



3rd Banca d'Italia-CEPR Conference on Money, Banking and Finance

Monetary Policy Design and Communication

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Hosted by Banca d'Italia
Via Nazionale, 91
Rome, 27-28 September 2007

Programme

Thursday, September 27

08.30-09.10 Registration

09.15-09.30 **Welcome address**

Costs and benefits of transparency

Chair: Ignazio Visco (Banca d'Italia)

09.30-10.35 **The Limits of Transparency**

*Alex Cukierman (Tel-Aviv University and CEPR)

Discussant: Francesco Giavazzi (Bocconi University and CEPR)

10.35-10.50 Coffee break

10.50-11.55 **Imperfect Central Bank Communication**

*Spencer Dale (Board of Governors of the Federal Reserve System)

Athanasios Orphanides (Central Bank of Cyprus and CEPR)

Pär Österholm (Uppsala University)

Discussant: Aleh Tsyvinski (Harvard University)

11.55-13.00 **Monetary Policy Credibility and the Macroeconomy**

Martin Melecky (De Nederlandsche Bank)

Diego Rodríguez-Palenzuela (ECB)

*Ulf Söderström (Bocconi University and CEPR)

Discussant: Tony Yates (Bank of England)

13.00-14.15 Lunch

Disclosing targets and forecasts

Chair: Giorgio Gomel (Banca d'Italia)

14.15-15.20 **Uncertainty About Perceived Inflation Target and Monetary Policy**

*Kosuke Aoki (London School of Economics and CEPR)

Takeshi Kimura (Bank of Japan)

Discussant: Stefano Eusepi (Federal Reserve Bank of New York)

15.20-16.25 **The Announcement of Future Policy Intentions**

Giuseppe Ferrero (Banca d'Italia)

*Alessandro Secchi (Banca d'Italia)

Discussant: Stefan Gerlach (University of Frankfurt and CEPR)

16.25-16.40 Coffee break

16.40-17.45 **When Central Banks Reveal Their Interest Rate Forecasts: Alignment of Expectations Vs. Creative Opacity**

*Pierre Gosselin (University of Geneva)

Aileen Lotz (University of Geneva)

Charles Wyplosz (University of Geneva and CEPR)

Discussant: Martin Ellison (Warwick University and CEPR)

20.00 **Dinner** (by invitation)

Friday, September 28

Central Bank communication and financial markets

Chair: Daniele Terlizzese (Banca d'Italia and Ente Einaudi)

09.00-10.05 **Social Value of Public Information – Testing the Limits to Transparency**

*Michael Ehrmann (ECB)

Marcel Fratzscher (ECB)

Discussant: Christopher Crowe (IMF)

10.05-10.20 Coffee break

10.20-11.25 **The Effects of Central Bank Communication on Financial Markets**

Milinha van Bleijswijk (De Nederlandsche Bank)

*Beata K. Bierut (De Nederlandsche Bank)

Dick van Dijk (Erasmus University Rotterdam)

Discussant: Paolo Angelini (Banca d'Italia)

11.25-12.30 **The Impact of Central Bank Announcements on Asset Prices in Real Time: Testing the Efficiency of the Euribor Futures Market**

*Carlo Rosa (London School of Economics)

Giovanni Verga (University of Parma)

Discussant: Filippo Altissimo (Brevan Howard Asset Management LLP and CEPR)

12.30-13.45 Lunch

The role of committees and external pressures

Chair: Athanasios Orphanides (Central Bank of Cyprus and CEPR)

13.45-14.50 **Is Transparency to no Avail? Committee Decision-Making, Pre-meetings, and Credible Deals**

Otto Swank (Erasmus University Rotterdam and Tinbergen Institute)

*Bauke Visser (Erasmus University Rotterdam and Tinbergen Institute)

Discussant: Marco Ottaviani (London Business School)

14.50-15.55 **Communicating Monetary Policy When the MPC Members Believe in Different Stories**

Carl Andreas Claussen (Norges Bank)

*Øistein Røisland (Norges Bank)

Discussant: Henrik Jensen (University of Copenhagen)

15.55-16.10 Coffee break

16.10-17.15 **Political Pressures and Monetary Mystique**

*Petra M. Geraats (University of Cambridge)

Discussant: Claes Berg (Sveriges Riksbank)

17.15 **Concluding remarks:** Salvatore Rossi (Banca d'Italia)

* Denotes speakers