

# Central Bank Speakers Recap for Week 12/2023

FX	Date	Days ago	Speaker	Bias	Relevant Points
USD	24.03.23	0	Barkin	Neutral	The case for raising rates this week was pretty clear, labour markets are tight, bringing inflation down creates better conditions for jobs.
			Bostic	Neutral	Rate hike was not an easy decision, inflation is still too high and the Fed needed to remain focused on that, clear signs that the banking system is safe and resilient.
			Bullard	Hawk	Inflation is too high, still in a position to see disinflation this year, inflation expectations are relatively low, we will see if the Fed needs to react more or not, sees 80% chance financial stress abates and discussion shifts back to inflation, a recession is a lower-probability outcome, probability of a global crisis from recent stress is low.
	22.03.23	2	Powell	Neutral	We will continue to closely monitor banking conditions and we will use all the tools needed, banking events will result in tighter credit conditions and that's why we removed the line about "ongoing" tightening, we could think of the banking turmoil as a rate hike or perhaps more than that, "some firming" refers to our policy rate but I would focus on the words "may" and "some", almost all on the FOMC see growth risks weighted to the downside, inflation is still well above our longer-run goal, no one should doubt we will bring it down, we expect the labour market to come into balance over time, longer-term inflation expectations appear well-anchored, disinflation is absolutely occurring, banking issues could have minimal effect or result in significant tightening but we just don't know yet, if we have to raise rates higher we will, no talks about changing the balance sheet runoff.
EUR	24.03.23	0	Centeno	n/a	Does not see rate hikes beyond what's already in the market, Eurozone banks not showing signs of tension.
			Lagarde	Dove	The ECB is fully equipped to provide liquidity to the financial system, no tradeoff between price stability and financial stability, the ECB has tools to address both issues, will decide future rates based on incoming data, we need to progress on completing the banking union, further work necessary to create truly European capital markets.
			Nagel	Hawk	It is necessary to raise policy rates to sufficiently restrictive levels, current interest rate level is not high in comparison to rates of inflation, recent wage deals are inconsistent with price stability and will prolong the period of high inflation, seeing signs of second-round effects from inflation-induced wage increases back to prices.
	23.03.23	1	Holzmann	Hawk	Recent events will be taken into account at the next ECB meeting but currently have not shown significant effect.
			Knot	Hawk	The ECB is unlikely to be done with rate hikes, still thinking we need a hike in May but size is uncertain, inflation risks are clearly tilted to the upside, second-round wage effects are increasingly visible, could gradually move to a full stop in APP reinvestments if there is no more market turmoil.
			Stournas	n/a	The ECB should not commit to any rate moves in advance.
	22.03.23	2	Lagarde	Dove	We are neither committed to raise rates further nor are we finished on rate hikes, uncertainty around the rate path has increased, inflation is still high and underlying dynamics remain strong, we must and we will bring inflation down to target.
			Lane	n/a	There are reasons to believe underlying inflation measures will ease over time, inflation falling is predicated on wage growth peaking this year.
			Müller	Hawk	Inflation is still too high, the ECB should not hesitate to fight inflation.
			Nagel	Hawk	ECB's job is not done yet, must be bold and decisive, fight against inflation is not over, policymakers need to be "even more stubborn" in inflation fight, there is some way to go before reaching restrictive territory on rates, price pressures are strong and broad-based, expansionary fiscal measures risk fuelling inflation further, inflation projections contain upside risks, Eurozone banking system is resilient.
			Rehn	Hawk	ECB will prioritize price stability over financial stability.
			Sources	n/a	ECB source: increasingly confident the Eurozone banking system has withstood the financial turmoil allowing the ECB to resume rate hikes in due course.
	21.03.23	3	Enria	n/a	There is no direct read-across of the US events to Eurozone banks, our banks generally operate with a more diversified customer base.
			Kazaks	Hawk	Not possible to say we are done hiking rates, European banks are well capitalized, no reason to compare things with how it was in 2008.
	20.03.23	4	Centeno	n/a	It is not so much the level or interest rates that is high but the speed of the rise, latest developments in European banking sector give us confidence in the decisions taken.
			Holzmann	Hawk	Would not rule out more 50 bps hikes but also wouldn't say they will necessarily come either.

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			Lagarde	Dove	Inflation is projected to stay too high for too long, interest rates remain our primary tool for setting monetary policy, wage pressures have strengthened on the back of robust labour markets and employees are aiming to recoup some of the purchasing power, very confident that capital and liquidity positions of Eurozone banks are well in excess of requirements, without financial tensions we would have indicated further hikes would be needed.
			Stournas	n/a	Policy will be data-dependent from now on, European banking system is well-equipped with capital.
			Villeroy	Neutral	We cannot allow inflation to settle into the system, France should avoid a recession, welcomes UBS' purchase of Credit Suisse, regulation of French and European banks is better than that in the US.
			Visco	Dove	Monetary policy will account for the fact that the current situation will impact on lending and cost of capital, Eurozone banks do not have liquidity or capital issues, the Eurozone needs to quickly have a deposit protection tool like the one in the US.
GBP	24.03.23	0	Bailey	Neutral	Very relieved that inflation is no longer rising like it was last year, interest rates will rise again if firms hike prices, if all prices try to beat inflation we will get higher inflation, risk of recession this year has gone down quite a lot, pretty strong likelihood we will avoid a recession this year.
			Mann	Hawk	Voted for 25 bps partly because inflation expectations have begun to moderate, the BoE has "quite a way" towards an appropriate level of monetary tightness; inflation expectations, credit conditions, inflation rate and demand will be important for May rate decision.
	23.03.23	1	Bailey	Neutral	We have raised rates a lot already and we don't know if 4.25% will be a peak in rates, seeing signs that inflation is peaking, we believe inflation will fall quite rapidly before summer, much more hopeful now that the UK won't enter a recession, does not believe we will see a repeat of a 2008 banking crisis.
			Mann	Hawk	We may be entering a different regime where central banks will have to work much harder in order to rein in inflation.
AUD	20.03.23	4	Kent		Will take account of financial conditions when deciding on rates, likely to take longer than usual to see full effect of higher rates on households, will respond as necessary to bring inflation down in a reasonable time, Australian banks are unquestioningly strong, no involved in the central bank swap operation.
NZD	23.03.23	1	Conway		We have to do more on rates if inflation expectations don't fall, inflation is high and widespread, incredibly determined to get inflation and inflation expectations back to target, no conflict between monetary policy and financial stability, the optimal path for interest rates has become less clear, expects New Zealand to enter a mild recession later this year as a consequence of monetary policy, the OCR is comfortably above neutral and having the desired contractionary effect.
CHF	23.03.23	1	Jordan		We are raising rates to counter renewed increase in inflationary pressure, convinced that tightening of monetary policy is absolutely necessary, currently there is some necessity to tighten policy and we will look again in three months, inflation still clearly above the range for price stability, inflationary pressures have risen since December, willing to be active in FX market, recent focus has been on selling FX, Credit Suisse could have triggered a bigger financial crisis, takeover by UBS is a done deal.
JPY	22.03.23	2	Suzuki (FinMin)		Important for exchange rates to move stably and reflect fundamentals.