

Central Bank Speakers Recap for Week 40/2022

FX	Date	Days ago	Speaker	Bias	Relevant Points
USD	07.10.22	0	Mester	Hawk	We will not be cutting rates next year, sees rates rising higher than median of Fed policymakers. Have to be singularly focussed on inflation part of the Fed's mandate, we will have real rates turn positive and stay there for a while, unemployment will go up a little bit, have not seen evidence that markets aren't working in the US. Balance sheet runoff equates to about 50 bps of tightening over time, selling some MBS would be a good thing.
			Williams	Neutral	Fed is a long way from where it needs to be, need to get rates up further, focussed on lowering inflation, sees positive growth next year and higher unemployment, Fed needs to slow down economic activity. UK market volatility did have an impact on US markets, Fed's mandate is domestic but takes account of global factors, no question Fed policy has big global impact.
	06.10.22	1	Cook	Neutral	High inflation has required front-loading, watching broad range of indicators and willing to change course as data evolves, market continues to function well.
			Evans	Neutral	Need more restrictive monetary policy, have further to go on rate hikes, looking for 125 bps of hikes over the next two meetings, next meeting will be discussing whether 75 or 50 bps, headed to 4.5-4.75% likely by springtime. Every central bank has to make its own decision. Balance sheet reduction will be completed within three years.
			Kashkari	Dove	We have more work to do on inflation, not comfortable with a pause until we see evidence inflation is cooling and there's almost no evidence for that, we're quite a ways away from a pause, there's a risk of overshooting, expects to see cracks in US financial markets but the bar to shifting our policy is very high.
			Waller	Hawk	Supports continued rate hikes until he sees a meaningful and persistent progress on inflation, anticipates rate hikes into early next year, not clear why you would want to pause, will have a thoughtful discussion about pace of tightening at next meeting, inflation is much too high and not likely to fall quickly. We had much more faith in achieving a soft landing back in May and June. Not considering slowing rate increases or halting them due to financial stability concerns.
	05.10.22	2	Bostic	Dove	Inflation fight still in its "early days", wants rates at a moderately restrictive level from 4-4.5% and then hold to assess the impact, Fed should not be quick to cut rates even if the economy weakens, room to continue tightening without undue damage to job market.
			Daly	Neutral	Not raising rates until something breaks, resolute at raising rates to restrictive territory and then holding them there, committed to bringing inflation down until we are well and truly done, sees more hikes as necessary. Prepared to address market dislocations if they come about, markets are working well right now, our mandate is for domestic economy.
	04.10.22	3	Daly	Neutral	Need further rate hikes and then hold policy until "truly done" with getting inflation down, expect unemployment to rise to 4.5% not 6.5%, there's a lot of room to slow the labour market. Central banks are meant to create policy for the nation they serve and be aware of how this affects the global economy, Fed's mandate requires focus on domestic economy, dollar moves not focus of policy. Raising rates will affect demand more than supply, financial markets have priced in Fed's balance sheet reduction.
			Jefferson		Committed to taking further steps, have to act boldly, restoring price stability may take some time and will likely entail a period of below-trend growth, elevated inflation is the problem that worries me most, job market is very tight, supply-demand conditions in the labour market and the economy seem likely to ease some.
EUR	03.10.22	4	Williams	Neutral	Fed still has a way to go, cites 4.6% median 2023 dot, rapid hikes have been very beneficial, not yet in restrictive place for growth. Inflation remains too high, the Fed's job isn't done, Fed will do whatever is necessary to lower inflation, likely to see nearly flat GDP this year, inflation likely to be down to 3% next year.
	07.10.22	0	Nagel	Hawk	Interest rates must continue to rise significantly, next ECB meeting must send out clear signals on reacting to inflation, we have to reduce bond holdings in the foreseeable future. We will probably see a recession but not a lot of insolvencies, recession will not be a deep slump.
	04.10.22	3	De Cos	Dove	Spanish banks need to increase provisions amid economic slowdown, sees certain deterioration in economic and financial situation of companies most exposed to energy prices, urges caution and careful monitoring of potential risks in the banking sector.
			Enria		Eurozone banks should not assume government help in balance sheet management, underperforming loans have continued to build up especially in sectors like oil and gas.
			Lagarde	Dove	Minimum is that we stop stimulating demand, difficult to say if inflation is at peak.

Central Bank Speakers Recap for Week 40/2022

FX	Date	Days ago	Speaker	Bias	Relevant Points
			Villeroy	Neutral	Will raise rates as much as necessary to bring core inflation down, we should go to neutral without hesitation by the end of the year, after that more flexible and possibly slower hikes, we're no longer gradual but it is important to remain orderly, i.e. not surprising markets excessively or tightening too much. European banks are more solid than feared by some.
GBP	07.10.22	0	Ramsden	Hawk	One key consideration for the next MPC meeting will be whether recent repricing of UK assets reflects a change in markets' assessment of UK macroeconomic conditions, gilt buying operation designed to buy time.
	06.10.22	1	Haskel	Hawk	BOE has the tools and the resolve to return inflation to target in the medium term, sidelined OBR creates more uncertainty, welcomes the usual involvement in the budget process of the OBR.
			Letter to Treasury Committee		Cunliffe: Liquidity conditions were very poor in run-up to the gilt intervention, move in gilt yields threatened to exceed the size of the cushion for many LDI funds, no widespread crystallization of financial stability risks, operation will be unwound in a smooth and orderly fashion once risks to market functioning have subsided. BOE's operations in gilt market not intended to cap or control long-term rates, they are not monetary policy operations.
	03.10.22	4	Mann	Hawk	Voted for 75 bps in September because of inflation expectations, sterling depreciation, energy cap impact among other factors. Concerned about medium-term upward drift of inflation expectations.
CAD	06.10.22	1	Macklem		More rate hikes needed, more to be done on inflation, have yet to see clear evidence of inflation coming down, inflation will not fade away by itself, price pressures continue to broaden, more consumers and businesses expect inflation to be higher for longer, will focus more on CPI Trim and Median measures of inflation and reassess Common CPI which is becoming more difficult to use.
CHF	07.10.22	0	Jordan		SNB won't tolerate above-target inflation, 3% is no longer price stability, no longer describing the franc as overvalued, will intervene if franc appreciates "too much", declined to give a specific level.
	05.10.22	2	Maechler		Further interest rate hikes are "quite possible", seeing more signs of second-round effects of inflation, ready to buy and sell Francs if currency becomes too weak or too strong. SNB is monitoring situation at Credit Suisse.
JPY	07.10.22	0	Kishida (PM)		Recent sharp and one-sided moves in the yen are undesirable, Japan's intervention last month reflects the view that we cannot turn a blind eye to speculative FX moves.
	03.10.22	4	Official		Firms' CPI estimates for coming five years hit 2% for the first time every since data has been compiled (March 2014).
			Suzuki (FinMin)		Will respond appropriately to sharp FX moves, sharp moves are undesirable, closely watching with a sense of urgency.