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Central Bank Overview: last meetings

CB	Date	Days	Event	Content	Market Reaction	Source
Fed	2023-11-01	9	Rates	**Unchanged at 5.25-5.50 (both expected and fully priced in)**		x
			Statement	* The statement is virtually unchanged from the previous one * Economic activity has expanded at a strong pace in Q3 * Inflation remains elevated * Guidance: "The Committee would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goal"	USD lower, 2s and 10s lower	x
			Presser	The process of getting inflation back to 2% still has a long way to go, a few months of good inflation data "only the beginning of what it will take", data could warrant further tightening of monetary policy, the idea that it's difficult to re-start hikes after stopping is just not true, we're not thinking about rate cuts or talking about rate cuts, we are close to the end of the cycle, the question we are asking is: should we hike more?, we have not made any decisions on future meetings, will continue to make our decisions meeting-by-meeting, highly attentive to the risks that inflation poses to our mandate, it feels like the risks are more two-sided now around inflation, the full effects of policy tightening have yet to be felt, the economy has expanded well above expectations, the labor market remains tight, supply and demand conditions for labor continue to come into better balance, nominal wage growth has shown some signs of easing, we are attentive to the increase in longer-term yields, higher rates can have implications for monetary policy but would need to be persistent, it does not appear that policy expectations are driving rates, staff did not put a recession back into the forecast.		x
ECB	2023-10-26	15	Rates	**Unchanged at 4.00% (deposit rate) as expected**		x
			Statement	* ECB rates are a levels that, maintained for a sufficiently long duration, will make a substantial contribution to reaching the 2% goal (unchanged except that they left out the "timely" return) * Rates will be set at sufficiently restrictive levels for as long as necessary (unchanged) * Incoming data has broadly confirmed the inflation outlook * Inflation has dropped markedly but is expected to stay too high for too long * Past rate hikes continue to be transmitted forcefully * No change to APP and PEPP		x
			Presser	Lagarde: Holding rates does not mean we won't ever hike again, not going to say we are at peak rates, today's decision was unanimous, now is not the time for forward guidance, the economy remains weak and services are weakening, signs that the labour market is weakening, inflation to come down further in the near term, domestic price pressures remain strong, some inflation expectation indicators are elevated and need close monitoring, PEPP was not discussed, rise in yields is spillover we take into account and it helps to bring inflation down. Sources: Reuters: ECB policymakers agreed to debate PEPP reinvestment end date this winter and minimum reserves as part of the framework review due in the spring, expecations are that reinvestments would not end abruptly, ECB would follow a gradual approach like it did with the APP.		x
BoE	2023-11-02	8	Rates	**Unchanged at 5.25% as expected**		
			Statement	* Vote split: 6-3 with three members in favour of a 25 bps hike * Guidance: * * "Monetary policy will need to be sufficiently restrictive for sufficiently long to return inflation to the 2% target sustainably" (unchanged) * * "The MPC's latest projections indicate that monetary policy is likely to need to be restrictive for an extended period of time." * * "Further tightening in monetary policy would be required if there were evidence of more persistent inflationary pressures." (unchanged) * UK GDP is expected flat for Q3 (weaker than projected in August), Q4 expected at 0.1% * Employment growth is likely to have softened more than projected over H2 2023 * Signs of loosening in the labour market seen, pay growth is expected to decline in the coming quarters * CPI fell more than expected but services inflation remains close to 7%, CPI is expected to fall sharply in the coming quarters and to 2% by the end of 2025 * Inflation risks are skewed to the upside, second-round effects are expected to take longer to unwind		x
			Minutes	* The decision whether to increase or to maintain Bank Rate at this meeting was again finely balanced. * Six members judged that maintaining Bank Rate at 5.25% was warranted at this meeting; reasons: CPI expected to fall, GDP growth had weakened and the labour market continued to loosen * Dissenters: Haskel, Mann, Greene * One member: the risks of overtightening had continued to build * Three members preferred a 0.25 percentage point increase in Bank Rate, to 5.5%; reasons: real household incomes, tight labour market, wage growth, evidence of more persistent inflationary pressures		x
			Presser	Bailey: We will keep rates high enough for long enough to return inflation to target, we should not keep policy restrictive for excessively long, there is a considerable way to go on quashing inflation, how long restrictive stance will be needed depends on incoming data, have to be mindful of balance of risks between doing too little and too much, whether GDP growth is slightly negative or slightly positive won't impact monetary policy, OFGEM price cap means we can be confident about energy bills lowering inflation, it's important that services inflation falls steadily over next year.		x
			Projections	* GDP projection: lowered from 0.1% to 0.0% for Q4 2024 * CPI projection: upped from 2.5% to 3.1% for Q4 2024		
RBA	2023-11-07	3	Rates	**Hike by 25 bps to 4.35% (vs. market pricing of 50/50 hold vs. hike)**		x

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			Statement	* Reason for the hike: "to be more assured that inflation would return to target in a reasonable timeframe" * Guidance changed slightly to "Whether further tightening is required will depend on data" from "Further tightening may be required but that will continue to depend on data" * Inflation has passed its peak, updated forecasts suggest the risks of inflation remaining higher for longer had increased, services inflation is rising briskly * CPI expected to be around 3.5% at the end of 2024 and at the top of the 2-3% target range by the end of 2025 * The economy is experiencing a period of below-trend growth but remains stronger than expected * The labour market remains tight, housing prices are continuing to rise	AUD sharply lower	x
	2023-11-10	0	**Projections**	* GDP growth upgraded 2023: 2% (prev. 1.5%), 2024: 1.75% (prev. 1.25%), 2025: 2.25% (prev. 2%) * CPI inflation upgraded 2023: 4.5% (4.25%), 2024: 3.5% (3.25%), 2025: 3% (2.75%) * The CPI target range now is projected to be reached in December 2025 (prev. June 2025)		x
RBNZ	**2023-10-04**	**37**	**Rates**	**Unchanged at 5.50% as expected**		
			Statement	* Guidance: "The Committee agreed that the OCR needs to stay at a restrictive level" (previously they said it needed to stay at a restrictive level "for some time") * Interest rates are "constraining the economy" (mostly unchanged), demand growth continues to ease * GDP growth in Q2 has been stronger than anticipated but the outlook remains subdued * A period of subdued growth is required for inflation to come down	NZD lower	x
			Minutes	* The Committee agreed that interest rates may need to remain at a restrictive level for a more sustained period of time. * Monetary conditions are restricting spending and reducing inflationary pressure. Spending needs to remain subdued. * The Committee noted that with monetary conditions remaining restrictive, they expect to see further declines in per capita spending and for GDP growth to be subdued. * House prices remain around estimates of sustainable levels. * The risk of greater resilience in domestic demand remained. Resilience in domestic demand could slow the pace of expected disinflation. * Weaker global demand, particularly from China, would likely weigh further on commodity prices and therefore on export revenues. * Pockets of stress have emerged for some in the household, commercial property, and agricultural sectors.		x
BOC	**2023-10-25**	**16**	**Rates**	**Unchanged at 5.00% as expected**		**x**
			Statement	* Guidance: "Prepared to raise the the policy rate further if needed" * There are "clearer signs that monetary policy is moderating spending and relieving price pressures", there are signs of supply and demand coming into balance * The GC remains concerned about the slow progress towards price stability; inflationary risks have increased, the GC wants to see downward momentum in core inflation * Domestic growth is expected to continue to be weak before increasing in late 2024 and through 2025 * The Canadian labour market remains tight and wage pressures persist		x
			Presser	Macklem: We held policy rate steady because we want to allow monetary policy time to cool the economy, it is not the time to discuss reductions in the overnight rate, seeing clear evidence that higher rates are working, made a lot of progress but we're not there yet, worried higher energy prices and persistence in underly inflation are slowing progress, we left the door open to higher interest rates if needed, we need to see clear downward momentum in core inflation, demand pressures have eased more quickly than we forecast in July, overall inflation risks have increased since July, e don't target the exchange rate but we take it into account, here could certainly be two or three quarters of negative growth, path to a soft landing in Canada is narrower vs USA. Rogers: We're not seeing the drop in housing prices we'd expect relative to interest rates, Canada continues to suffer from a lack of housing supply, paying very close attention to the mortgage-renewal cycle.		x
			Projections	* CPI forecast for 2024 upgraded from 2.2% to 2.5% * GDP forecast for 2024 downgraded from 1.5% to 1.3%		x
	2023-11-08	2	**Minutes**	* Strong consensus to hold rates unchanged and wait for more data * Some members thought rates would have to be increased further * Growth is slowing and the economy is becoming more balanced * Government spending could get in the way of reaching the inflation target * The evidence demonstrated further progress toward rebalancing the economy but the translation of weaker demand into lower price growth had been slow. * The lack of downward momentum in underlying inflation was a source of considerable concern. * Wage growth is inconsistent with restoring price stability.		x
SNB	**2023-09-21**	**50**	**Rates**	**Left unchanged at 1.75%**		
			Statement	* Significant tightening over recent quarters is countering "remaining" inflationary pressure. * It cannot be ruled out that further tightening may become necessary * Willing to be active in the FX market as necessary, the focus is on selling foreign currency * Inflation has declined above all due to lower inflation in imported goods and services * Downgrade of the inflation projection, inflation will be just within the range of price stability at the end of the forecast horizon * Growth is expected to remain weak for the remainder of the year	CHF sharply lower	x

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			Presser	Jordan: Given "comfortable" level of Swiss inflation the best solution is to wait and see, the inflation battle is not over, have to see what happens over the next three months, further tightening cannot be ruled out, will decide in December whether further tightening is needed or now, will not hesitate to tighten further to keep inflation below 2%, there is some uncertainty about the impact of monetary policy tightening already carried out, the Franc now has a "nominal overvaluation", we are not reacting to weakening in the economy but to lower inflation, clear focus is on price stability, inflation is likely to increase again but underlying pressure has decreased slightly.		x
BOJ	**2023-10-31**	**10**	**Rates**	**Rates left unchanged at 0.10% as expected, further tweaked YCC**		**x**
			Statement	* YCC target around 0% left unchanged but the bank increased “the flexibility in the conduct of YCC” with the upper bound of 1.0% “as a reference” (before: will offer to purchase 10y JGBs at 1.0% every day through fixed-rate purchase operations), 8-1 vote * Strictly capping yields at 1.0% could entail large side effects * It is appropriate for to increase the flexibility of YCC due to extremely high uncertainties around economies and financial markets * Will patiently continue with monetary easing and YCC to support a favourable environment for wage increases * Inflation forecast revised higher from the July outlook, the BOJ expects that CPI will increase gradually towards achieving 2% towards the end of the projection period	JPY lower	x
			Projections	CPI FY2024: 2.8% vs. 1.9% in July 2023 GDP FY2024: 1.0% vs. 1.2% in July 2023		
				Will patiently continue monetary easing with decided new measures, will not hesitate to take easing measures if necessary, does not think long-term rates will come under pressure to exceed 1%, YCC tweak partly the result of rising US long-term rates, the main reasons for inflation outlook overshoot compared to July are longer-than-expected effects of price pass-through and rising oil prices, we are not in a situation to foresee sustainable and stable price increases, the strength of inflation and wages still is not sufficient, we are getting gradually closer to achieving the price target, can't say with full confidence that the inflation outlook can be sustained, next spring's wage negotiations will be an important factor, NIRP and YCC will be in place until the achievement of the inflation target is in sight.		x
	2023-11-09	1	**Summary of Opinions**	* Next year’s wage negotiations will be important * Will continue with monetary easing at least as long as necessary to maintain the inflation target * The likelihood of achieving 2% inflation sustainably seems to have risen since the July MPM * It is necessary to adjust the degree of easing gradually down from its maximum level * Revising YCC could be perceived as monetary tightening		x