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16.06.23

Central Bank Speakers Recap for Week 24/2023

FX	Date	Days ago	Speaker	Bias	Relevant Points	Src
USD	16.06.23	0	**Barkin**	Neutral	Comfortable doing more on interest rates if the coming data doesn't confirm that slowing demand is returning inflation to the 2% target, higher rates may create the risk of a more significant slowdown, experience of the 1970s shows that the Fed should not back off its inflation fight too soon, inflation has proven stubbornly persistent, still looking to be convinced that weakening demand will control it.	source
			Waller	Hawk	The US economy is still ripping along, it's disturbing that core inflation is not improving, will probably require more tightening, so far it looks as if the idea of labour market softening without much rise in unemployment is holding up, it's still not clear that recent bank failures have had a material effect on credit conditions.	source
	14.06.23	2	**Powell**	Neutral	The full effects of our policy have yet to be felt, nearly all policymakers view some further rate hikes this year as appropriate, inflation has moderated somewhat but still has a long way to go, if the economy evolves as expected the median of participants sees 5.6% FFR at year-end, Fed projections are not a plan or a decision, will continue to make our decisions meeting by meeting, have not made a decision about July, I expect July to be a live meeting, it's common sense to go a bit slower on rate hikes as we near the destination, inflation risks are still to the upside, not seeing a lot of progress on core PCE, rate cuts are not appropriate this year and no policymaker saw rate cuts this year, economic data came in consistent with but on the high side of expectations, the conditions we need to see in place to get inflation down are coming into place including lower growth labour slack, we don't know the full extent of the banking turmoil.	source
EUR	16.06.23	0	**Centeno**	n/a	Rates should remain in restrictive territory for some time after the summer, policy is on restrictive terrain, it's not a support to growth, we must act to control inflation.	source
			Holzmann	Hawk	Has no view on what should happen with rates beyond July but if things continue as they are then further action will be needed, key question is how persistent core inflation is.	source
			Lagarde	Dove	We will continue to follow a data-dependent approach after July, it is very likely we will continue to increase rates at our next policy meeting in July.	source
			Nagel	Hawk	We may need to keep raising rates after the summer break, still a long way to reach the inflation target.	source
			Rehn	Neutral	Future decisions will continue to follow a data-dependent approach.	source
			Villeroy	Neutral	Nobody should rush to a premature conclusion about our calendar nor our terminal rate, the duration of high interest rates matters more than the level, persistence matters more than the peak, we are data-driven and not forecast-driven.	source
			Wunsch	Neutral	Could hike again in September unless core inflation drops substantially, core inflation holding around 5% could require a rate hike in September and possibly beyond, not yet seeing a beginning slowdown in core inflation.	source
	15.06.23	1	**Lagarde**	Dove	Rates to remain restrictive as long as necessary, we are not thinking about pausing, we are not done, we are not at the destination, a hike in July is likely unless there is a material change, we are not satisfied with the inflation outlook, 2.2% inflation in 2025 is not satisfactory, very broad consensus behind today's decision, does not want to comment on the terminal rate, borrowing costs have increased steeply and loan growth has slowed, will continue to follow a data-dependent approach, wage increases are becoming an increasingly important component of inflation, the labour market remains a source of strength, longer-term inflation expectations warrant monitoring, the Eurozone economy has stagnated in recent months, manufacturing continues to weaken as services remain resilient, outlook for growth and inflation is highly uncertain.	source
			Sources		Bloomberg: The ECB will be set for a tough debate on a September hike in July, several officials favour the expected July hike to be the last of the cycle.	source
					Reuters: ECB policymakers see topic of rates corridor gaining relevance later this year, began debate on evening out the interest rates corridor but discarded a move this week and see no decision in July.	source
GBP	13.06.23	3	**Bailey**	Neutral	Latest jobs data shows a very tight labour market, labour supply is recovering very slowly.	source
			Dhingra	Dove	No doubt that inflation is still far too high, it's beginning to ease off its peak last year, current economic data suggests a slow recovery from major supply shocks accompanied by ongoing hardship for the most disadvantaged in society, monetary policy effects on inflation are not immediate due to transmission lags, despite the overall effectiveness of policy transmission the current cycle is likely to be slower due to a high stock of fixed-rate mortgages.	source

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			Greene	Dove	It is reasonable to expect inflation to come down fairly quickly, inflation should come down over the next year, UK inflation expectations are pretty well anchored, it is right to be concerned about second-round effects, if UK inflation drivers are persistent the BoE needs to lean against this, there is always a risk of over-tightening given lags, engaging in stop-start monetary policy can end up with a worse outcome, important not to allow inflation expectations to become unanchored, my current out-of-consensus call is on China's recovery and not the UK's, expects Chinese recovery to be consumption-led instead of investment-led and to exceed 5% growth target.	source
	12.06.23	4	**Haskel**	Hawk	Further rate hikes cannot be ruled out, important that we lean against the risks of inflation momentum, monitoring indicators of inflation momentum closely.	source
			Mann	Hawk	UK data and surveys have remained positive since May's BoE forecasts, there is still a question in my mind about how tight UK financial conditions really are, wage increases of 4% would make it a challenge to return CPI to 4%, drop in inflation expectations was important for me to switch my vote to 25 bps from 50 bps.	source
	11.06.23	5	**Mann**	Hawk	Britain and other rich nations should consider a carbon tax, UK government should move economic policy away from being an emergency response tool and onto a more sustainable footing.	source
JPY	16.06.23	0	**Suzuki (FinMin)**		No comment on FX levels, exchange rates should move stably reflecting fundamentals, closely watching FX moves, sharp moves are undesirable.	source
			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.	source
	15.06.23	1	**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.	source