

You are kindly invited to attend the Joint Macroeconomic Seminar co-organised by the National Bank of Belgium and the Belgian universities (KU Leuven, UAntwerpen, UCLouvain, UGent, ULB, ULiège, UNamur and VUB).

by

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on

### **Perceptions about Monetary Policy**

(co-authored with Carolin E. Pflueger and Adi Sunderam)

#### **Abstract**

We estimate perceptions about the Fed's monetary policy rule from micro data on professional forecasters. The perceived rule varies significantly over time, with important consequences for monetary policy and bond markets. Over the monetary policy cycle, easings are perceived to be quick and surprising, while tightenings are perceived to be gradual and data-dependent. Consistent with the idea that forecasters learn about the policy rule from policy decisions, the perceived monetary policy rule responds to high-frequency monetary policy surprises. Variation in the perceived rule impacts financial markets, explaining changes in the sensitivity of interest rates to macroeconomic announcements and affecting risk premia on long-term Treasury bonds. It also helps explain forecast errors for the future federal funds rate. We interpret these findings through the lens of a model with forecaster heterogeneity and learning from observed policy decisions.

The seminar is an in-person event and will take place on **Thursday, October 13<sup>th</sup>** from **16:30** until **18:00** in the Auditorium of the National Bank of Belgium (**Room B**), entrance: rue Montagne aux Herbes potagères 61, Brussels.

Please reply by email to [nbbmacro.seminar@nbb.be](mailto:nbbmacro.seminar@nbb.be) if you wish to participate to this seminar or if you want to have an appointment with the speaker. **Due to security measures it is necessary that you register before Wednesday October 12<sup>th</sup>, 15:00.** Without registration, you will not be allowed in the seminar room.

You will receive a nominative badge at the entrance. We recommend that you arrive at least 10 minutes before the start of the seminar.

In case you want to access the NBB Parking (rue Montagne aux Herbes potagères 41), please also provide us with your name and the license plate of your car.

Kind regards,

Pierrick Clerc (ULiège), Ferre De Graeve (KU Leuven), Romain Houssa (UNamur), Robert Kollmann (ULB), Yasin Kursat Önder (UGent), Luca Pensieroso (UCLouvain) and Raf Wouters (NBB)