

Monetary policy strategy: Old issues and new challenges

Joint Deutsche Bundesbank/Federal Reserve Bank of Cleveland
Conference

6-7 June 2007

Frankfurt am Main

Wednesday, 6 June 2007

09:45 – 10:05

Introduction

Sandra Pianalto (President, Federal Reserve Bank of Cleveland)

10:05 – 11:15

The optimal monetary policy response to exchange rate misalignments

Campbell Leith (*University of Glasgow*)

Simon Wren-Lewis (University of Oxford)

Discussants:

Mathias Hoffmann (Deutsche Bundesbank)

Robert Kollmann (Université Libre de Bruxelles)

11:15 – 11:45

Break

11:45 – 12:55

Monetary policy and core inflation

Michele Lenza (*European Central Bank*)

Discussants:

Andreas Hornstein (Federal Reserve Bank of Richmond)

Michael Krause (Deutsche Bundesbank)

- 12:55 – 14:30 **Lunch**
- 14:30 – 15:40 **Reconsidering the role of monetary indicators for euro area inflation from a Bayesian perspective using group inclusion probabilities**
Michael Scharnagl (*Deutsche Bundesbank*)
Christian Schumacher (*Deutsche Bundesbank*)
- Discussants: David Altig (*Federal Reserve Bank of Cleveland*)
 Livio Stracca (*European Central Bank*)
- 15:40 – 16:10 **Break**
- 16:10 – 17:20 **Uncertainty about perceived inflation target and monetary policy**
Kosuke Aoki (*London School of Economics and Political Science*)
Takeshi Kimura (*Bank of Japan*)
- Discussants: Nicoletta Batini (*International Monetary Fund*)
 Martin Bodenstein (*Federal Reserve Board*)
- 18:30 **Dinner**
- Speaker: Axel Weber (*President, Deutsche Bundesbank*)

Thursday, 7 June 2007

- 10:00-11:10 **Mortgage markets, collateral constraints and monetary policy: Do institutional factors matter?**
Alessandro Calza (*European Central Bank*)
Tommaso Monacelli (*Università Commerciale Luigi Bocconi*)
Livio Stracca (*European Central Bank*)
- Discussants: Fiorella de Fiore (*European Central Bank*)
 Andreas Schabert (*University of Dortmund*)

- 11:10 – 11:30 **Break**

11:30 – 12:40 **Money in monetary policy design : ECB-style cross-checking in the New Keynesian Model**

Günter Beck (*Goethe University Frankfurt*)

Volker Wieland (*Goethe University Frankfurt*)

Discussants: Stefan Gerlach (*Bank for International Settlements*)
Samuel Reynard (*Swiss National Bank*)

12:40 – 14:00 **Lunch**

14:00 – 15:10 **The inflation dynamics mystery**

Robert King (*Boston University*)

Anthony Landry (*Federal Reserve Bank of Dallas*)

Discussants: Ragner Nymoen (*University of Oslo*)
John M Roberts (*Federal Reserve Board*)

15:10 – 15:30 **Break**

15:30 – 16:40 **The rationality and reliability of expectations reported by British households: Micro evidence from the British household panel survey**

James Mitchell (*National Institute of Economic and Social Research*)

Martin Weale (*National Institute of Economic and Social Research*)

Discussants: Mike Bryan (*Federal Reserve Bank of Cleveland*)
Joachim Winter (*University of Munich*)