

Central Bank Overview: last meeting

CB	Date	Days	Event	Content	Market Reaction	Source
BOJ	2023-06-16	35	Rates	Unchanged at -0.10% (as expected)		
			Statement	<ul style="list-style-type: none"> * Will patiently continue with monetary easing, will continue QQE with yield curve control, will continue to expand the monetary base, will not hesitate to take additional easing measures * The Japanese economy has picked up, exports and imports have been more or less flat despite a slowdown in overseas economies * Financial conditions have been accommodative * The rate of increase in CPI ex fresh food has slowed mainly due to the government's measures to lower energy prices * CPI y/y is likely to decelerate towards the middle of FY 2023 and to pick up again afterwards * The economy is likely to recover moderately towards the middle of FY 2023 	JPY weak before and weak after	
			Presser	We have not changed policy because Japan's inflation is not sustainable, expects inflation to slow towards the middle of FY 2023, more time is needed to meet the 2% inflation target, it is possible that inflation will fall below 2% in the future, responding to an inflation undershoot after a premature rate hike is more difficult than responding to an overshoot, various indicators showed improvement in bond market functioning, side-effects of yield curve control policy has subsided, need to pay attention to exchange rates and financial markets, no comment on the exchange rate, there are both positive and negative impacts of a weak yen, important for FX moves to stably reflect economic fundamentals.		
	2023-06-26	25	Summary of Opinions	<ul style="list-style-type: none"> * Factors behind significant improvement since April in households' sentiment indicators include the achievement of wage increases at high levels. * It is necessary to assess whether there is a higher possibility of achieving wage increases that can keep up with inflation. * The y/y increase in CPI is likely to decelerate toward the middle of fiscal 2023. Meanwhile, there are still high uncertainties over whether it will accelerate again thereafter. * While price rises in Japan are still largely attributable to overseas factors, the contribution of domestic factors has increased. * Inflationary pressure is likely to remain strong for the time being. * The y/y increase in CPI is expected to fall below 2% in the second half of fiscal 2023. * Corporate behavior has seen clear changes, and price and wage hikes have been incorporated into corporate strategy. In addition, various measures of underlying inflation have mostly shown a rate exceeding 2%. It is highly likely that the y/y increase in the CPI (all items less fresh food) will decelerate toward the middle of fiscal 2023 but will not fall below 2 percent. * Given the outlook for prices and other factors, it is appropriate that the Bank continue with the current monetary easing. * The wage growth rate agreed in this year's annual spring labor-management wage negotiations thus far has been the highest in around 30 years. It would be premature to revise monetary policy if it would hinder such developments. * There is no need to revise the conduct of yield curve control. * The functioning of the bond market has improved compared with a while ago, but its level has remained low. * A revision to the treatment of yield curve control should be discussed at an early stage. 	JPY popped higher but failed to sustain strength, JGB 10s lower, 2s more or less unchanged	x

FX	Date	LON	Data	Act	Exp	Prev	Reaction
JPY	Tue 06.06.23	00:30	Average Cash Earnings y/y	1.0	1.7	1.3	JPY briefly higher
	Mon 12.06.23	00:50	PPI y/y	5.1	5.6	5.8	JPY briefly higher
	Fri 16.06.23		BOJ Rate Statement				JPY lower
	Wed 21.06.23	00:50	BOJ Minutes				JPY weaker
	Fri 23.06.23	00:30	National Core CPI y/y	3.2	3.1	3.4	JPY briefly higher
		01:30	Flash Manufacturing PMI	49.8	50.2	50.6	JPY unchanged
	Mon 26.06.23	00:50	BOJ Summary of Opinions				JPY briefly higher
	Tue 27.06.23	06:00	BOJ Core CPI y/y	3.1	3.1	3.0	JPY unchanged
	Thu 29.06.23	00:50	Retail Sales y/y	5.7	5.2	5.1	JPY unchanged
	Fri 30.06.23	00:30	Tokyo Core CPI y/y	3.2	3.4	3.2	JPY weaker
		00:50	Prelim Industrial Production m/m	-1.6	-0.9	0.7	JPY sideways
	Mon 03.07.23	00:50	Tankan Manufacturing Index	5	3	1	JPY mostly unchanged
			Tankan Non-Manufacturing Index	23	22	20	
	Fri 07.07.23	00:30	Average Cash Earnings y/y	2.5	1.2	0.8	JPY stronger
	Wed 12.07.23	00:50	PPI y/y	4.1	4.3	5.1	JPY stronger
	Fri 21.07.23	00:30	National Core CPI y/y	3.3	3.3	3.2	

BOJ Speakers Crib Sheet

Most recent comments first

Days ago	Date	Speaker	Bias	Relevant Points
0	21.07.23	Kanda		There is some expectation and speculation about the possibility of tweaking monetary policy, excessive FX moves are undesirable, watching with a sense of urgency, considering all options, declines to comment about current situation.
		Sources		Reuters, five sources familiar with the central bank's thinking: the BOJ is not likely to introduce any changes to YCC next week, many policymakers see no imminent need to take fresh steps on the matter, no consensus as to when they might start to phase out stimulus measures, board seen revising up this year's inflation forecasts, BOJ prefers to wait for more data.
1	20.07.23	Kishida (PM)		Must ensure sustained exit from deflation, must create a society where wage hikes become a norm, must be mindful of impact of any inflation overshoot on real income.
3	18.07.23	Ueda		Still some distance to sustainably achieving 2% inflation target, the BOJ have been patiently maintaining easy policy, our narrative on monetary policy won't change unless our assumption on the need to sustainably achieve 2% target changes.
8	13.07.23	Kanda		Closely watching FX market moves.
14	07.07.23	Uchida		Will maintain yield curve control from the perspective of sustaining easy monetary conditions, will continue YCC for the time being, seeing signs of change in corporate wage and price setting behaviours, risk of missing 2% inflation with premature policy shift is bigger than being too late in tightening policy, rapid and one-sided Yen declines are undesirable, the exchange rate must move stably reflecting economic fundamentals.
17	04.07.23	Kanda		Communicating with various countries including the US over currencies.
		Suzuki (FinMin)		Keeping in close high-level contact with the US on FX.
18	03.07.23	Matsuno		Improvement in the BOJ Tankan reflects gradual recovery of the economy, will continue to closely monitor trends in overseas economies and prices.
21	30.06.23	Matsuno		Closely watching FX moves with a high sense of urgency, sharp and one-sided moves seen recently, will take appropriate steps on excessive FX moves, important for the exchange rate to move stably reflecting economic fundamentals.
		Suzuki (FinMin)		Sharp and one-sided moves seen in FX market, the exchange rate should move stably reflecting fundamentals, closely watching with a great sense of urgency, will respond appropriately if moves become excessive.
22	29.06.23	Himino		BOJ must scrutinize newly emerging factors that are pushing up prices, recent rises in Japan's CPI are more modest than in the US and Europe but stronger than previously expected, not seeing signs of risk Japan would experience too-high inflation.
		Suzuki (FinMin)		Closely watching FX moves, one-sided moves are undesirable, won't rule out any options if FX moves are excessive, no comment on FX levels.
23	28.06.23	Kanda		Closely monitoring FX market moves with a high sense of urgency, will take appropriate action in excessive moves.
		Suzuki (FinMin)		Will respond appropriately to excessive FX moves if necessary, one-sided movement seen in the current market, no comment on FX levels.
		Ueda		Underlying inflation is still below 2%, wage inflation is now running at around 2% so there's some ground to cover, if we become reasonably sure about the second part of inflation forecasts that would be a good reason for reconsidering a policy change, if we do get to normalize our monetary policy then rates may go up by a large margin and we will have to be careful and carry out all kinds of stress tests, we think the economy is going to expand at slightly-above potential for some time, demographics are working to tighten the labour market for quite a long while, we haven't had any serious policy tightening in decades.
25	26.06.23	Kanda		Will respond to FX moves if they become excessive, FX should move stably reflecting fundamentals, will not rule out any options on intervention, we are focusing on moves rather than levels.
		Matsuno		Closely watching FX moves with a high sense of urgency, important for the exchange rate to move stably reflecting economic fundamentals, seeing sudden and one-sided moves in the FX market.
		Suzuki (FinMin)		Will respond appropriately if there are excessive FX moves, will continue to watch the FX market with a sense of urgency.
28	23.06.23	Suzuki (FinMin)		Firmly watching FX moves, sharp currency moves are undesirable, FX rates should be set by the market reflecting fundamentals, does not want to comment on FX levels.
29	22.06.23	Noguchi		Japan's economy is to recover moderately, new guidance shows the BOJ's strong commitment to patiently keep monetary easing, inflation expectations are yet to be anchored at 2%, need to carefully gauge for now whether the norm for inflation and wages is changing, must consider tradeoff between economic stimulus effect and market functioning when setting allowance for 10-year yield target, the shape of the yield curve is smooth as a whole, December decision to widen the allowance band around the yield target was not monetary policy, necessary for wages to rise more than the 2% inflation target, important for wages to rise continuously and not just once, Yen decline last year was too rapid, FX should move stably reflecting fundamentals, we are finally seeing benefits of weak Yen appearing such as more firms shifting production back to Japan.
30	21.06.23	Adachi		Too early to tweak monetary policy, appropriate to continue monetary easing under YCC framework, if bond market functioning remains in current state chance of tweaking YCC in July is low, inflation has risen faster than I expected, personally thinking it's hard to make a strong call on inflation outlook at our next policy meeting in July, longer-run downside risks to our price outlook appear to be bigger than upside risks, what we fear most is a premature policy shift that would put Japan back to deflation, impact of falling raw material prices on CPI will appear with a lag of about 9 months, want to look at several months' price data and speed of price moves to gauge price trend, must be mindful of downside risks surrounding Japan's economy given risks to global economy.

BOJ Speakers Crib Sheet

Most recent comments first

<i>Days ago</i>	<i>Date</i>	<i>Speaker</i>	<i>Bias</i>	<i>Relevant Points</i>
		Kishida (PM)		Mobilising all policy steps to ensure wage growth, positive signs are emerging in Japan's economy.
		Ueda		Will patiently maintain easy monetary policy to achieve 2% inflation target, Japanese CPI is likely to slow towards the middle of the current fiscal year, Japan's economy is picking up.
31	20.06.23	Suzuki (FinMin)		Closely watching FX moves, no comment on FX levels, FX stability is important, should move stably reflecting fundamentals.
32	19.06.23	Kanda		Welcomes US dropping Japan from its monitoring list in latest currency report.
35	16.06.23	Suzuki (FinMin)		No comment on FX levels, exchange rates should move stably reflecting fundamentals, closely watching FX moves, sharp moves are undesirable.
		Ueda		We have not changed policy because Japan's inflation is not sustainable, expects inflation to slow towards the middle of FY 2023, more time is needed to meet the 2% inflation target, it is possible that inflation will fall below 2% in the future, responding to an inflation undershoot after a premature rate hike is more difficult than responding to an overshoot, various indicators showed improvement in bond market functioning, side-effects of yield curve control policy has subsided, need to pay attention to exchange rates and financial markets, no comment on the exchange rate, there are both positive and negative impacts of a weak yen, important for FX moves to stably reflect economic fundamentals.
36	15.06.23	Matsuno		Important for FX to move stably reflecting economic fundamentals, closely watching FX moves, desirable for exchange rates to move in a stable manner, no comment on day-to-day moves, no change in stance that we will take appropriate action.