fxmacro

Free newsletter: fxmacro.info
Twitter: @fxmacroguy
17.11.23

Central Bank Speakers Recap for Week 46/2023

FX	Date	Days ago	Speaker	Bias	Relevant Points	Src
USD	17.11.23	0	**Collins**	Neutral	I don't see additional hikes off the table, we really need to stay the course, the work we've done is working its way through the economy, it's important for us to be patient, we are seeing some moderation in inflation, we've had "promising news", goods inflation is back to pre-pandemic levels, seeing positive signs that labor supply and demand are more aligned.	source
			Daly	Neutral	The Fed needs the boldness to wait given uncertain times, the Fed needs patience and "measured adjustments", not certain inflation is on track to 2%, unsure about the length of policy lags, central bank policy debates are now centred on what constitutes sufficiently restrictive and how long to maintain that stance.	source
			Goolsbee	Dove	We will do whatever it takes to beat inflation, there is a 'big gap' between the data and how consumers/businesses feel about the economy, inflation is improving but still too high, inflation is front-of-mind to me.	source
	16.11.23	1	**Barr**	Neutral	Concerned about the risks of highly leveraged hedge fund trading in the treasury market and about the basis trade in particular, leverage can also increase risks to both market participants and to treasury market functioning and must be managed appropriately by both investors and their counterparties, the government needed more information about these trades.	source
			Cook	Neutral	Risks are two-sided, must balance risk of not tightening policy enough against risk of doing too much, a soft landing is possible.	source
			Mester	Hawk	Whether further hikes are needed depends on the economy, has not assessed whether she will pencil in another rate hike in her December projections, we're currently in a very good spot for policy, it's not about cutting rates but how long we stay in a restrictive stance and possibly higher, does not have a recession in her forecast.	source
	15.11.23	2	**Barkin**	Neutral	Hopes to eventually bring interest rates back to normal, a lot of frenzy has been taken out of the housing market, seeing banks pull back credit is a not-unexpected outcome.	source
			Daly	Neutral	Recent data showing falling inflation “very, very encouraging”, rate cuts are “not happening for a while”, refused to rule out rate hikes, we have to be bold enough to say "we don’t know" and bold enough to say "we need to take the time to do it right", without a sufficient amount of information about whether we’re really on that disinflationary process that brings us back to 2% we have to stop-start, stop-start would hurt credibility.	source
	14.11.23	3	**Barkin**	neutral	The Fed is making real progress on inflation, there are risks from over and under-correcting on inflation.	source
			Goolsbee	Dove	October CPI report "looked pretty good", inflation progress continues while economic growth has been strong, still have a way to go before US central banks a 2% inflation goal reached, more concerned about possible external shocks than about the economy overheating, the Fed should focus its attention mostly on inflation data, key to further progress on inflation is housing.	source
			Jefferson	Neutral	Uncertainty on inflation persistence may warrant stronger policy response.	source
EUR	17.11.23	0	**Holzmann**	Hawk	We stand ready to raise rates again if necessary, anything can happen in December meeting, markets should know that it's not the end of the story yet.	source
			Lagarde	Dove	Europe needs single market watchdog, we will not succeed in these transitions (digital, green) if we don't get the CMU (capital markets union) back.	source
			Nagel	Hawk	No reason to rule out a moderate increase in mandatory reserve ratio, not clear we've seen the peak in interest rates, would be unwise to start cutting rates too soon, there can be no talk of overtightening, optimistic we can avoid a hard landing.	source
			Wunsch	Neural	We are in a weak form of stagflation today, I've been pleading for a discussion on ending PEPP reinvestments early, we need to be comfortable we're going to 2% inflation before we cut rates.	source
	16.11.23	1	**Centeno**	n/a	Interest rates will not desirably return to zero, but interest rates will come down eventually.	source
			Lagarde	Dove	Europe’s financial system has avoided the worst-case scenario of severe systemic risks materialising at the same time, policymakers need to remain proactive and alert to financial stability risks as and when they arise.	source
	13.11.23	4	**De Guindos**	Dove	Will be in a better position to reassess inflation outlook and required action in December meeting, sees general disinflationary process continuing over the medium-term, will ensure policy remains sufficiently restrictive for as long as necessary, it is likely that euro area economy will remain subdued in the near-term, will not prejudge further movements in the policy rate, forward guidance is out of fashion.	source
			Kazaks	Hawk	Too soon to say that terminal rate has been reached, no clear peak of wage growth seen yet, sees risk of spillover into inflation.	source
GBP	17.11.23	0	**Ramsden**	Neutral	Would not rule out having to respond to evidence of more persistent inflationary pressures by raising the Bank Rate further in the future, will continue to make decisions meeting-by-meeting, wage growth is not consistent with 2% inflation target, wage growth has probably peaked at 7% rather than 8% in official series, MPC forecast for CPI to fall below 4% as soon as March looks achievable.	source

Free newsletter: fxmacro.info
Twitter: @fxmacroguy
17.11.23

Central Bank Speakers Recap for Week 46/2023

FX	Date	Days ago	Speaker	Bias	Relevant Points	Src
	16.11.23	1	**Greene**	Hawk	Not thinking about rate cuts, latest inflation data is good news, there are reasons to worry about inflation persistence, we might need to stay restrictive for longer, the question is whether policy is restrictive enough, wage growth is still incredibly high, need to see how UK activity is holding up before next rate vote.	source
			Ramsden	Neutral	Latest projections indicate that monetary policy is likely to need to be restrictive for an extended period, need to be sufficiently restrictive to for sufficiently long to return inflation to 2% target.	source
	14.11.23	3	**Pill**	n/a	We don't necessarily have to raise rates further but we are prepared to if needed, there is significant progress on inflation, we still have some work to do to curb inflation, 5% inflation would be much too high still, we have to meet inflation persistence with persistent restrictiveness in policy, resilience of the UK economy seems to be easing, must focus on inflation and not tackling other issues in the economy.	source
	13.11.23	4	**Mann**	Hawk	Research points to increased inflation and increased inflation persistence associated with climate shocks and policies.	source
AUD	13.11.23	4	**Kohler**		There is no doubt that the RBA cash rate is at a restrictive level, decline in inflation to be more gradual than previously thought, bringing inflation back to target is likely to be more drawn out, key risks is possibility that high inflation today feeds into inflation expectations, measures of medium-term inflation expectations consistent with target.	source
CHF	14.11.23	3	**Jordan**		We will not hesitate to tighten monetary policy further if necessary, another interest rate move is possible if the current monetary policy is not restrictive enough to ensure price stability in the long term, not sure whether if the terminal rate has been reached, will review at the next meeting whether measures taken to date are sufficient to keep inflation within price stability range on a sustainable basis, we will monitor inflation developments closely in the coming weeks.	source
JPY	17.11.23	0	**Akazawa (MOF)**		We won't intervene just because yen is weakening, any FX intervention will be aimed at arresting excess volatility, no specific FX level in mind in deciding when to intervene.	source
			Ueda		Japan's economy is likely to keep recovering moderately, will patiently maintain easy policy, we will consider ending YCC and negative rates if we can expect inflation to stably and sustainably hit price target, making strong comments now on how we could change policy could have unintended consequences in markets, we cannot say yet with conviction our price target will be stably and sustainably met, if achievement of our price target approaches we can discuss strategy and guidelines on exiting ultra-loose policy including fate of our ETF buying, inflationary pressure driven by cost-push factors are likely to dissipate, there is still high uncertainty on whether Japan can see a positive wage-inflation cycle, doesn't expect 10-year JGB yield to rise sharply above our 1% reference even if yields come under upward pressure, the BOJ does not have specific plan yet on how it will sell ETFs, won't comment on FX levels.	source
	14.11.23	3	**Hayakawa (ex-BOJ)**		BOJ dismantled YCC in October laying groundwork for next move, expects the BOJ to end its negative interest rate policy in April, BOJ must keep hiking once short-term rates at zero, BOJ is just waiting for more evidence that inflation will sustainably hit 2% before ending NIRP.	source
			Masaki		Doesn't expect long-term rates to greatly exceed 1% even with rising pressure.	source
			Suzuki (FinMin)		Will continue to take all possible steps on FX moves, important for currencies to move in stable manner reflecting fundamentals, no comment on FX levels, excessive forex moves undesirable.	source
			Uchida		No comment of FX levels, wants to see price rises accompanied by wage hikes.	source
	13.11.23	4	**Suzuki (FinMin)**		Sudden FX moves are undesirable, no comment on FX levels, currency rates should be set by markets reflecting fundamentals, will watch FX moves closely and take appropriate action.	source