

Operation Twist Assignment

Ben Bernanke had a press conference yesterday and he extended his policy “Operation Twist program” for another half years or so. It was yesterday and I didn't have much time to learn the details of his updated policy, and I am asking you to tell me what is happening over the next few quarters.

1. Do some research and explain Operation Twist.
2. Explain the mechanism behind Operation Twist.
3. How does the decision of Bernanke affect people's expectations?

Use 12-pt Times font. Must be typed. Graphs (if you decide to use) need to be accommodated in the page. You can make a space and draw by hand or if you're comfortable using MS Drawing tool, please make a use of your skill. It would probably better to draw a graph in a separate document and copy & paste it into your essay.