

Central Bank Speakers Recap for Week 42/2022

FX	Date	Days ago	Speaker	Bias	Relevant Points
USD	19.10.22	2	Bullard	Hawk	The Fed should not react to declines in the stock market, not clear equity pricing should be the main metric of financial liquidity, there does not appear to be a lot of financial stress in the economy, have to get to right level of rates and then move to data-dependency, if inflation starts to decline meaningfully in 2023 the Fed can stay at higher rate level.
			Evans	Neutral	If the Fed can keep unemployment below 5% that would be "unusual and good", FFR at 4.50-4.75 would be appropriate, mindful of Fed's impact on the economy but inflation remains the main job, Fed policy must be suitably restrictive, if the Fed pushes policy further than planned it could weigh on the economy, need to make sure inflation pressures don't broaden further.
			Kashkari	Dove	Fed needs to do much more without help from the supply side, could easily see rates getting to mid-4% next year or even higher if there's no progress on inflation, so far there's no evidence of a peak in inflation, not ready to declare pause in rate hikes until some compelling evidence core inflation has at least peaked.
					Risk of undershooting on rate hikes is bigger than overdoing it, best guess is the Fed can pause hikes sometime next year, little evidence of labour market softening, hard to get a firm read on the economy, possible that headline inflation has peaked but no evidence core inflation has peaked, it takes a year or two for hikes to work through the economy.
	18.10.22	3	Bostic	Dove	Fed cannot solve all problems causing current inflation.
	15.10.22	6	Bullard	Hawk	75 bps rate hikes have not caused market turmoil, front-loading is the correct strategy, we have a serious inflation issue.
EUR	18.10.22	3	Herodotou	n/a	ECB needs to raise rates several more times, targeting inflation over the medium term, it can take up to 18 months for policy to filter through, no signs of wage-price spirals in Europe so far.
			Makhlouf	n/a	Raising interest rates is absolutely necessary, Eurozone may be facing a recession, history teaches us that situation will only be exacerbated if we delay action.
	17.10.22	4	De Guindos	Dove	Expects the dollar to stabilize in the coming months.
	15.10.22	6	Knot	Hawk	Convinced interest rates have to rise above neutral, once rates reach neutral level it makes sense to consider running off APP stock.
			Lane	Dove	We need rate increases at the next several meetings, not trying to be overly precise on target for interest rates.
			Nagel	Hawk	We need several more rate hikes and must not relent too soon, ECB should consider reducing its asset holding, Germany is facing a large and long-term decline in economic output.
GBP	20.10.22	1	Broadbent	Neutral	Justification for tighter policy is clear, market pricing of bank rate path implies pretty material hit to demand, whether rates have to rise as much as currently priced in remains to be seen.
	19.10.22	2	Cunliffe	Dove	Will set out terms for selling bonds bought after mini-budget at the right time, monetary policy needs to do what its needs to do. LDI funds can absorb a 200 bps rise in yields, weaker areas particularly in non-bank finance and especially in emerging markets, Dutch central bank looking at what's happening in the UK on LDI. Government power to call in, rewrite, veto financial rules made by regulators would be a serious concern, would affect perception of independence of BOE's regulatory part. Did not have a full briefing on mini-budget before its announcement.
			Hauser		Fallout in gilt markets after mini-budget was a "full-scale liquidation event" for pension funds. Could take five to ten years to unwind QE, exit for bonds bought after mini-budget might be more straightforward than for QE stock.
	18.10.22	3	Statement		First gilt sale re-scheduled to November 1 in light of government's fiscal announcement on October 31, expects similar size and frequency of sales as has been previously announced.
					Markets may remain volatile in coming weeks, LDI funds are now better prepared for similar shocks in the future, risk of LDI funds creating a fire sale and self-reinforcing falls in gilt prices has been reduced significantly.
	17.10.22	4	Statement		Gilt buying operation has enabled a significant increase in resilience of the sector, TECRF (temporary expanded collateral repo facility) will remain available until November 10. The BOE will resume corporate bond sales next week.

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	15.10.22	6	Bailey	Neutral	Will not hesitate to raise rates in order to fulfil inflation objective, inflation should peak at roughly 11%, inflationary pressures will necessitate a bigger response than we anticipated in August. Does not normally want to comment on fiscal policy but must highlight sustainability.
AUD	18.10.22	3	Bullock		Expects further rate increases over coming months, pace and timing depend on data, determined to do what is necessary to return inflation to target, can achieve similar tightening with smaller individual rate rises because the RBA is meeting more often than its peers, size of October rate hike was actively discussed internally at the Board meeting.
JPY	20.10.22	1	Kanda (MoF official)		Always ready to take action in FX market, will not comment on specific FX levels or whether we are intervening right now or have intervened today.
			Suzuki (FinMin)		Watching exchange rate closely with a sense of urgency, cannot tolerate excess FX volatility backed by speculative moves, will take appropriate steps.
					Will take action against any speculative, excessive and sudden moves; no comment on FX levels.
	19.10.22	2	Adachi		Inflation starting to rise but not convinced target will be achieved in a stable and sustained manner, responding to short-term FX moves would heighten uncertainty.
			Kishida (PM)		Need to take appropriate action on excessive FX moves, excess volatility based on speculation cannot be tolerated, no comment on specific exchange rate.
			Kuroda		Extremely important for FX to move stably, reflecting economic fundamentals, sharp and one-sided weakening not desirable for the economy, monetary policy does not directly target exchange rate, CPI likely to fall below 2% next year.
	18.10.22	3	Kishida (PM)		Speculative-driven rapid FX moves are problematic, prepared to take appropriate action as needed, no comment on specific exchange rate, will work closely with the BOJ.
			Matsuno (Chief Cabinet Secretary)		Closely watching FX moves with a sense of urgency, will take appropriate steps on excessive FX moves, no comment on day-to-day moves.
			Suzuki (FinMin)		Closely watching FX moves with a sense of urgency, cannot tolerate excessive FX moves driven by speculation, will respond appropriately, no comment on stealth intervention, won't disclose FX interventions every time.
	17.10.22	4	Kanda (MoF official)		Will respond firmly to excessive FX moves.
			Kishida (PM)		Specific monetary policy is up to the BOJ to decide, not commenting on FX levels.
			Kuroda		Will pick the most appropriate person to succeed Kuroda in April next year.
			Suzuki (FinMin)		CPI to fall short of 2% in fiscal year 2023, appropriate to continue with monetary easing.
					Will take decisive action against FX moves that are based on speculation, constantly watching FX movements with a sense of urgency.
	15.10.22	6	Kuroda		Continuing with monetary easing since Japan's headline inflation is likely to decline below 2% next fiscal year.
			Suzuki (FinMin)		We remain committed to acting decisively in the event of excessive FX volatility.
			Wakatabe		We haven't modified our policy stance at all, Japan's underlying inflation is too low.