



LIETUVOS BANKAS
EUROSISTEMA

Central bank communication – are we living in a new age?

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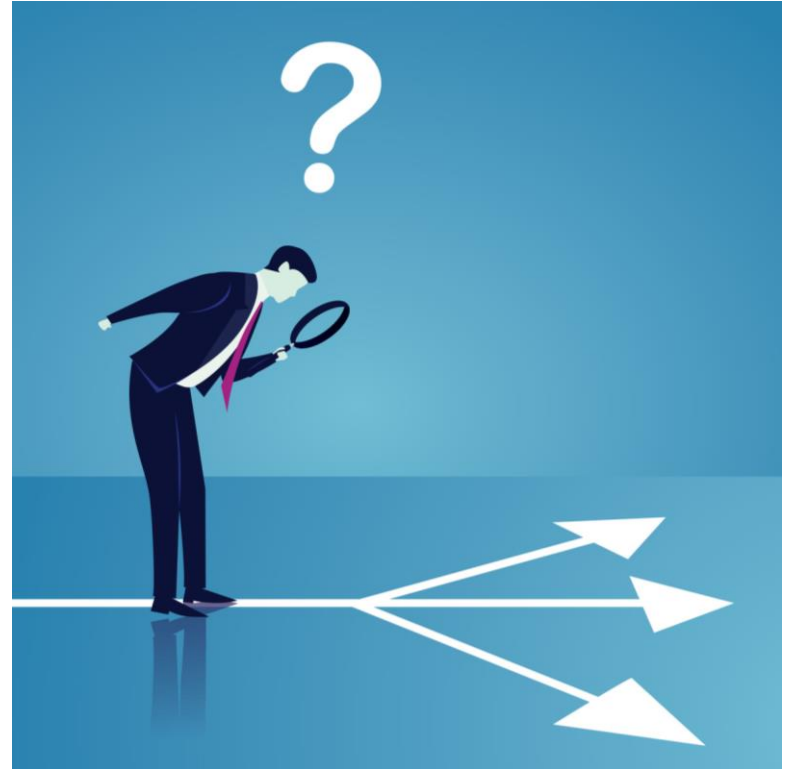
Communicating monetary policy



Clarity instead of mystery



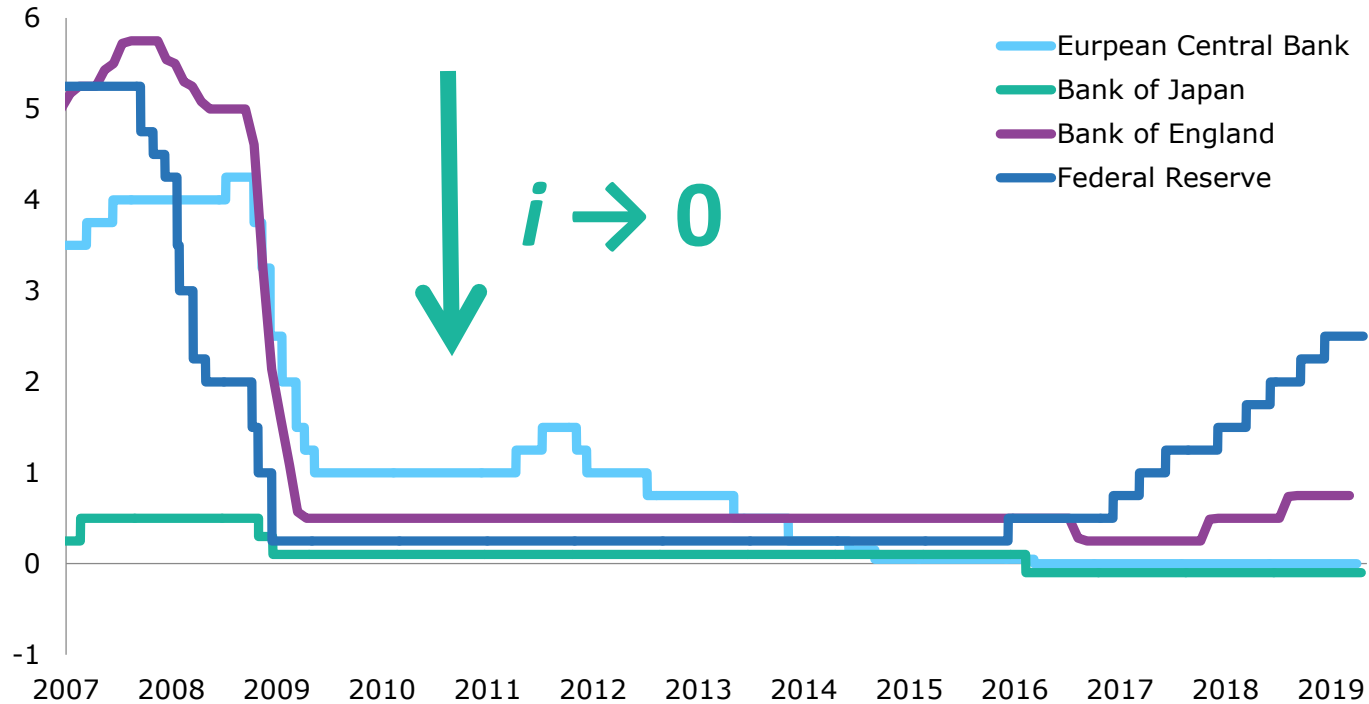
Versus



Strengthening public confidence



Communication is a powerful tool

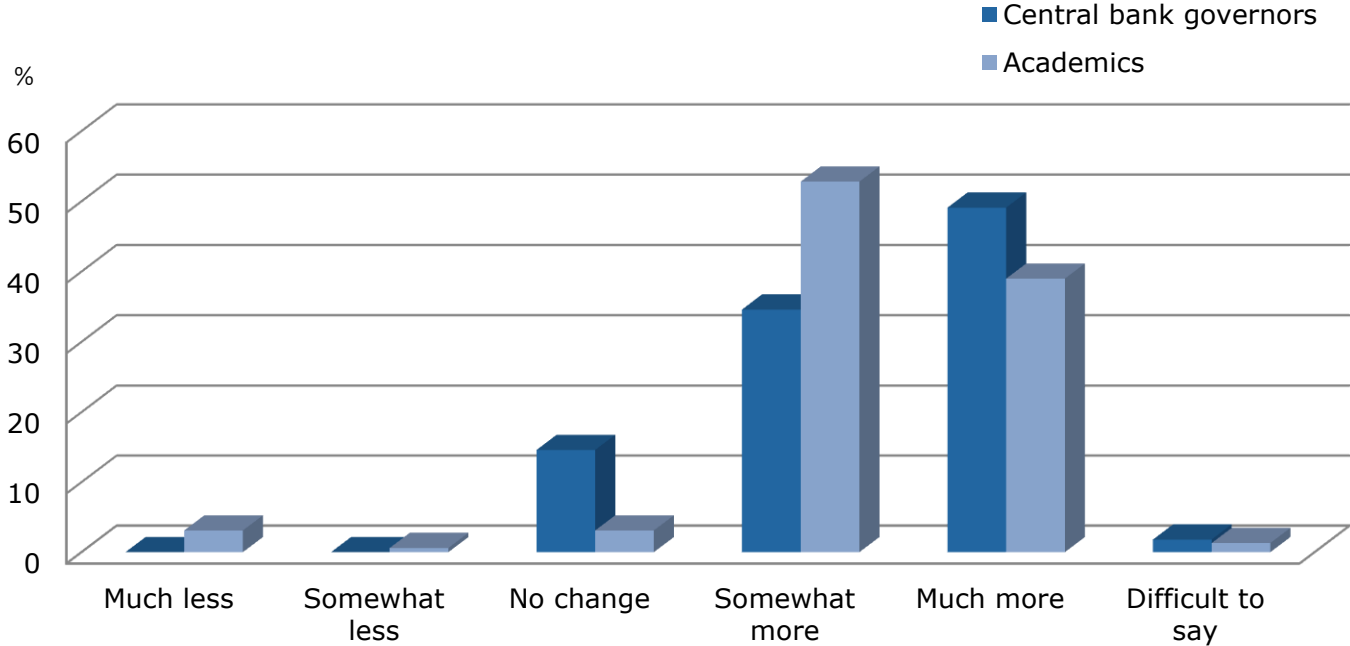


Source: Thomson Reuters

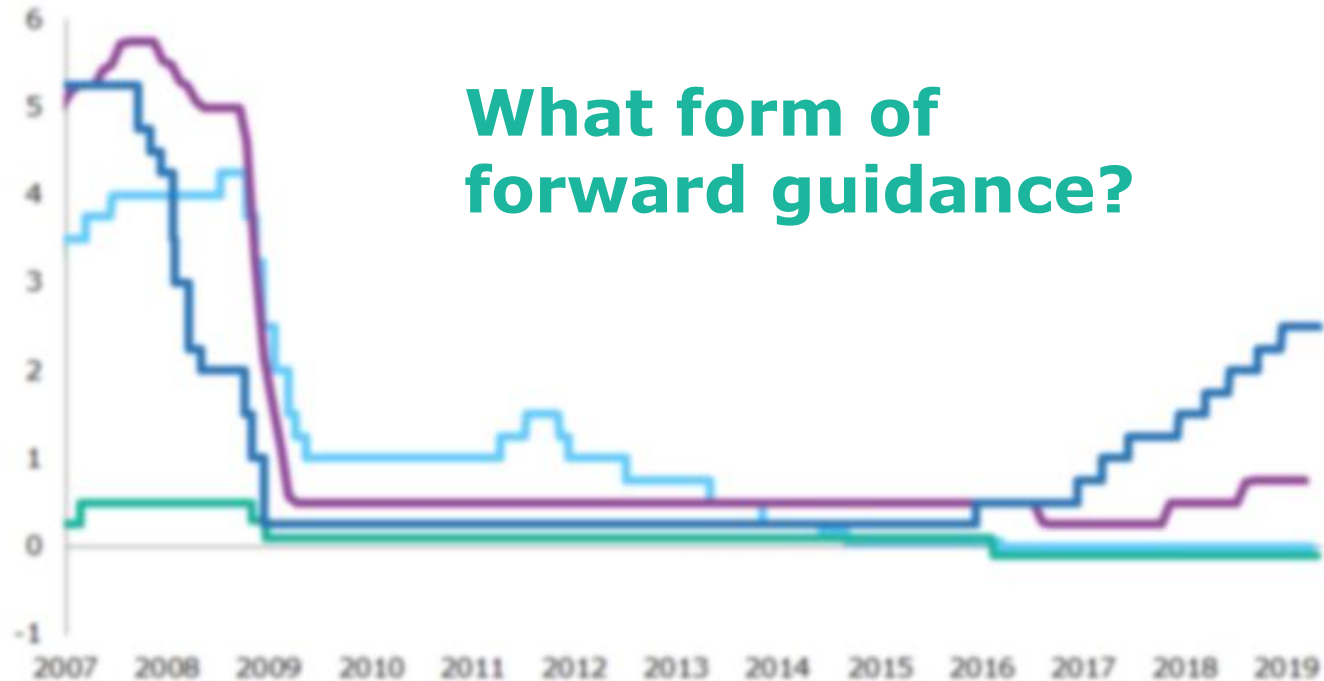
Communication about tools became a tool



Since the crisis, central banks have communicated with the public...



Effectiveness in steering expectations



Source: Thomson Reuters

What form of forward guidance?



Delphic



No promises about
future policy actions

Odyssean



More detailed and
specific

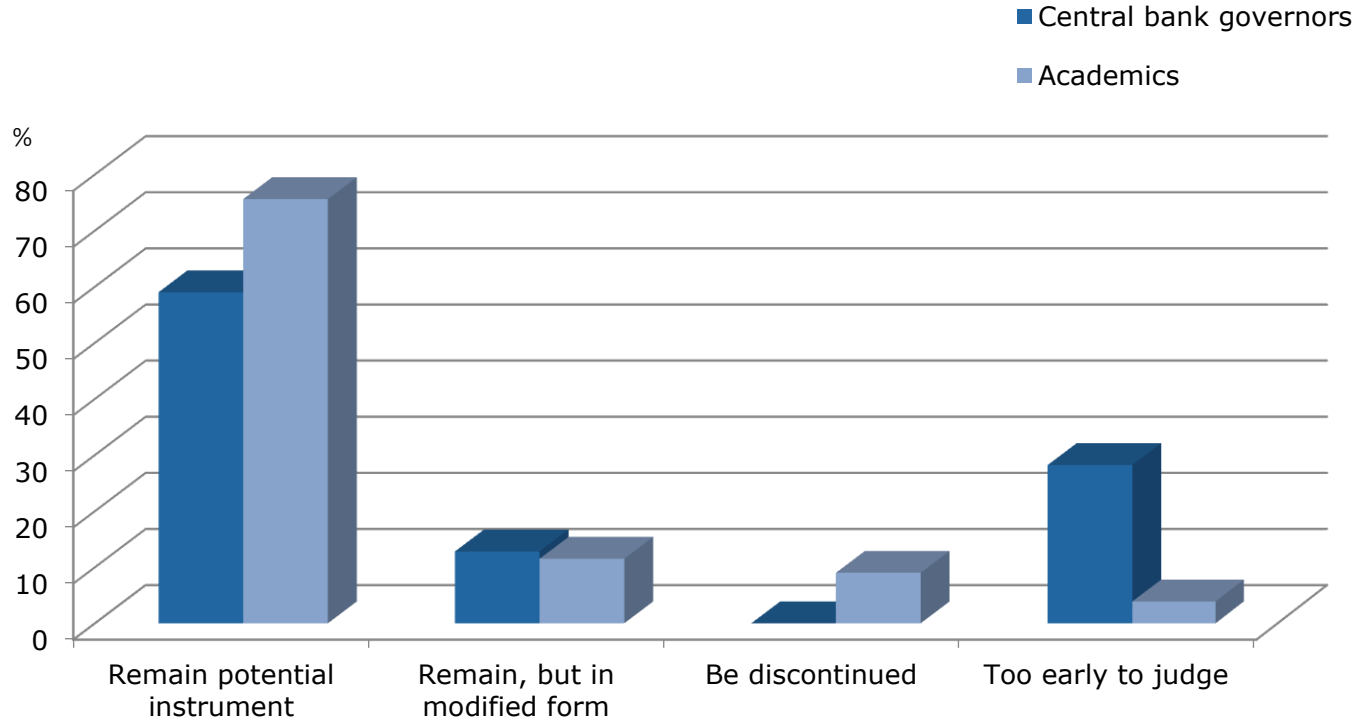
Controversy: who is leading who?



Is forward guidance here to stay?



The future role of forward guidance



Central banks in the spotlight





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Thank you!