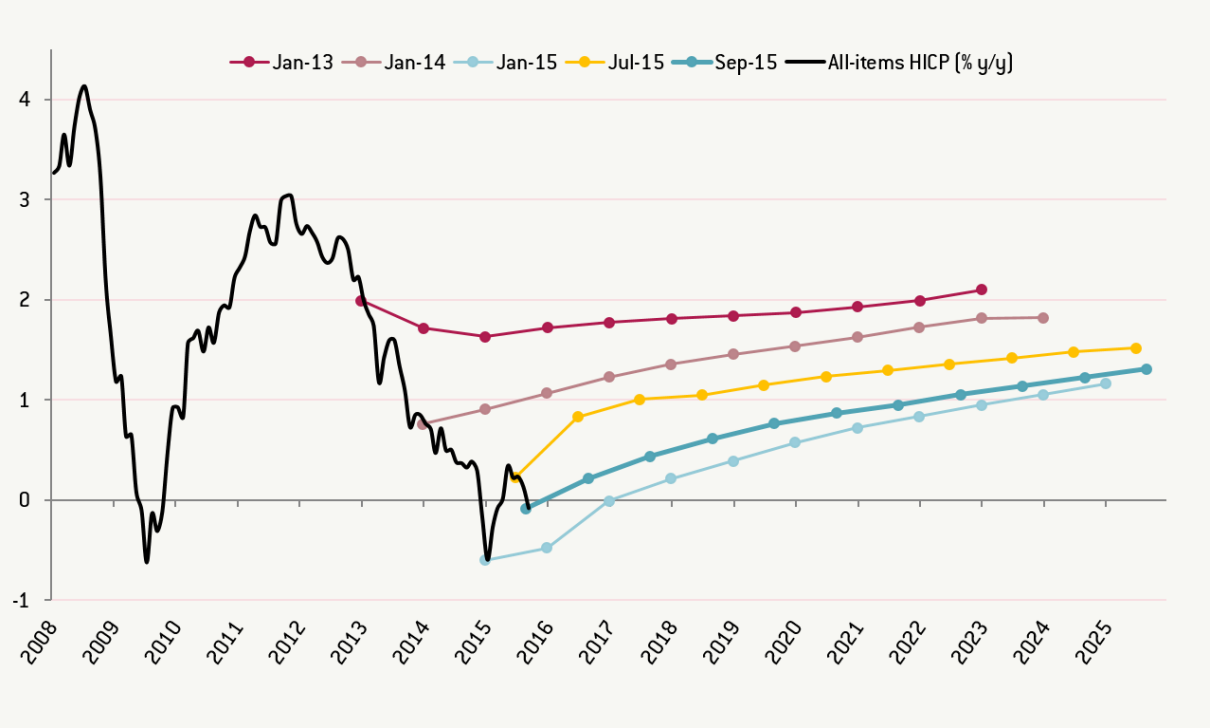
Questions Readings week 0

1.



This is the inflation rate in the Eurozone, the dotted lines represent the market inflation expectations measured on different dates.

2. Consider Bertin's characterization of visual variables (position, size, shape, value, color, orientation, and texture). Pick 2 of Bertin's visual variables, and discuss them in relation to your visualization.

Orientation; in this visualization, different alignments are used. A black solid line is used to represent the reality, the real HICP rate (inflation in Eurozone). At January 2013 the inflation expectations were measured, represented by a red dotted line, indicating this is another variable. A year later the rate of inflation expectations were measured again, they were lower than the expectations in 2013, this line is represented by a purple line. The different structure of the lines, show that another variable is measured. In my opinion the straight line on the x-axis is also nice, you can quickly see that the inflation rate is approaching its zero bound.

Colour: the inflation rate is given the colour black, indicating that this rate is not able to change, this is the reality. For every measurement date another colour is given to the dotted line, as said above to indicate this is another variable. The different colours indicate that different time series are used.

3. Do you agree that visualization is a functional art? Explain.

I agree on that statement, I think most students are able to create a simple graph to represent how two variable correlate. But I think it is art to explain really complicated relations, for instance in a very specific field, to "neutral" people, who are not familiar with that stuff or are

not familiar with the subject. Speaking for myself, sometimes I have to learn some complicated theories and when I see a visualization, then it becomes clear, because it is more structured and you see the impacts of an action in the graph. You have to think a certain way, to make complicated thinks look easier, it's not for everyone.

4. **Ask yourself what the designer is trying to convey and think of three to four possible tasks this visualization should help you with. Does the visualization achieve any of your tasks? (To view an example, see Albert Cairo, pages 26-28.)**

- The graph must present some different variables, namely inflation, and market inflation expectations. The main point of this visualization is that the market expectations and real inflation are deviating. The Market is optimistic about the inflation, they expected in 2013 that the rate in 2015 would be close but below 2%. In reality the inflation now is almost zero.

- The graph makes comparisons, overtime the market expectations flatten. There is a difference in expectations formed in 2013, where the market was quite optimistic, and the expectations in January 2015 where the market think the inflation will be negative until 2017.

- Create awareness, the graph is showing that the Eurozone is fighting deflationary tendencies. The expectations are an important variable in explaining the real inflation, the lower the expectations and market sentiment becomes, the lower the real inflation rate will be in the next period. The graph is showing that the market is losing faith in the ECB's ability to create inflation.