

# Central Bank Speakers Recap for Week 20/2023

FX	Date	Days ago	Speaker	Bias	Relevant Points
USD	19.05.23	0	Powell	Neutral	Has not made any decision on whether rates are sufficiently restrictive, the risks of doing too much or too little are becoming more balanced, we haven't made any decisions yet about the extent to which additional policy firming will be appropriate, inflation is far above the Fed's objective, we are strongly committed to returning to 2% goal, policy rate may not have to rise as far as otherwise due to tightening bank credit conditions, positive supply shocks during globalization probably did help keep inflation low but are unlikely to be repeated, the banking system is strong and resilient, our guidance today is limited to factors that go into policy decision.
			Williams	Neutral	New work has shown even with pandemic the natural interest rate remains low, pandemic impact on the natural rate has proven modest.
	18.05.23	1	Barr	Neutral	No inherent conflict between monetary policy and supervision by the Fed.
			Bullard	Hawk	Leaning towards a June hike but keeping an open mind, higher rates are insurance against inflation, rates are at the low end of sufficiently restrictive with the top seen above 6%, better and more prudent to be in the middle of the zone, fall in treasury yields is offsetting banking sector tightening.
			Collins	Neutral	Falling minority unemployment rates are promising for the economy.
			Jefferson	Neutral	A year is not long enough to feel the full effect of interest rate hikes so far, inflation is too high, growth has slowed considerably but outlook is not for a recession, evidence so far points to only a modest incremental tightening of credit conditions to recent bank stress, uncertain how tighter credit will influence household and business spending.
			Logan	Neutral	Data at this time does not support skipping a rate hike at the June meeting, incoming data could yet show that it is appropriate to skip a meeting, it is a long way from here to 2% inflation, concerned about whether inflation is falling fast enough, recognizes arguments against tightening policy too much or too fast, effect of banking stress is comparable to a 25-50 bps rate increase.
	16.05.23	3	Barkin	Neutral	I like the optionality implied in the statement, comfortable with more hikes if this is what's needed, businesses are reluctant to let staff go, deposit flows are stable at the banks in my district, the number one lesson from the 1970s is don't quit too soon.
			Barr	Neutral	We are carefully looking at commercial real estate risk.
			Bostic	Neutral	Still some way to go until inflation is beaten, wages didn't fully catch up to inflation in 2022.
			Goolsbee	Neutral	Has not decided anything for the June meeting, would be a mistake to commit to a rate move when more data is coming, not sure if we've put enough restraint on the economy yet, far too premature to be talking about rate cuts, starting to see some slowing in activity, there's still some potential for a soft landing, wages are not a leading indicator of inflation.
			Logan	Neutral	Central banks should review post-GFC stress episodes, may need to travel more slowly when conditions are uncertain, gradual policy adjustments can be helpful in mitigating financial stability risks.
			Mester	Hawk	I don't think we're at a hold rate yet, would like policy rate to get to a point where it could equally be a potential increase or decrease, I don't put it in terms of a pause but instead a hold, rate are not at a sufficiently restrictive level.
			Williams	Neutral	Inflation is gradually moving in the right direction, it does take a while to feel the impact of policy, current banking situation is nothing like the 2008 banking crisis, the banking system is sound and resilient.
	15.05.23	4	Barkin	Neutral	Not giving a June meeting decision because there is still data to come and because of the uncertainty around the debt ceiling, very comfortable with a data-dependent approach but not yet convinced that inflation is on a steady path lower, sees no barrier to higher rates if inflation persists, demand may need to cool even more for inflation to reach the 2% target, policymakers should be sensitive to financial stability risks but that should not take precedence over the fight against inflation.
			Barr	Neutral	The US banking system remains sound and resilient, all deposits in the banking system are safe.
			Bostic	Neutral	If I was voting now I would hold rates in June, we may have to go up further on rates, have to keep a possible rate hike on the table, rate cuts are not part of his baseline, appropriate policy is to wait and see the effects of tightening, does not see inflation coming down quickly, the math on inflation and the economy will work in the Fed's favour in the months ahead, there is still a long way to go in the battle against inflation, expects inflation to be in the high 3s at year-end, there is some risk of a recession but if we fall into one it will not be long or deep.

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	14.05.23	5	Goolsbee	Neutral	There is still a lot of impact from prior hikes that's still to come, his vote to hike at the last meeting was a "close call", inflation is improving but not that rapidly, the effect of banking stress isn't small and we need to take it into account.
			Kashkari	Hawk	The Fed has more work to do, we should not be fooled by a few months of good data, inflation is much too high but starting to come down.
			Bullard	Hawk	Market-based inflation expectations are back down to levels consistent with the 2% inflation target, policy is not at the low end of sufficiently restrictive.
			Jefferson	Neutral	Inflation is still high, little progress on core inflation is bad news, the full impact of the Fed's rapid rate hikes is likely still ahead, disinflation has been slower and more uneven than the Fed would have liked, the uncertainty around the effect of bank stress and credit shock could be larger than expected.
EUR	19.05.23	0	Lagarde	Dove	ECB will be courageous to take needed decisions to bring inflation back to 2%, we are heading towards more delicate decisions going forward, we should not trade off price stability and financial stability, will do whatever is necessary to deliver price stability.
			Schnabel	Neutral	The ECB can continue to do whatever is needed to bring inflation back to 2% in a timely manner, wage growth has picked up substantially and as a result there are concerns about second-round effects on inflation, financial stability is a precondition for price stability and vice versa, we have a clear mandate of price stability, inflation expectations are stubbornly high, it seems fiscal policy is too expansionary.
	18.05.23	1	De Guindos	Dove	There is still scope to keep raising rates but most of the tightening has already been done, does not know what the end point is going to be.
	17.05.23	2	De Cos	Dove	The ECB is getting near the end of its tightening cycle, transmission of monetary policy remains strong.
			De Guindos	Dove	Concerns are mounting about the outlook for commercial real estate loans, Eurozone banks may benefit less from higher rates than expected.
			Rehn	Neutral	Need to see core CPI slow substantially.
	16.05.23	3	Holzmann	Hawk	We need to go beyond a 4% interest rate to fight inflation, would have preferred a 50 bps hike at the May meeting, core inflation is unlikely to slow much more this year, hikes above 25 bps are probably not possible now, we shouldn't pause hikes until we reach 4%.
			Makhlouf	n/a	We have lost a degree of trust, that affects what we should be doing with our decision making, we should do more in terms of thinking about the audience we're talking to.
	14.05.23	5	De Guindos	Dove	We have now entered the home stretch of our monetary policy tightening path, we are returning to normalcy with 25 bps steps.
			Kazimir	n/a	The ECB may need to keep raising rates longer than previously thought, convinced there are more meetings ahead where we will decide on raising rates, would also be satisfied with a 50 bps hike but 25 bps is a return to normal, the key point is that core inflation is still creeping up and that's proof we haven't solved the problem yet.
GBP	18.05.23	1	Bailey	Neutral	QT is not an active policy tightening instrument, I do not envisage the balance sheet returning to pre-financial crisis level.
			Ramsden	Hawk	QT has some effect on the economy but fairly small, QT will be gradual and predictable, likely to have several years to go for QT, investors expect more inflation pain in the UK than in the US.
	17.05.23	2	Bailey	Neutral	If there were to be evidence of more persistent price pressures then further tightening would be required, there are signs that the labour market is loosening a little, we have good reasons to expect inflation to fall sharply beginning with the April number to be released on May 24th, there has been greater resiliency in the economy than expected, we expected a shallow and long recession in November and now we are forecasting modest but positive growth, inflation risks are skewed significantly to the upside.
	15.05.23	4	Pill	n/a	The BoE raised rates last week because we thought there was too much momentum in the economy, there is too much demand for inflation to return to 2%, we need to avoid inflation getting stuck at 4-5%, the risk is that second-round effect keeps inflation above the target.
CAD	18.05.23	1	Macklem		Far too early to be thinking of interest rate cuts, using conditional pause to see whether we've raised rates enough, a number of things have to happen before inflation is getting down to 2% target, April CPI data was stronger than expected, expects inflation to continue coming down.
			Rogers		Financial institutions need to adapt as adjustment to higher rates continues, we will continue to monitor the financial system closely for signs of stress.

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<b>JPY</b>	19.05.23	0	<b>Ueda</b>		No change to BOJ stance of patiently maintaining easy policy, appropriate to take time in determining when to modify policy, will not hesitate to take additional easing steps if needed, will maintain stimulus measures with YCC, Japan's inflation likely to slow back below 2% in the middle of the current fiscal year and then likely to rebound thereafter, current inflation is due to external cost-push factors and not strengthening demand, tightening monetary policy would hurt the economy, inflation expectations must heighten for inflation to hit 2% sustainably, a US debt default could cause market turmoil and will likely affect a wide array of financial transactions.
	15.05.23	4	<b>Goto (EconMin)</b>		Governor Ueda explained how the BOJ will keep ultra-loose policy to sustainably and stably achieve price target, among the key points of the meeting was for the government and the BOJ to work closely together, the government believes it is meaningful for the BOJ to conduct a review of past monetary policy.
			<b>Kishida (PM)</b>		The need for the government and the BOJ to closely coordinate economic policy is rising.
	13.05.23	6	<b>Ueda</b>		I told the G7 meeting that Japan is maintaining ultra-loose monetary policy to sustainably and stably achieve the 2% inflation target, consumer inflation will begin to slow towards the middle of the fiscal year, many G7 central bank governors appeared to feel the impact of past rate hikes has yet to show fully.