DAY 1 Online Workshop - Revisiting Monetary Policymaking Under Uncertainty: The 25th Anniversary of the Central Bank Modeling Workshop

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Hard to believe it has been 25 years since the first central bank modeling workshop. The title of the first workshop was “Monetary Policy Under Uncertainty”. It was the time of the inflation-targeting pioneers. In addition, at the beginning of 1990s, the Bank of Canada developed solution methods for solving a class of useful nonlinear models with plausible representations of the monetary policy transmission mechanism. The methods were incorporated in the Bank’s Quarterly Projection Model (QPM). The Reserve Bank of New Zealand (RBNZ), with help from the Canadians, then implemented this approach to support its novel Inflation Targeting regime, launching what it is known today as the Forecasting and Policy Analysis System (FPAS). Publicly disclosed forecasts used to inform and explain decisions taken in pursuit of clear policy targets, became the gold standard for monetary policy.

This year, the keynotes and panels at the workshop will review the history of macroeconomic modeling as a tool for monetary policymaking. The focus will be on extracting lessons from that history. One line of enquiry will concern adaptations of FPAS-style analytical frameworks that may be needed given what The Economist has recently described as the essence of the new normal: persistent large uncertainty.

Is it time for FPAS Mark II? Another line of enquiry will concern whether FPAS-style analytical frameworks can usefully be deployed within the fields of macroprudential and fiscal policymaking. Conference panels will discuss both these questions.

This year we have an amazing group of scholars and policymakers participating in the workshop’s conferences and policy panels!

Day 1 Agenda - Wednesday November 9, 2022Room 1
Opening remarks

8:30-9:00 Leonardo Villar, Governor, Banco de la República and Douglas Laxton, The Better Policy Project

Room 1
PANEL: FUTURE OF POLICY MODELING

9:00-10:00

William White (Senior Fellow at the C.D. Howe Institute, former chairman of the Economic and Development Review Committee at the OECD)
Jérôme Henry (Principal Adviser - DG Macroprudential Policy and Financial Stability, ECB)
Jesper Linde (Advisor and Chief of Monetary and Modeling Unit, IMF)
Marco del Negro (Research Advisor and Director, Applied Macroeconomics and Econometrics Center, NY

FED)
Franz Hamman (Chair of the panel) (Director, Macroeconomic Modeling Department, Banco de la República)

Buffer / Break 10:00-10:30Room 1
SESSION 1A: New frontiers in macroeconomic model estimation

10:30-11:00 *A Unified Framework to Estimate Macroeconomic Stars*
Saeed Zaman (Federal Reserve Bank of Cleveland)

11:00-11:30 *DSGE model estimation with interest rate expectations in the dataset*
Gregory de Walque, Thomas Lejeune, Ansgar Rannenberg (National Bank of Belgium)

11:30-12:00 Bayesian method of moments to estimate non-linear DSGE models
Valerio Scalone (Banque de France, European Central Bank)

Room 2
SESSION 1B: Uncertainty shocks and the macroeconomy

10:30-11:00 *Uncertainty shocks and the monetary-macroprudential policy mix*
Valeriu Nalban, Andra Sm?du (IMF, De Nederlandsche Bank & University of Groningen)

11:00-11:30 *Business Cycle Fluctuations: Financial Shocks versus Uncertainty Shocks*
Roberto A. De Santis, Wouter Van der Veken (ECB, Ghent University)

11:30-12:00
Macroeconomic Transmission of (Un-) Predictable Uncertainty Shocks
José Ferrer, John Rogers, Jiawen Xu (University of Virginia, Fudan University, Shanghai University of Finance and Economics)

Room 3
SESSION 1C: Topics in monetary policy I: Developments in monetary policy models

10:30-11:00 *Causal Effects of Countercyclical Interest Rates: Evidence from the Classical Gold Standard*
Kris James Mitchener, Gonçalo Pina (Center for Advanced Studies of Behavioral Sciences, ESCP)

11:00-11:30 *Learning to be Coherent*
Guido Ascari, Sophocles Mavroeidis, Nigel McClung (De Nederlandsche Bank, University of Oxford, Bank of Finland)

11:30-12:00 *Endogenous Technology, Scarring and Fiscal Policy*
Michaela Elfsbacka Schmöller (Bank of Finland)

Room 4
SESSION 1D: Commodity prices and monetary policy

10:30-11:00 *State of the Economy Uncertainty or Structure of the Economy Uncertainty*
Thierry U. KAME BABILLA (University of Yaounde II and Euro Area Business Cycle Network)

11:00-11:30 *Monetary Policy, Trade, and Commodity Price Fluctuations*
Galip Kemal Ozhan, Lawrence L. Schembri (Bank of Canada)

11:30-12:00 *Commodity price uncertainty comovement: Does it matter for global economic growth?*
Laurent Ferrara, Aikaterini Karadimitropoulou, Athanasios Triantafyllou (SKEMA Business School, University of Piraeus, ESSEX Business School)

Buffer / Break / Lunch 12:00-13:00Room 1
SESSION 2A: COVID-19 and inflation dynamics

13:00-13:30 *Understanding Post-Covid Inflation Dynamics*
Martin Harding, Jesper Linde, Mathias Trabandt (Bank of Canada, IMF, Goethe University Frankfurt)

13:30-14:00 *Pricing under Distress*
S. Boragan Aruoba, Andres Fernandez, Daniel Guzman, Ernesto Pasten, Felipe Saffie (University of Maryland, IMF, University of British Columbia, Central Bank of Chile, University of Virginia, Darden School of Business)

14:00-14:30 *Impact of the new monetary policy toolkit during COVID-19 in the Dominican Republic*
Fadua Camacho, Joel González, Nabil López, Salomé Pradel (Central Bank of the Dominican Republic)

Room 2
SESSION 2B: Central Bank Communications and expectations

13:00-13:30 *A Survey-based Instrument to Analyze Monetary Policy Responses in Latin America*
Oscar Jaulin-Mendez (Universidad Carlos III)

13:30-14:00 *Cacophony in Central Banking? Evidence from euro area speeches using a new approach*
Martin Feldkircher, Paul Hofmarcher, Pierre L. Siklos (Vienna School of International Studies, Oesterreichische Nationalbank, University of Salzburg)

14:00-14:30 *Secrets of the Temple or Noise of the Agora?*
Moritz Pfeifer, Giancarlo Salazar, Mohamed Elguindi (Université Paris Nanterre, SciencesPo Paris)

Room 3
SESSION 2C: Topics in Monetary Policy II: New Methods and Data

13:00-13:30 *Optimal robust monetary policy in a small open emerging economy: the case of Mexico*
Marine Charlotte André, Sebastián Medina Espidio (Banco de México)

13:30-14:00 *Inflation Expectations and Risk Premia in Emerging Bond Markets: Evidence from Mexico*
Remy Beauregard, Jens H. E. Christensen, Eric Fischer, Simon Zhu (University of California at Davis, Federal Reserve Bank of San Francisco, Federal Reserve Bank of New York, University of Texas at Austin)

14:00-14:30 *Constructing a regional indicator of economic activity in Peru using Bayesian dynamic factors*
Mirian Yanet Perez Quispe, Santiago Bohorquez Correa (University National of San Cristobal de Huamanga, Eafit)

Room 4
SESSION 2D: Unconventional monetary policy and macroeconomic risks I

13:00-13:30 *State-Contingent Forward Guidance*
Julien Albertini,Valentin Jouvanceau, Stéphane Moyen (Univ Lyon & Université Lumière Lyon 2, Lietuvos

Bankas, Bundesbank)

13:30-14:00 *Unconventional credit policies during crises: A structural analysis of the Chilean experience during the COVID-19 pandemic*
Benjamín García, Mario González, Sebastián Guarda, Manuel Paillacar (Central Bank of Chile, Central Bank of Chile, Princeton University, Central Bank of Chile)

14:00-14:30 *Conducting Unconventional Monetary Policy with Foreign Exchange Reserves*
Min Kim (Rutgers University)

Hosted by:
The Better Policy Project and Banco de la República - Colombia (Central Bank of Colombia).

Fuente: https://www.banrep.gov.co/en/news/events/revisiting-monetary-policymaking-under-uncertainty-25th-workshop