You are kindly invited to attend a Joint Seminar of the National Bank of Belgium, CES-KUL, Ecares-ULB and UCL

by

Jinill Kim (Korea University, Centre for Applied Macroeconomic Analysis)

on

Estimating Monetary Policy Rules When Nominal Interest Rates Are Stuck at Zero

(with Seth Pruitt)

Abstract

Did the Federal Reserve's response to economic fundamentals change with the onset of the Global Financial Crisis? Estimation of a monetary policy rule to answer this question faces a censoring problem since the interest rate target has been set at the zero lower bound since late 2008. Surveys by forecasters allow us to sidestep the problem and to use conventional regressions and break tests. We find that the Fed's inflation response has decreased and that the unemployment response has remained as strong, which suggests that the Federal Reserve's commitment to stable inflation has become weaker in the eyes of the professional forecasters.

The seminar will take place on Monday, 28 April from 16:00 until 17:30.

The seminar will be held in the National Bank of Belgium, exceptionally in Room 10, 5th floor. Entrance: boulevard de Berlaimont 3, Brussels.

Please reply by email to nbb.seminars@nbb.be if you wish to participate to this seminar. With name and car plate number to access the NBB Parking Warmoesberg 41.

Kind regards,
H. Dewachter (NBB-KUL), R. Kollmann (ULB), V. Lewis (KUL), L. Pensieroso (UCL) and R. Wouters (NBB)