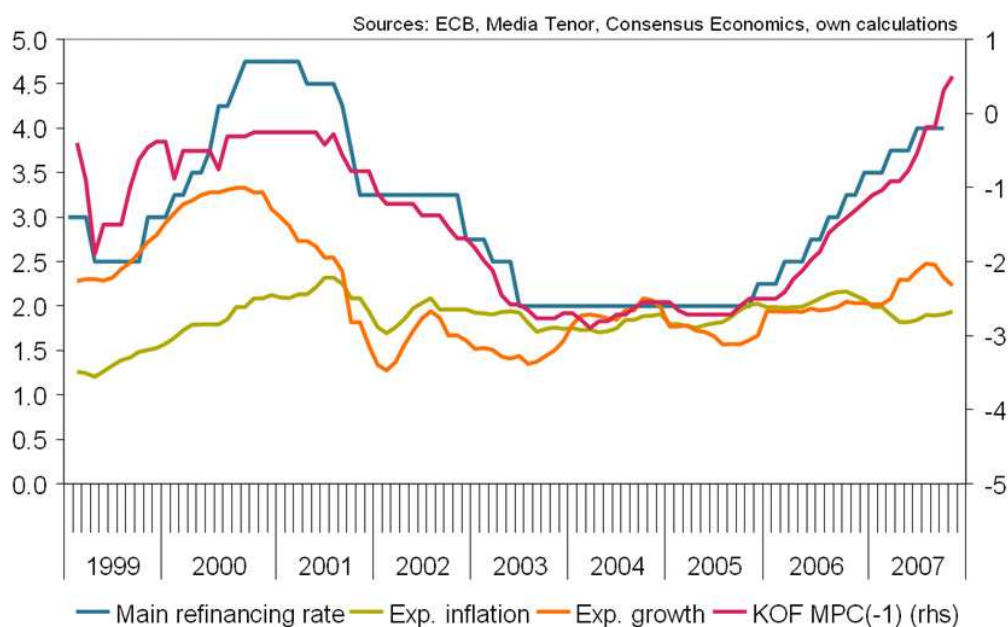


KOF Monetary Policy Communicator for the Euro Area

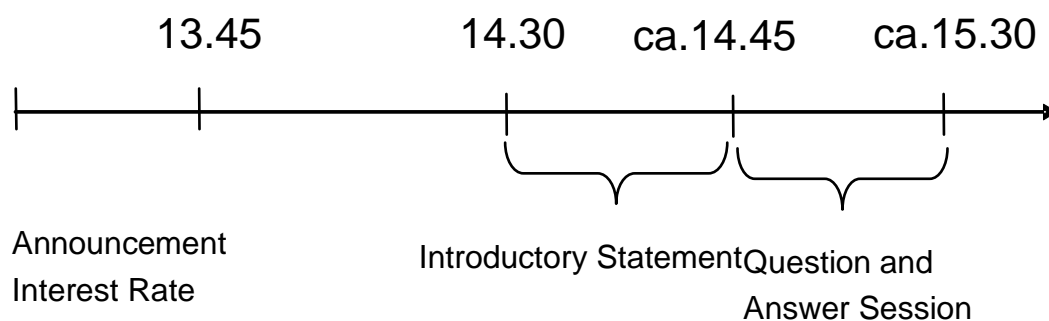
Presenter: Prof. Jan-Egbert Sturm, KOF Swiss Economic Institute

- Media content analysis allows to capture the content of the ECB introductory statement in a sound and reproducible way
- KOF Monetary Policy Communicator for the euro area
 - measures the risks to price stability as communicated by the Introductory Statements of the ECB
 - shows strong correlation with the main refinancing rate
 - has predictive power with an optimal lead of 2-3 months
 - boosts the quality of state-of-the-art Taylor rule estimates
- Recent developments in the KOF MPC
- ECB meeting of Oct-4 again led to an increase in the KOF MPC
- The KOF MPC points towards a further rising main refinancing rate
- Also when added to a state-of-the-art Taylor rule for the euro area the likelihood of a further interest rate increase is quite high



ECB announcement days

- First Thursday each month
- Governing council meeting in the morning
- Decision and explanation of the decision presented via
 - the announcement of the interest rate decision
 - the introductory statement
 - and the question and answer session



Publication schedule

- After every release of an ECB Introductory Statements we will update the KOF MPC (normally the first Thursday of the month)
 - The production process will allow us to publish the KOF MPC at 17.30
 - Our press release will be sent out per email and made available on our homepage
- <http://www.kof.ethz.ch/publications/indicators/communicator/>
<http://www.central-bank-communication.net/communicator/>

