

IMF – Singapore Regional Training Institute (STI)
Course on Model-Based Monetary Policy Analysis and Forecasting (ST17.08)
Singapore

May 1 – 12, 2017

READING LIST

Monday, May 1, L–1: Monetary Policy Frameworks and Transmission Channels

Klein, M. W., J. C. Shambaugh, 2013, “Is there a dilemma with the Trilemma?” VOXEU, 27 September 2013.

<http://voxeu.org/article/dilemma-financial-trilemma>

Ireland, P. N., 2005, “The Monetary Transmission Mechanism,” Working Papers No. 06–1 (Federal Reserve Bank of Boston).

<http://www.bos.frb.org/economic/wp/wp2006/wp0601.pdf>

Monday, May 2, L–2: Forecasting and Policy Analysis System (FPAS)

Clinton, K., C. Freedman, M. Juillard, O. Kamenik, D. Laxton, and H. Wang, 2015, “Inflation-Forecast Targeting: Applying the Principle of Transparency,” IMF Working Paper 15/132.

<https://www.imf.org/external/pubs/ft/wp/2015/wp15132.pdf>

Laxton, D., D. Rose, and A. Scott, 2009, “Developing a Structured Forecasting and Policy Analysis System to Support Inflation-Forecast Targeting (IFT),” IMF Working Paper 09/65

<http://www.imf.org/external/pubs/ft/wp/2009/wp0965.pdf>

Monday, May 2, L–3: Consistency of Policy Objectives and Macroeconomic Trends

Holub, T., “Price Convergence to the EU: Some Challenges for Monetary Policy,” CNB Economic Research Bulletin, No. 1, Vol. 1, December 2003, pp.4–5.

http://www.cnb.cz/en/research/research_publications/erb/download/ERB_No1_2003.pdf

Beneš, J., J. Hurník and D. Vávra, 2008, “Exchange Rate Management and Inflation Targeting: Modeling the Exchange Rate in Reduced-Form New Keynesian Models”, Czech Journal of Economics and Finance, 58 (3–4), pp. 166–194 (See relevant section).

http://journal.fsv.cuni.cz/storage/1128_str_166_194--benes-hurnik-vavra.pdf

Tuesday, May 2, L–4: Introduction to a Small New Keynesian Model for Policy Analysis

Berg, A., Karam, P. and D. Laxton, 2006, “Practical Model-Based Monetary Policy Analysis—A How-To Guide,” IMF Working Paper 06/81 (Washington: International Monetary Fund).

<https://www.imf.org/external/pubs/ft/wp/2006/wp0681.pdf>

IMF Institute for Capacity Development, 2015, “Handout for the Modeling Workshop”, Revised Unpublished Manuscript (Washington: IMF Institute for Capacity Development). Available on Moodle.

Tuesday, May 2, L–5: The CPI Components and their Relative Prices

Andrle, M., A. Berg, R. A. Morales, R. Portillo, and J. Vlcek, 2013, “Forecasting and Policy Analysis in Low Income Countries: Food and Non-Food Inflation in Kenya,” IMF Working Paper 13/31 (Washington: International Monetary Fund).

<https://www.imf.org/external/pubs/ft/wp/2013/wp1361.pdf>

Wednesday, May 3, L–6: Alternative Exchange Rate Regimes

Andrle, M., A. Berg, E. Berkes, R. A. Morales, R. Portillo, and J. Vlcek, 2013, “Money Targeting in a Modern Forecasting and Policy System: An Application to Kenya,” IMF Working Paper 13/239 (Washington: International Monetary Fund).

<https://www.imf.org/external/pubs/ft/wp/2013/wp13239.pdf>

Beneš, J., A. Berg, R. Portillo, and D. Vavra, 2013, “Modeling Sterilized Interventions and Balance Sheet Effects of Monetary Policy in a New Keynesian Framework,” IMF Working Paper 13/11 (Washington: International Monetary Fund).

<https://www.imf.org/external/pubs/ft/wp/2013/wp1311.pdf>

Ostry, J., A.R. Ghosh and M. Chamon, 2012, “Two Targets, Two Instruments: Monetary and Exchange rate Policies in Emerging Market Economies,” IMF Staff Discussion Note SDN/12/01 (Washington: International Monetary Fund).

<https://www.imf.org/external/pubs/ft/sdn/2012/sdn1201.pdf> [Advanced readings]

Wednesday, May 3, L–7: Estimating Long-Run Trends and Gaps

Cohen-Setton, J., and N. Valla, 2010, “Unnoticed Potential Output Revisions and their Impact on the Stimulus/Austerity Debate,” VOXEU, 17 August 2010.

<http://voxeu.org/article/output-revisions-and-stimulus-debate>

Beneš, J., K. Clinton, R. Garcia-Saltos, D. Laxton, P. Manchev and T. Matheson 2010, “Estimating Potential Output with a Multivariate Filter,” IMF Working Paper 10/285 (Washington: International Monetary Fund).

<https://www.imf.org/external/pubs/ft/wp/2010/wp10285.pdf>

Beneš J., N’Diaye P., 2004, “A Multivariate Filter for Measuring Potential Output and the NAIRU: Application to the Czech Republic”, IMF Working Paper 04/45 (Washington: International Monetary Fund).

<http://www.imf.org/external/pubs/ft/wp/2004/wp0445.pdf> [Advanced readings]

Thursday, May 4, L–8: Methods in Model Parameterization, Assessment of Model Properties

Fukac, M. and A. Pagan, 2009, “Structural Macro-Econometric Modelling in a Policy Environment,” RBNZ Discussion Paper DP2009/16.

https://ideas.repec.org/p/qut/auncer/2009_63.html

An, S. and F. Schorfheide, 2007. “Bayesian Analysis of DSGE Models,” *Econometric Reviews*, Taylor and Francis Journals, vol. 26(2-4), pp. 113–172. [Advanced, for those interested].

<https://sites.sas.upenn.edu/schorf/files/er-final.pdf>

Friday, May 5, L–9: Nowcasting

Hamilton, J., 2010, “Calling recessions in real time,” VOXEU, 18 July 2010.

<http://voxeu.org/article/calling-recessions-real-time>

Aruoba, S. B., F. X. Diebold and C. Scotti, 2009, “Real Time Measurement of Business Conditions,” *Journal of Business and Economic Statistics*, 27:4, 417-427.

<http://amstat.tandfonline.com/doi/abs/10.1198/jbes.2009.07205>

Stock, J. and M. Watson, 1989, “New Indexes of Coincident and Leading Economic Indicators,” *NBER Macroeconomics Annual*, Vol. 4, pp. 351–409, (Cambridge: National Bureau of Economic Research). [Advanced readings]

<http://www.nber.org/chapters/c10968.pdf>

Friday, May 5, L–10: Near-Term Forecasting

Loungani, P. and J. Rodriguez, 2008, “Economic Forecasts: Hard to Rely On?” *Finance & Development*, Vol. 45, pp. 42–43, (International Monetary Fund).

<http://www.imf.org/external/pubs/ft/fandd/2008/09/picture.htm>

Ouliaris, S., A. Pagan and J. Restrepo, 2015, "Quantitative Macroeconomic Modelling with Structural Vector Autoregressions: An EViews Implementation," On-line EViews book, chapter 2 and 3.

<http://www.eviews.com/StructVAR/structvar.html>

Monday, May 8, L–11: Extending the Core Model: Fiscal Policy

Huidrom, R., M. Kose, F. Ohnsorge, 2016, “Under the cloud of cycles: Linkages between fiscal multipliers and positions, VOXEU, 13 August 2016.

<http://voxeu.org/article/fiscal-multipliers-and-fiscal-positions-new-evidence>

Spilimbergo, A., S. Symansky, and M. Schindler, 2009, “Fiscal Multipliers,” IMF Staff Position Note SPN/09/11, May 20 (Washington: International Monetary Fund).

<http://www.imf.org/external/pubs/ft/spn/2009/spn0911.pdf>

Bornhorst, F. et al., 2011, “When and How to Adjust Beyond the Business Cycle? A Guide to Structural Fiscal Balances,” IMF Technical Notes and Manuals. [Advanced readings]
<http://www.imf.org/external/pubs/ft/tnm/2011/tnm1102.pdf>

Kamenik, O. et al., 2013, “A Simple Fiscal Stress Testing Model: Case Studies of Austrian, Czech and German Economies”, OECD Economics Department Working Papers, No. 1074. [Advanced readings]
http://www.oecd-ilibrary.org/economics/a-simple-fiscal-stress-testing-model_5k43nxm8hfvf-en?crawler=true

Tuesday, May 9, L–12: Baseline and Alternative Forecast Scenarios: Risk Analysis under Uncertainty

Andrle, M., T. Hlédik, O. Kameník and J. Vlček, 2010, “Implementing the New Structural Model of the Czech National Bank,” Economic Research Bulletin, Vol. 8, No. 1, pp. 2–7.
http://www.cnb.cz/en/research/research_publications/erb/download/ERB_No1_2010.pdf

Clinton, K. J. Dagher, O. Kamenik, D. Laxton, A. Alichí, and M. Mills, 2010, “A Model for Full-Fledged Inflation Targeting and Application to Ghana,” IMF Working Paper 10/25.
<https://www.imf.org/external/pubs/ft/wp/2010/wp1025.pdf>

Czech National Bank, Quarterly Inflation Reports, various years—for baseline forecasts and scenarios: [Advanced readings]
https://www.cnb.cz/en/monetary_policy/inflation_reports/