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14.04.23

Central Bank Speakers Recap for Week 15/2023

FX	Date	Days ago	Speaker	Bias	Relevant Points
USD	14.04.23	0	**Bostic**	Neutral	Recent developments are consistent with us hiking one more time, this can allow us to pause and reassess, we've got a lot of momentum suggesting we're on the path to 2%, rate increases in the past year now only starting to bite and full impact may take some time.
			Goolsbee	Neutral	If credit conditions are tightening then this does the Fed's work, inflation is coming down but there's a clear stickiness in some numbers, wants to see all the data before deciding on May, a mild recession is definitely on the table as a possibility.
			Waller	Hawk	Recent data show the Fed hasn't made much progress on inflation, further hikes are needed, the extent of further rate increases depends on data, policy will need to remain tight for "substantial" period and longer than markets anticipate, still uncertain how SVB failure and bank stress will impact broader credit conditions, significant credit tightening could offset the need for rate hikes but difficult to judge in real time.
	12.04.23	2	**Barkin**	Neutral	We are certainly past peak inflation but still a ways to go, need multiple months of inflation headed towards goal, not seeing evidence of inflation cracking yet, not hearing there is much change in bank lending at the moment, watching credit conditions.
			Daly	Neutral	The Fed has more work to do on rates, policy tightening is now at a point where we don't expect to continue raising rates at every meeting, there is a sense we will get rates up to a level and stay, does not want to forecast the end of the tightening cycle, good reason the economy may keep slowing even without further rate hikes, must monitor tightening credit conditions in determining the path of rates, bank stresses have stabilized, bank lending will contract so the Fed doesn't have to tighten more, does not yet see a pattern of contracting bank lending, inflation expectations are anchored allowing us to take a couple of years to bring inflation down.
			Kashkari	Hawk	Less optimistic on the pace of the fall in inflation than the bond market, sees inflation at mid-3% by the end of the year and closer to 2% in 2024, tightening credit conditions and higher rates could lead to a downturn or a recession.
	11.04.23	3	**Goolsbee**	Neutral	The right monetary policy calls for prudence and patience, we need to assess the potential impact of financial stress on the real economy, the foremost thing on his mind ahead of the May meeting is credit availability, worried about commercial real estate.
			Harker	Neutral	Full impact of monetary policy can take 18 months to be felt, already seeing promising signs that the Fed's actions are working, looking closely at data to determine "what if any" additional actions may be needed, have to be careful not to overdo it, will need more action if we see inflation not dropping, recent inflation readings are "disappointing", have to be absolutely dedicated to the 2% inflation target, bank stress is not over but has calmed down.
			Williams	Neutral	One more rate hike is a reasonable starting place, inflation is still way above our 2% goal, we are somewhat restrictive on monetary policy now, seeing some slowing in demand for labour but it's not strong, we need to stay in a data-dependent mode, does not think we need to adjust balance sheet policy anytime soon.
	10.04.23	4	**Williams**	Neutral	Happy to see market rate expectations are reactive to data, expects inflation back at 2% in 2025, core services ex housing has been very persistent, doesn't worry that the market's view on interest rate is different from the Fed's, hasn't seen clear signs of a credit tightening, rate rises by the Fed were not the driver of trouble at banks sparking recent stresses.
EUR	14.04.23	0	**Lagarde**	Dove	Expects Eurozone inflation to continue to fall, rapid wage growth is keeping core inflation up and will remain high for some time, lagged price pressures fade out, growth outlook remains tilted to the downside.
			Simkus	Hawk	The ECB isn't done hiking rates, May rate hike will either be 50 or 25 bps depending on the data, seeing headline inflation fall on energy, core is expected to peak next month or shortly afterwards.
			Sources	n/a	Reuters: A growing number of policymakers are calling for a full halt to QE reinvestment in H2, balance sheet reduction is moving too slowly given priority to inflation, none of the five sources advocated outright bond sales.
			Wunsch	Neutral	May policy decision is between 25 and 50 bps rate hikes, will depend in large parts on April core inflation, market pricing of the terminal rate is reasonable, no quick rate cuts likely after that.
	13.04.23	1	**Kazaks**	Hawk	Rates will need to go up more to tame inflation, would not exclude a 50 bps hike in May, risk of recession is non-trivial.
			Nagel	Hawk	Too early to speculate about rate cuts, earlier mistakes should be avoided, core inflation will show movement in the right direction before the summer break, there is no threat of a systemic crisis from the banking sector.

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			Sources	n/a	Reuters: Debate on next ECB rate move converging on 25 bps, debate not over with one small group still making the case for 50 bps, another small group advocating no change, some sources said they would prefer not to give guidance about the move in June.
			Vasle	n/a	Considering 25 and 50 bps rate hike options for May, underlying inflation is moving in the wrong direction, we have to keep tightening monetary policy, focused on core inflation.
	12.04.23	2	**De Guindos**	Dove	Recent core inflation data in the Eurozone is sticky, we are not as optimistic on core inflation as on headline inflation, rate decisions to be data dependent, provisional data points to positive growth in Q1 in the Eurozone.
			Holzmann	Hawk	Inflation outlook argues for another 50 bps hike in May, need to keep raising rates noticeably beyond May, may also be able to accelerate QT from July.
			Villeroy	Neutral	We still have a little way to go with rate hikes, too early to discuss the size of the May move, deferred effect of our past rate hikes will be more significant than one of our future decisions.
	11.04.23	3	**Villeroy**	Neutral	Smaller steps may be more appropriate as the bank is approaching the terminal rate, moving away from a sprint to a long-distance race, we now face the risk of entrenched inflation which lies in the underlying core component, inflation has become more widespread and potentially more persistent, monetary policy is most effective in tackling underlying inflation, expects price growth back at 2% by the end of 2024 or 2025.
	10.04.23	4	**De Cos**	Dove	Core inflation is expected to remain elevated for the rest of the year, if baseline scenario published in March is confirmed then there is still ground to be covered in terms of monetary policy, ECB is prepared to respond to ensure financial stability.
GBP	14.04.23	0	**Tenreyro**	Dove	We need to be patient over the impact of past rate hikes on inflation, important not to over-adjust policy while the impact of past rate rises is feeding through.
	13.04.23	1	**Pill**	n/a	High frequency indicators of momentum in wage developments appear to be easing, still expects CPI in Q2 to fall, expects China to rebound quite strongly and to account for one-third of global growth, latest data is somewhat disappointing but much better than BoE forecasts from late last year.
	12.04.23	2	**Bailey**	Neutral	We don't know yet where the BoE's balance sheet reduction will need to stop in terms of necessary levels of reserves, watching QT very carefully and not seeing any concerning signs, does not believe we're facing a systemic banking crisis, appropriate and desired liquidity buffers are in question.
AUD	12.04.23	2	**Bullock**		Would have paused on rates even without global banking stress, rates are in restrictive territory and we can stop for a minute and watch, no signs that domestic banks are tightening lending due to global stress.
CAD	13.04.23	1	**Macklem**		There is a little bit of spillover of financial stress in Canada but it has been quite muted, prepared to provide liquidity if there were to be a serious global financial event and markets froze.
	12.04.23	2	**Macklem**		Encouraged that inflation is declining, considered whether rates may need to stay restrictive for longer, discussed whether the bank had raised rates enough, remains more concerned about the upside risks to the forecast, recent data has reinforced our view that inflation will fall to around 3% this year in a pretty rapid decline, we've come a long way from the 8% inflation last summer, rate hikes are feeding through, market's expectation that we're going to cut later this year doesn't look like the most likely scenario to us, we need to see some easing in the labour market, forecasting small increases in growth but that doesn't rule out a couple of negative quarters.
JPY	14.04.23	0	**Shimizu**		Necessary to conduct monetary easing and to support the economy to provide a favourable environment for firms to raise wages.
			Ueda		BOJ will maintain current levels of monetary easing, expects global growth to recover after a slowdown period, expects Japan's wages to continue rising under that view and inflation to drop below 2% again.
	12.04.23	2	**Uchida**		Will continue monetary easing in order to achieve price stability target sustainably and stably, CPI gains will narrow towards the middle of this fiscal year due to fiscal measures.
			Ueda		Inflation is likely to slow, BOJ will carry on with monetary easing until inflation target is reached stably and sustainably, the BOJ should pay more attention to the risk of failing to achieve the 2% inflation target with a premature end to easing than to the risk of falling behind the curve on inflation.
	11.04.23	3	**Suzuki (FinMin)**		Gov. Ueda explained that he has no intention of changing the joint statement, inappropriate to guide fiscal policy by depending on BOJ debt buying.
	10.04.23	4	**Himino**		Aiming to achieve price target together with wage hikes.

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			Uchida		BOJ is facing task of making various efforts to sustain monetary easing.
			Ueda		A small rate hike would not be a big issue for the financial system but Japan is not in a situation where rates can be raised significantly, appropriate to continue negative interest rates for now, we are at a stage now to wait and see on December policy tweaks, current monetary easing stance is "intense", no immediate need to change 2013 joint statement.
CNY	14.04.23	0	**Yi Gang**		Expects 2023 growth in China around 5%, economy and property sector are rebounding, inflation is low.