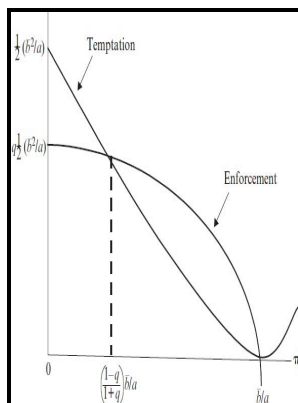# Monetary policy loss functions - two cheers for the quadratic

Department of Applied Economics, University of Cambridge - CiteSeerX — Monetary policy loss functions: two cheers for the quadratic, DAE Working Paper 99/20

Description: -

-

Administrative procedure -- European Economic Community
countries -- Congresses.
Administrative procedure -- Europe -- Congresses.
Folk songs, Tamil -- Sri Lanka -- Texts.
Folk songs, Tamil -- Sri Lanka -- History and criticism.
Russian language -- Study and teaching -- Soviet Union.
Children -- Language.
Stories without words
Adventure and adventurers -- Fiction
Monetary policy -- Mathematical models.Monetary policy loss
functions - two cheers for the quadratic
-
DAE working paper -- 9920Monetary policy loss functions - two
cheers for the quadratic
Notes: Includes bibliographical references.
This edition was published in 1999

Filesize: 21.410 MB

Tags: #Optimal #Monetary #Policy #and #Long

CiteSeerX — Monetary policy loss functions: two cheers for the quadratic, DAE Working Paper 99/20

First, we are proceeding in a timely manner in countering any developments that might threaten economic or financial stability. However, when allowance is made for the fact that different theories of inflation persistence can result in the same, observationally equivalent, hybrid New Keynesian Phillips curve such conclusions may no longer hold. Journal of Economic Literature, 37 4 , 1661—1707, 1999 is extended in the above outline of the term structure rational expectations hypothesis and also the dynamics of the nominal long-term interest rate as well as the dynamics of real exchange rate are involved.

Loss function

Washington: Board of Governors of the Federal Reserve System, September. Efficient rules for monetary policy. Therefore, monetary policy must be at least as preemptive in responding to financial shocks as in responding to other types of disturbances to the economy.

Monetary policy loss functions: two cheers for the quadratic

Furthermore, the use of a quadratic objective function does not reflect the extent to which most individuals have strong preferences for minimizing the incidence of worst-case scenarios.

CiteSeerX — Monetary policy loss functions: two cheers for the quadratic, DAE Working Paper 99/20

If recognized a reference but did not link an item in RePEc to it, you can help with. When a financial disruption occurs, however, greater consideration needs to be given to indicators of market liquidity, credit spreads, and other financial market measures that can provide information about sharp changes in the magnitude of tail risk to the macroeconomy.

Optimal Monetary Policy and Long

In particular, the positive shocks on long-term interest rates seem to induce a restrictive monetary policy and this finding is explained through the hypothesis that these shocks include the rational expectations on the future inflation rate.

CiteSeerX — Monetary policy loss functions: two cheers for the quadratic, DAE Working Paper 99/20

Indeed, as I will argue, I believe that financial disruptions of the sort that have been experienced in recent months tend to have highly nonlinear effects on the economy. However, it is important to recognize that financial markets can also turn around quickly, thereby reducing the drag on the economy as well as the degree of tail risk.

Monetary Policy Loss Functions: Two Cheers for the Quadratic

Furthermore, the central bank needs to clearly indicate the rationale for its policy actions.

Related Books

- [Vneshnie ėkonomicheskie svi͡azi Rossiĭskoĭ Federat͡sii v 1993 g. - statisticheskiĭ sbornik.](#)
- [Sui Tang san jiao zhe xue.](#)
- [Ėffektivnostʹ bureni͡ia glubokikh skvazhin](#)
- [Précis du droit de la famille - législation à jour le 22 juin 1990, doctrine et jurisprudence à](#)
- [Disputatio medica inauguralis quaedam de oculi morbis complectens; quam annuente summo numine...Geor](#)