in 2024 to prevent inflation from falling below target. Most of the impact of tighter bank rate on demand has yet to appear, need to guard against over-tightening of policy, initial signs that UK labour market is starting to loosen, recession likely in Q4 due to lower real incomes, UK should avoid tracking rates abroad when economic trajectories are markedly different.
32	08.11.22	**Pill**	n/a	There is more to do, we need to raise rates to tighten monetary policy, not going to move at a pre-defined level, need to think about the broader economic outlook at some point, we cannot be indifferent to market pricing of rates at 2 or 5 year horizon, should not put the housing market on a pedestal as an economic driver. Start of bond sales shows MPC's determination to keep monetary policy separate from financial stability operations.
33	07.11.22	**Breeden**	n/a	Transparency is a first step to apply lessons from events related to LDI funds, better transparency means non-banks' positions and interlinkages with the financial system can be stress tested comprehensively.
36	04.11.22	**Bailey**	Neutral	Size of the APF can now be adjusted down from £966 bn to £886 bn after conclusion of emergency gilt purchases, will not sell gilts into febrile markets where sales might increase the level of dysfunction.
		Hauser (director of markets)	n/a	We must execute a timely and orderly unwind of the assets accumulated as part of the financial stability purchase operations, QE unwind is not the Bank's active tool for monetary policy but it does support tightening process.

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		Pill	n/a	Raising rates to 5.25% previously seen by markets would be overtightening, keeping bank rate at 3% would lead to inflation being a little too high in 2 years. On gilt sales from the temporary purchases this year: "wait and see", hopes to talk more about it in one or two weeks. We still think there's more to do on inflation pressures, not for us to tell markets how to price assets, the challenge is to set policy such that economic slowdown is sufficient to ensure inflation will be consistent with target and also avoid overshoot in the other direction. We need to raise bank rate and shrink QT portfolio, recent disturbances have not detracted us from key goal.
37	03.11.22	**Bailey**	Neutral	We should not increase the bank rate too far, the bank rate will have to go up by less than currently priced in financial markets, nobody should read a 75 bps hike as a new normal. Market liquidity is not back to where it was.
		Mann	Hawk	Rates do not have to be as high as the market suggests, we must do more as inflation continues to rise and domestic inflation drivers continue to gain momentum.
		Ramsden	Hawk	Majority of the MPC thinks we will have to hike further, it's likely that further rate rises will be necessary, we don't think it's likely they have to go as high as 5.25%.