Free newsletter: fxmacro.info
Twitter: @fxmacroguy
24.06.23

Central Bank Speakers Recap for Week 25/2023

FX	Date	Days ago	Speaker	Bias	Relevant Points	Src
USD	23.06.23	1	**Bostic**	Neutral	Expects jobless rate to rise from historically low level, not seeing elements of risk appearing in the economy, credit risk is likely coming and real estate could pose a risk, the banking sector is quite strong.	source
			Daly	Neutral	Two more rate hikes this year is a "very reasonable" projection, it's only a projection and we don't know for sure, prudent to slow the pace of hikes as we approach destination, risks over overtightening and undertightening are about balanced, strongly supported June decision to hold rates and watch the data, credit tightening so far is consistent with what would have been expected without March banking turmoil.	source
	22.06.23	2	**Barkin**	Neutral	Will not prejudge the July meeting, would be content with more hikes if inflation is not progressing towards the goad, would support rate cuts when there is conviction that inflation is heading down, still a good way from the 2% inflation target, demand is still elevated compared with its pre-pandemic trend and boosting inflation but it does seem it's weakening.	source
			Bowman	Neutral	Additional rate hikes will be needed to reach sufficiently restrictive level, inflation still "unacceptably high" despite drop in headline number, core inflation has essentially plateaued since the fall of 2022, will look for inflation on a consistent downward path in deciding appropriate policy steps at coming meetings.	source
			Powell	Neutral	A strong majority feels there is a little further to go on rate hikes, decision last week was to move more slowly, we kept rates on hold to give ourselves more time to make a decision, headline inflation has come down but that's largely from energy and food and not principally a function of monetary policy, we still have a long way to go, we have not seen much progress in the way of services inflation, we expect inflation to move down this year, I see a path for inflation to continue falling with little increase in unemployment.	source
	21.06.23	3	**Bostic**	Neutral	Rates should stay where they are for the rest of the year, does not see rate cuts for most of 2024, further rate hikes may needlessly drain the economy, wants to give the economy more time to adjust to rate hikes before doing more, policy has not been restrictive for long enough for its effects to be felt so it's prudent to wait, maintaining the current rate will be passive tightening of the real rate that will still aid in fighting inflation, risk of inflation rebounding is "not my baseline", some further slowing of the labour market may be necessary, contagion that was feared from earlier bank failures has not materialized.	source
			Cook	Neutral	We are not there yet on getting inflation back to target, there isn't much here to indicate any unease about hiking in July.	source
			Goolsbee	Neutral	Decision last week was a close call for me, have not decided yet on July, the Feds framework is "wait and see", perfectly appropriate to have a reconnaissance mission now, trying to figure out if we have done enough and how much more needs to be done, probably won't gain enough info in 6 weeks but will learn more, over the next couple months will get a sense if goods inflation is coming down, the lags argument is a tremendously important one.	source
			Jefferson	Neutral	Recent bank troubles present downside economic risk, watching commercial real estate for risks.	source
			Kugler	n/a	Both sides of the Fed's mandate are important, pushing inflation down is the Fed's main mission now.	source
			Powell	Neutral	Nearly all FOMC participants expect it will be appropriate to raise rates somewhat further by year end, the two hikes pencilled into the dot plot is a pretty good guess of what will happen, a big majority believes in raising rates twice this year, the level for rates and speed of hikes are separate, it may make sense to move rates higher at more moderate pace, the Fed is now moderating the pace of rate hikes, will continue to make our decisions meeting by meeting, we never use the word pause and wouldn't use that here today, the process of getting inflation back to 2% "has a long way to go", will take time to see full effects of policy tightening, tighter credit likely to weight on economic activity but extent remains uncertain, longer-term inflation expectations appear to remain well anchored, factors contributing to inflation decline are happening but later than expected, it is important that the balance sheet doesn't just grow with every cycle, balance sheet should be smaller than now but need a buffer against scarce reserves, don't want to be in the same position as last reduction cycle, there is a gradual cooling in the labour market but we're not there yet, still significant labour shortages, the US dollar is still the dominant reserve currency.	source
	20.06.23	4	**Cook**	Neutral	Focused on inflation until the job is done.	source
			Jefferson	Neutral	I remain focused on returning inflation to 2%, inflation has started to abate, must remain attentive to inflation and banking-sector stress, US banking system is sound and resilient, I remain attuned to any threats to banking system stability.	source
			Kugler	n/a	Deeply committed to setting monetary policy to reduce inflation and promote maximum employment, important to bring inflation down to 2% target.	source
EUR	23.06.23	1	**De Cos**	Dove	We will hike rates again in July but not possible to say what comes after that, we still have ground to cover, core inflation is more resistant than expected.	source

Free newsletter: fxmacro.info
Twitter: @fxmacroguy
24.06.23

Central Bank Speakers Recap for Week 25/2023

FX	Date	Days ago	Speaker	Bias	Relevant Points	Src
			Lane	n/a	Not seeing a wage price spiral but more like an inverse spiral, wages "inevitably" need to catch up and that will slow disinflation, it's a catch-up phase not a spiral.	source
	22.06.23	2	**Nagel**	Hawk	Rates have not peaked and eventual peak must be held for an extended period until inflation is broken, tight labour market could result in persistent inflationary pressures.	source
	21.06.23	3	**Kazimir**	n/a	Further policy tightening in September is not certain, would need to have core inflation under control to stop tightening, we need more data ahead of September.	source
			Nagel	Hawk	Confident that inflation will come back to target, there is still a way to go, have to be stubborn because inflation is stubborn, it would be a first-order error to give up on raising rates too early, not seeing a credit crunch.	source
			Rehn	Neutral	We will bring interest rates to levels sufficiently restrictive and keep them there as long as necessary, the rise in CPI is slowing but not to the extent desired, inflation ex energy and food is only falling gradually, it is important that core inflation is on a steady and sustained decline.	source
			Schnabel	Neutral	Domestic inflation is driven by profits and wages.	source
	20.06.23	4	**Simkus**	Hawk	Would not be surprised if we raised rates in September, we'll be in a floor system for some time into the future, open to discussing if we could to more with APP than stopping reinvestments.	source
			Villeroy	Neutral	The duration of terminal rate is more important than the level, future rate decisions to depend on inflation data, inflation is past the peak in France and the Eurozone.	source
			Vujcic	n/a	Have to consider risks of doing too much vs. doing too little, core inflation pressures remain in the Eurozone, bringing down inflation is more art than science, sometimes a soft landing is not possible.	source
	19.06.23	5	**De Guindos**	Dove	There is no doubt inflation will ease, underlying prices could face more limitations in that slowdown.	source
			Kazimir	n/a	We need to raise rates again in July, regarding September I'm awaiting analysis of cumulative impact of past ECB measures, stopping rate hikes too soon is "much more significant" risk than overtightening, tightening is the only reasonable way ahead.	source
			Lane	n/a	Another hike in July seems appropriate and then we will see in September, September is still far away, inflation will come down fairly quickly in the next couple of years, need to be data-dependent on the inflation outlook.	source
			Schnabel	Neutral	We need to keep raising interest rates until we see convincing evidence that developments in underlying inflation are consistent with headline inflation returning to 2%, risks to the inflation outlook are tilted to the upside, a monetary policy stance that errs on the side of determination insures against costly policy mistakes, rules suggest that the optimal rate path would have been steeper, the fact that we underestimated inflation persistence last year raises the probability that we are also underestimating inflation today, we need to remain highly data-dependent and err on the side of doing too much rather than too little.	source
			Simkus	Hawk	No doubt rates will be raised in July, no need to rush with September assessment.	source
			Stournas	n/a	Cannot exclude a further rate hike but can't say now, we are data driven, might keep terminal rates for six months or a year, we are definitely close to the end of rate hikes, a further decrease in inflation is expected.	source
GBP	22.06.23	2	**Bailey**	Neutral	We are not signalling what will come next on rates, it was absolutely imperative that the BoE raised rates today, the pattern of persistence and sticky inflation is seen in other countries too, cannot continue to have the current level of wage increases, cannot have companies building profit margins that cause prices to rise at their current rates, not seeking to precipitate a recession.	source
	20.06.23	4	**Hall**	n/a	Recent moves in yields have once again tested liability-driven investment funds.	source
AUD	20.06.23	4	**Bullock**		Policy is not on a pre-set path, not being "bloody minded", higher rates are the only tool the RBA has to curb inflation, employment and the economy need to grow below trend for a while, the economy would be more sustainable with unemployment at 4.5%, the labour market will invariably soften but it remains tight by most measures, we have been willing to accept a more gradual return of inflation to target than many other central banks, it is important that the government does not add to demand.	source
CHF	22.06.23	2	**Jordan**		We cannot rule out further monetary policy tightening, most likely we will have to tighten policy again but we can also take a more gradual approach, gradual approach is appropriate at present and we can look again in September, tighter monetary policy has strengthened the Swiss Franc but underlying inflation pressure has risen further, Swiss inflation is not a luxury problem, even though we are in a very fortunate position it is still very important to bring inflation down, there is a danger inflation may become entrenched above 2%, inflation caused by higher rents is not a reason to refrain from future rate hikes.	source
			Maechler		The SNB has sold foreign currencies in recent quarters, will continue to do that if it is appropriate for monetary policy, remain ready to buy foreign currencies if there is excessive Franc appreciation.	source
JPY	23.06.23	1	**Suzuki (FinMin)**		Firmly watching FX moves, sharp currency moves are undesirable, FX rates should be set by the market reflecting fundamentals, does not want to comment on FX levels.	source

Free newsletter: fxmacro.info
Twitter: @fxmacroguy
24.06.23

Central Bank Speakers Recap for Week 25/2023

FX	Date	Days ago	Speaker	Bias	Relevant Points	Src
	22.06.23	2	**Noguchi**		Japan's economy is to recover moderately, new guidance shows the BOJ's strong commitment to patiently keep monetary easing, inflation expectations are yet to be anchored at 2%, need to carefully gauge for now whether the norm for inflation and wages is changing, must consider tradeoff between economic stimulus effect and market functioning when setting allowance for 10-year yield target, the shape of the yield curve is smooth as a whole, December decision to widen the allowance band around the yield target was not monetary policy, necessary for wages to rise more than the 2% inflation target, important for wages to rise continuously and not just once, Yen decline last year was too rapid, FX should move stably reflecting fundamentals, we are finally seeing benefits of weak Yen appearing such as more firms shifting production back to Japan.	source
	21.06.23	3	**Adachi**		Too early to tweak monetary policy, appropriate to continue monetary easing under YCC framework, if bond market functioning remains in current state chance of tweaking YCC in July is low, inflation has risen faster than I expected, personally thinking it's hard to make a strong call on inflation outlook at our next policy meeting in July, longer-run downside risks to our price outlook appear to be bigger than upside risks, what we fear most is a premature policy shift that would put Japan back to deflation, impact of falling raw material prices on CPI will appear with a lag of about 9 months, want to look at several months' price data and speed of price moves to gauge price trend, must be mindful of downside risks surrounding Japan's economy given risks to global economy.	source
			Kishida (PM)		Mobilising all policy steps to ensure wage growth, positive signs are emerging in Japan's economy.	source
			Ueda		Will patiently maintain easy monetary policy to achieve 2% inflation target, Japanese CPI is likely to slow towards the middle of the current fiscal year, Japan's economy is picking up.	source
	20.06.23	4	**Suzuki (FinMin)**		Closely watching FX moves, no comment on FX levels, FX stability is important, should move stably reflecting fundamentals.	source
	19.06.23	5	**Kanda**		Welcomes US dropping Japan from its monitoring list in latest currency report.	source