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OH! G.O.D.

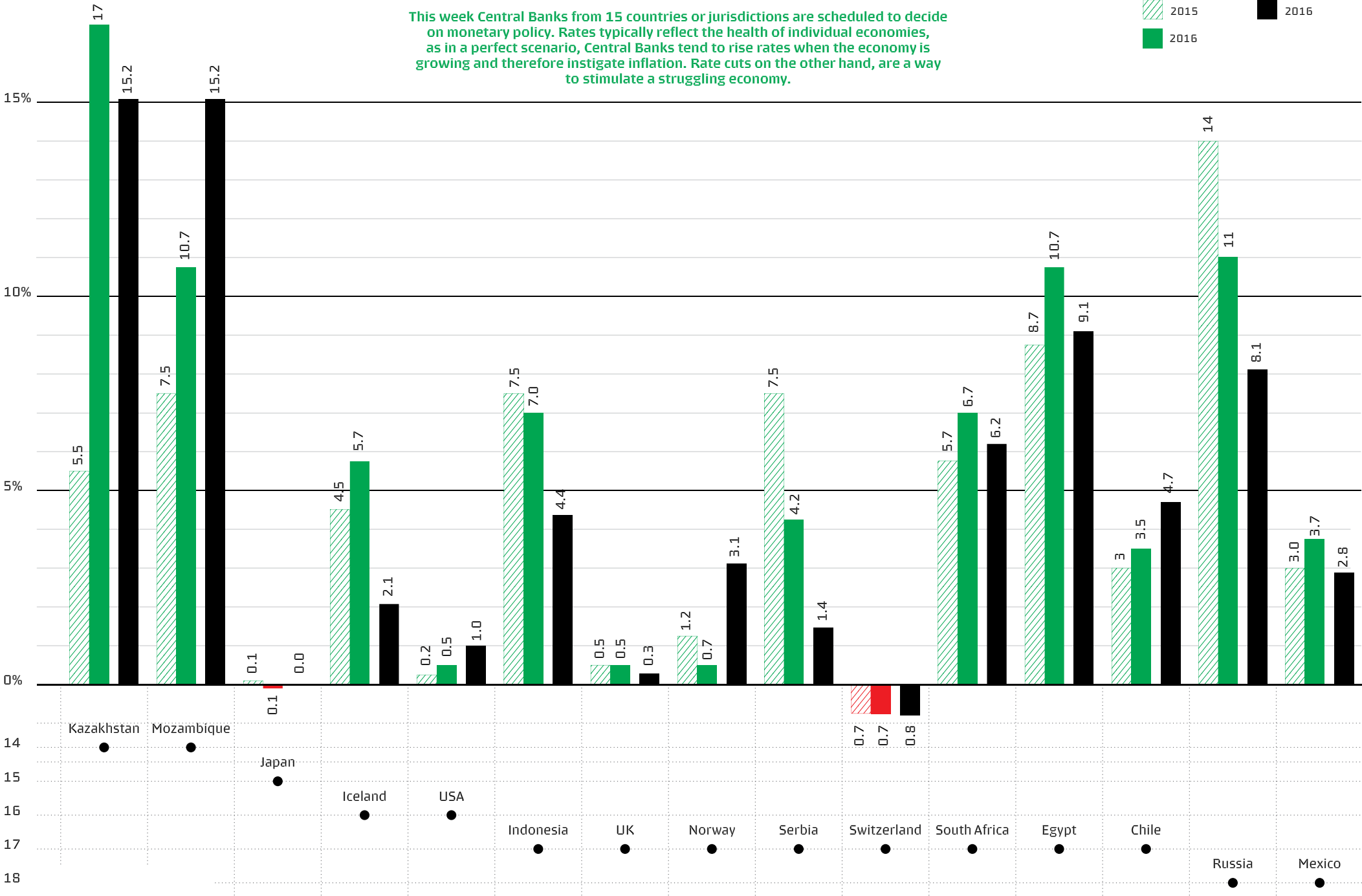
Governors Of Demand

IUAV
Infodesign course
held by M. Ferrari
and I. Williams
A.A. 2015 / 2016

The week of interest rates

This week Central Banks from 15 countries or jurisdictions are scheduled to decide on monetary policy. Rates typically reflect the health of individual economies, as in a perfect scenario, Central Banks tend to rise rates when the economy is growing and therefore instigate inflation. Rate cuts on the other hand, are a way to stimulate a struggling economy.

Interest rates
2015
2016
Inflation rate
2015
2016



HARUHIKO KURODA

I believe there is a quite large room

I am not considering further lowering the negative interest rate, because the policy effects are already being seen in interest rates. It is expected to spread to the real economy and prices in the future. In fact, the bank has a lot of room to cut the rate further and could potentially go that low. The BOJ is ready to move on any of three fronts: reducing the current rate of negative 0.1%, accelerating and boosting the monetary base or expanding the purchase of riskier assets. Also, I am "prepared" to unleash additional monetary stimulus through expanding the BOJ's asset purchase program or further reducing the deposit rate, or both, to achieve his 2% inflation target if necessary.

15 march 2016

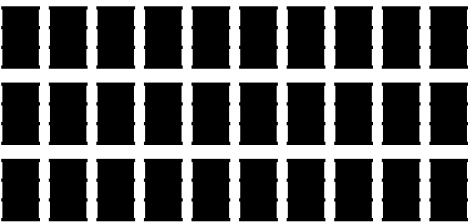
CENTRAL BANKING WEEKLY NEWS

The BoJ central bank decided to exempt from the negative rates MRF (Money reserve funds): 90 billions of dollars in short-term money market instruments and low-risk which will be ' applied a zero rate in May, in order to make more ' smooth operation of the market Monetary and avoid those transferred in bank deposits .

Switzerland's central bank held interest rates at a record low and repeated its pledge to intervene in currency markets, a threat President Thomas Jordan has used to keep the franc from strengthening.

Russia and oil problem

Russia's central bank held interest rates steady on Friday, warning that inflation risks remained "high" and the oil price rise could be not sustainable. The central bank kept its key rate at 11 percent, as widely expected by analysts.

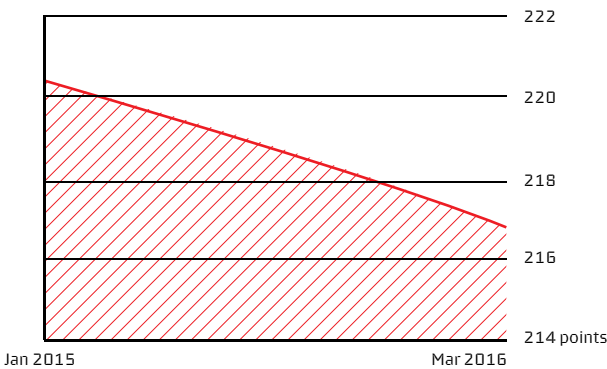


= \$30 per barrel this year

The Bank of Russia assumed in its baseline scenario the average forecast oil price of \$30 per barrel in 2016 (below the current price), with its gradual rise to \$40 per barrel to 2018. Despite growing oil prices and ruble strengthening in the latest period, the accumulated weakening of the ruble, impacted by the drop in oil prices, between late 2015 and early 2016, is still putting pro inflationary pressure on the economy, contributing to continued high inflation expectations.

Mexico Import Prices

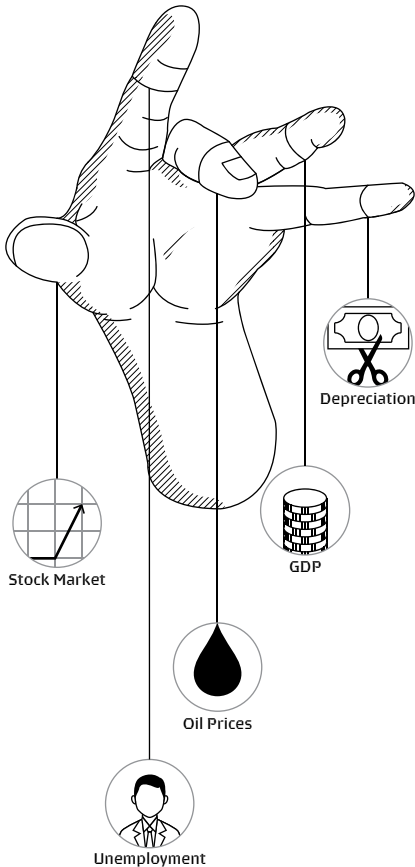
The Bank of Mexico lowered its assessment of foreign demand in 2016 and 2017, citing downwardly revised forecasts for industrial activity in the United States, Mexico's biggest trading partner by far, and the deceleration in global economy.

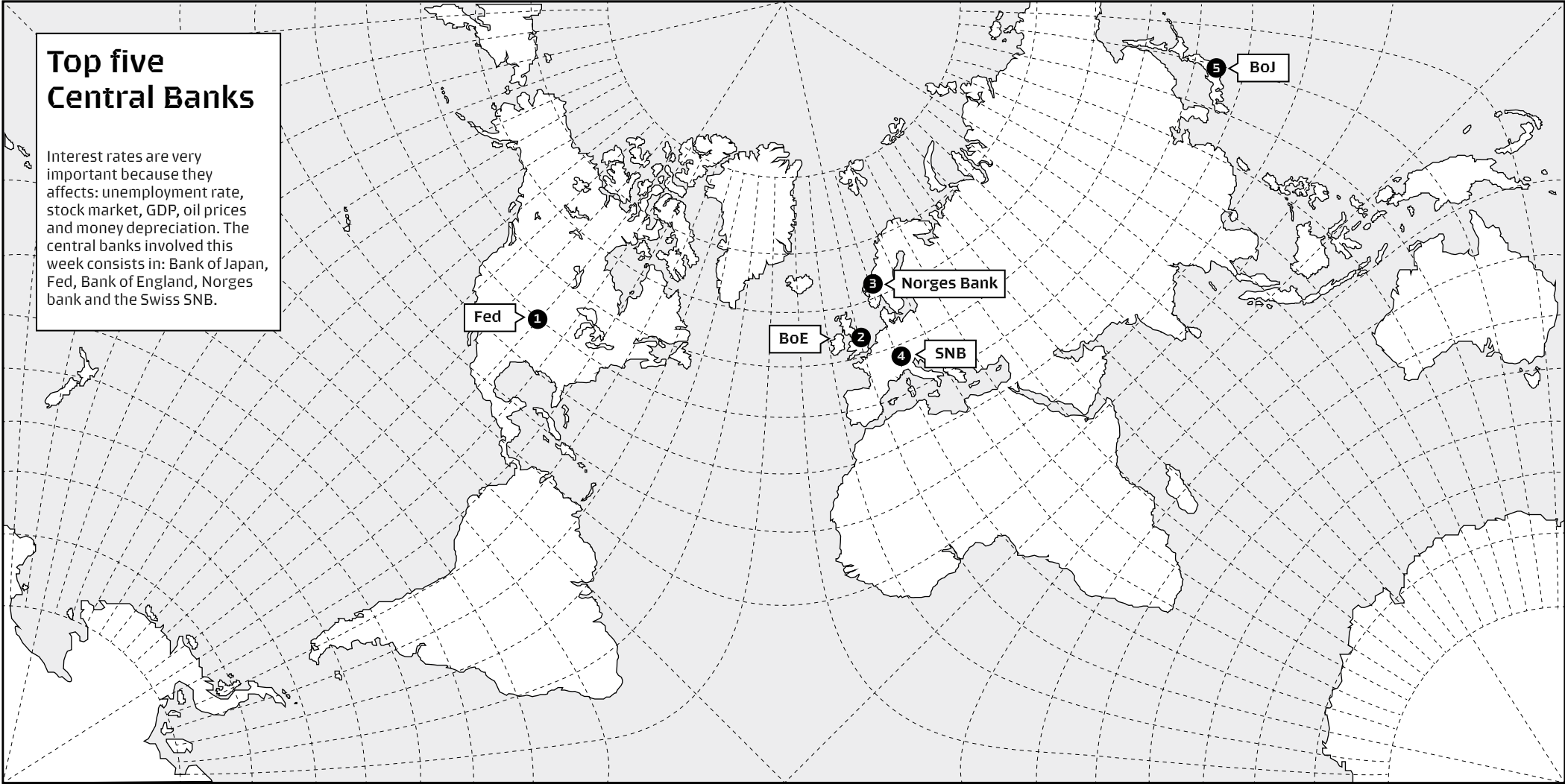


Source: tradingeconomic.com

Magic puppeteers

Central banks, almost every month, changes their interest rate during their meetings. So, they change, also, stock market, unemployment, oil prices, GDP and the currency value. The economy is in their hands.

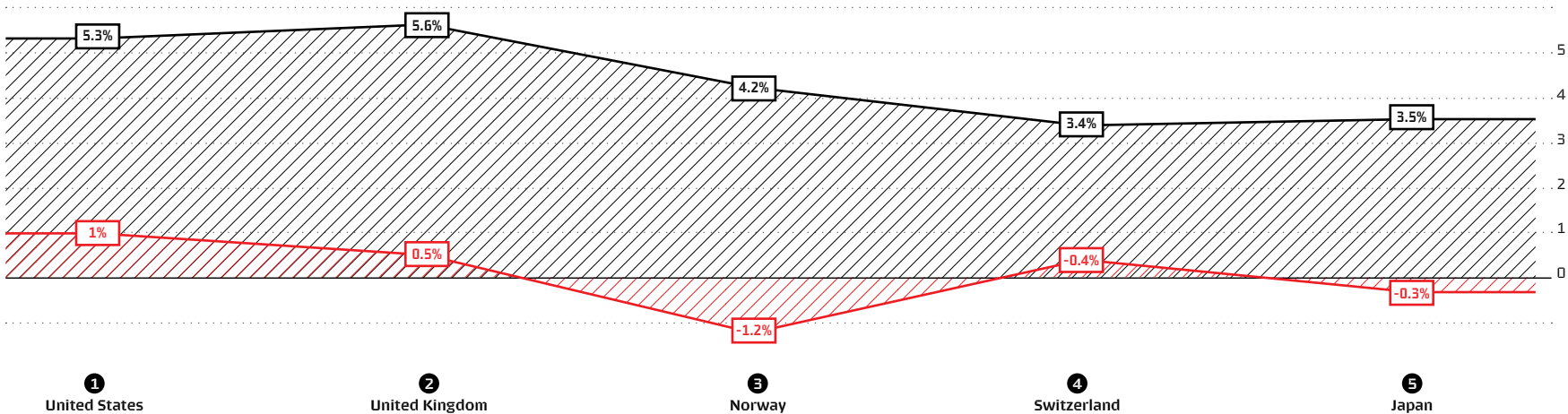




Unemployment and GDP

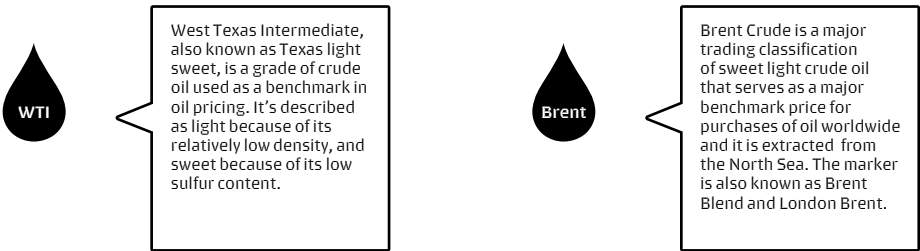
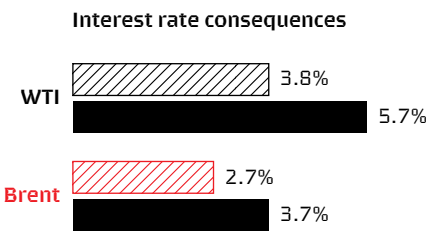
They are very connected with interest rate, because when the GDP rise up also interest rate grows. When the interest rate is low also the unemployment rate is low. Only in special cases, the situation could be different and it could be the opposite.

- GDP 2015
- Unemployment 2016

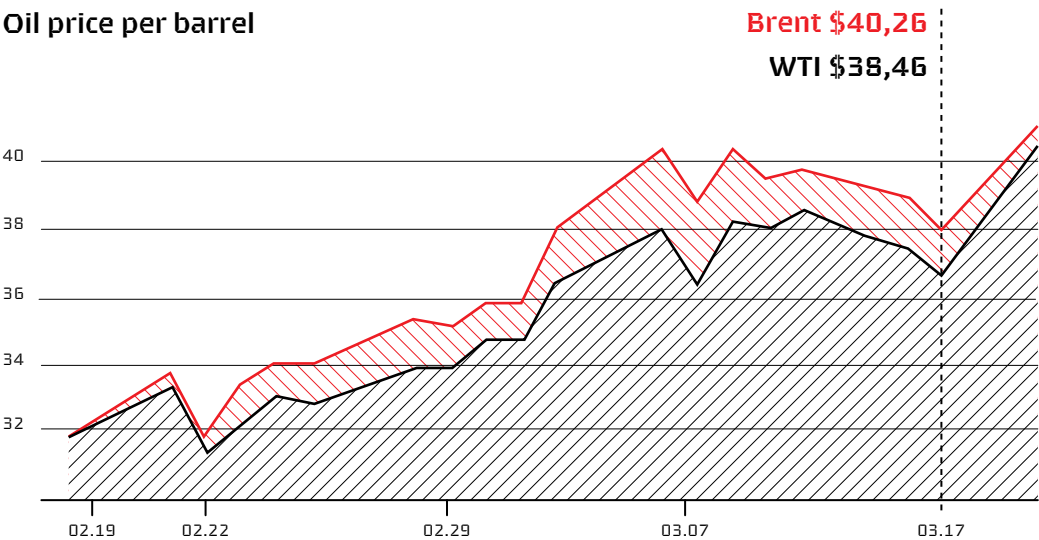


Oil prices

The most affected States that produce oil are United States and Norway. For United States oil price grown because interest rate is low against foreign currencies and the state need more money for buying oil. While, Norway has an economic problem because oil prices are low and this cause such an heavy impact.



Oil price per barrel

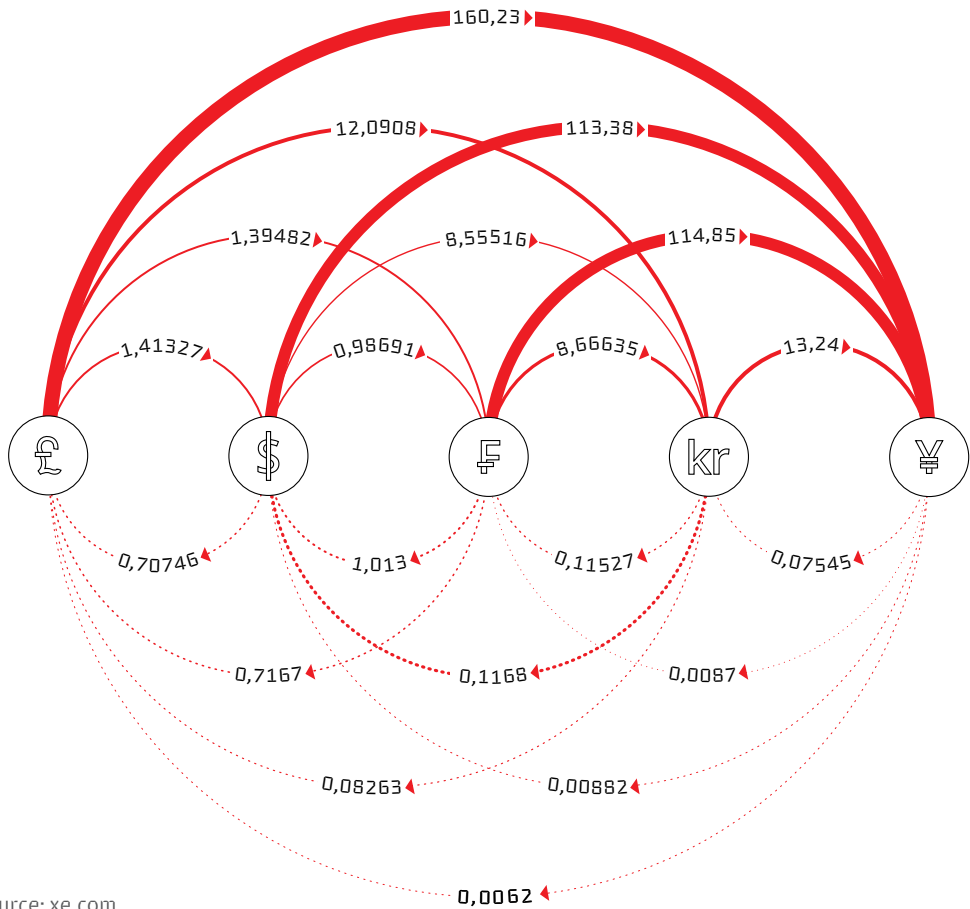


Source: investing.com

Exchange rates

The exchange rate between two currencies is the rate at which one currency will be exchanged for another. It is also regarded as the value of one country's currency in terms of another currency. The values are effects of interest rates changes.

- #### Legend
- United States
 - United Kingdom
 - Switzerland
 - Japan
 - Norway



Source: xe.com