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12.05.23

# Central Bank Speakers Recap for Week 19/2023

| FX | Date | Days ago | Speaker | Bias | Relevant Points |
|---|---|---|---|---|---|
| USD | 12.05.23 | 0 | **Bowman** | Neutral | Additional rate hikes are "likely appropriate" if inflation stays high and the labour market stays tight, policy rate will need to remain sufficiently restrictive for some time, uncertain if it is already sufficiently restrictive to bring inflation down, policy action is not on a pre-set course, recent data have not provided consistent evidence that inflation is on a downward path. |
| | | | **Goolsbee** | Neutral | Inflation is too high but at least it's coming down, hopes inflation can ease without a recession. |
| | 11.05.23 | 1 | **Kashkari** | Hawk | Tight monetary policy may be needed for "extended time", inflation has come down but is still above target, bank turmoil can be a source of slowing for the economy, it is conceivable that once we get inflation down to 2% we could have a conversation about changing the target, if markets are right and inflation will fall quickly one would imagine rates could normalize, if high inflation is more embedded then rates will need to stay higher for longer, I am now on the more hawkish end of Fed policy spectrum, we will be back in a low inflation and low rate environment once this period of high inflation ends. |
| | | | **Waller** | Hawk | Climate change does not pose a serious risk to large banks or to US financial stability, it is not the Fed's job to be a climate policymaker, the issue is not whether climate poses risks from acute events like severe weather but if those are distinct from other possible shocks, transition to lower-carbon economy likely to be gradual and predictable and not pose risks to banks. |
| | 10.05.23 | 2 | **Barkin** | Neutral | The Fed's message last week was "explicitly not a pause" on rates or "even necessarily a peak" but provides the optionality to do more if needed and the option to wait if waiting is appropriate. |
| | 09.05.23 | 3 | **Jefferson** | Neutral | Inflation has come down and the economy has started to slow in an orderly fashion, banks have started to raise lending standards. |
| | | | **Williams** | Neutral | The Fed hasn't said it's done raising rates, does not see any reason to cut rates this year, will raise rates if needed, the Fed needs to be data-dependent, tighter credit may blunt how far the Fed goes with rate hikes, does not see tighter credit knocking the economy totally off course, acute phase of bank stress is over, not seeing a wage-price spiral, confident that the Fed is on the right path to lower inflation to 2% target, core services ex housing inflation still shows persistent inflation. |
| | 08.05.23 | 4 | **Goolsbee** | Neutral | Too early to make a call on rates for June meeting, getting vibes that a credit squeeze is beginning, must be data-dependent and watch credit conditions, weighing how much Fed work is being done by tighter credit, recession is a possibility. |
| EUR | 12.05.23 | 0 | **Nagel** | Hawk | Latest rate hike won't be the last, inflation is still too high and too strong, need to be sure that the inflation wave ends. |
| | 11.05.23 | 1 | **De Cos** | Dove | We are now closer to the final cycle of rate hikes. |
| | | | **De Guindos** | Dove | There can be more rate hikes, how many depends on the data, rate decision had a very high consensus, don't believe anybody who names a terminal rate, markets can be wrong about terminal rates, inflation will undoubtedly fall, worried about core inflation and services, underlying inflation will fall too, we have to assess the impact of interest rate hikes on financing conditions. |
| | | | **Nagel** | Hawk | Meeting-by-meeting approach is the right path for the ECB, nothing is off the table for the September meeting, moving closer to restrictive territory but not there yet, need at least a year-and-a-half to see core inflation closer to 2%. |
| | 10.05.23 | 2 | **Centeno** | n/a | ECB rates to remain high for some time after rate peak, rates should start to come down some time in 2024, interest rate adjustment is still underway. |
| | | | **Lagarde** | Dove | We still have more ground to cover in the fight against inflation, have to move in a very deliberate and decisive way, there are factors that can induce significant upside risks to the inflation outlook, have to be extremely attentive to potential risks and particularly wage increases. |
| | | | **Nagel** | Hawk | We are not done hiking yet, approaching the final stretch of rate hikes, still work to be done on core inflation, we are holding the course on monetary policy. |
| | | | **Sources** | n/a | Bloomberg: some ECB members are saying a September hike may be needed. |
| | | | **Stournas** | n/a | Barring any drastic changes rate hikes will be over this year, we are close to the end of the tightening cycle, cannot say how many more rate hikes are still needed, may possibly return to very low rates again but don't know that yet. |
| | | | **Villeroy** | Neutral | We have travelled most of the way on rate hikes, what's still lying ahead is "more marginal", it is the future impact of past rate hikes that should for the most part allow us to reach out objective within two years. |
| | 09.05.23 | 3 | **Kazaks** | Hawk | Rate-hiking may not be finished in July, doing too little remains the greater danger, bet on spring 2024 rate cuts is "significantly premature", not impossible for the ECB to hike or pause as the Fed cuts. |

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| | | | **Kazimir** | n/a | Slowing hikes lets the ECB go higher for longer, there's plenty of ground to cover, according to available statistics the ECB will need to maintain raising rates for longer than expected, projections point to September as the earliest time to judge the effectiveness of measures and if inflation is moving towards the target. |
| | | | **Nagel** | Hawk | Interest rates should rise further, could have imagined a 50 bps hike at the last meeting but is okay with the 25 bps, the market is not always right about the ECB terminal rate. |
| | | | **Schnabel** | Neutral | No doubt that we will have to do more on inflation, rate cuts are highly unlikely for the foreseeable future. |
| | | | **Vasle** | n/a | Inflation is becoming increasingly stubborn, our job on inflation is not yet complete, we need to see a change in core inflation, more rate hikes will be required, avoiding a recession is possible. |
| | | | **Vujcic** | n/a | More rate hikes will be required to return inflation to target. |
| | 08.05.23 | 4 | **Knot** | Hawk | Rate hikes are starting to have an impact but more will be needed, policy works with a certain delay so the biggest effects of what we've done so far are still in the pipeline, supported last week's 25 bps hike, could support further hikes above 5% if needed. |
| | | | **Lane** | n/a | There is still a lot of momentum in food and core inflation. |
| **GBP** | 12.05.23 | 0 | **Pill** | n/a | There may be more work to do to bring inflation down but we are seeing evidence that we are moving in a more favourable direction on the inflation outlook, latest BoE decision reflects the belief that inflation risks are still persistent, not intending to give a directional bias on future rate decisions. |
| | 11.05.23 | 1 | **Bailey** | Neutral | We are approaching the point when we should be able to let level of rates rest, we have not yet seen evidence that allows us to be sure rates can stay on hold, outlook for growth and unemployment has improved, economic activity has been stronger than expected recently, there has been greater resilience in the economy than what we anticipated, good reasons to expect inflation to fall sharply from April, we have to stay the course, past rate hikes will weigh more on the economy in the coming quarters, will adjust the bank rate as necessary to return inflation to target sustainably, no bias in our setting of rates looking forward at this point. |
| | | | **Broadbent** | Neutral | Second-round effects have driven wage growth, we expect falling global prices to drag on wage growth. |
| | | | **Ramsden** | Hawk | We see no de-anchoring of inflation expectations in market-based measures. |
| | | | **Saunders (ex-MPC)** | Hawk | Interest rates may well have peaked, if they go up it's only one further hike, there's a strong likelihood that inflation will undershoot the BoE's forecast by quite a large margin in April. |
| **CHF** | 10.05.23 | 2 | **Jordan** | | Cannot rule out further rate hikes, inflation is above price stability range and higher than we want, current monetary policy is not restrictive enough, willing to use FX sales as a policy tool if needed. |
| **JPY** | 10.05.23 | 2 | **Ueda** | | Not yet at a stage to discuss how the BOJ will exit easy policy, will debate exit strategy and communicate appropriately when price target is nearly achieved, ETF purchases help to underpin consumption and capex by preventing volatile market moves from hurting public confidence, too early to debate specific ways in which the BOJ could sell ETFs. |
| | 09.05.23 | 3 | **Ueda** | | If the BOJ's inflation target is met in a sustainable and stable manner we will end YCC and shrink the balance sheet, seeing some bright signs including on inflation expectations, inflation expectations have heightened and remain at elevated levels. |