



Referee2's report -Round 1

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Implications for determinacy with average inflation targeting

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Paper: **Implications for Determinacy with Average Inflation Targeting**

I have read the new, amended version of the paper by Yamin Ahmada and James Murray, and I see that my basic initial comment that more explanation was needed as to how exactly ‘determinacy’ and ‘indeterminacy’ are defined has been adequately addressed by the authors in the Introduction of the paper (and I understand their rationale that it is advisable that these explanations be included in the Introduction rather than the Results section as I initially had suggested).

Now, before the reader advances to the main sections of the paper, where he/she is confronted with a rather complicated model, and its equally complicated interpretation and implications, he/she is already familiar with the basic terminology needed, the fundamental concepts which underlie the model, and so there is a smaller possibility for misunderstandings like those that the authors had to answer when addressing the questions posed by the first reviewer.

The (few and of minor importance) typos that I had located in the initial text have now been corrected, as well as those located by the other reviewer.

I also agree with the authors that most of the comments made by the first reviewer were due to the inadequate explanations given in its first version regarding the basic terminology needed for a satisfactory understanding of the model, and that after the new extended Introduction written by the authors, everything has been made more clear now.

So I think that the paper has now improved significantly. It is easier for the reader to understand its terminology, the theoretical model it uses and its results.

In sum, I think that it is ready for publication by the journal.