Course on Monetary Policy Implementation
Deutsche Bundesbank, Joint Vienna Institute, Oesterreichische Nationalbank
Vienna March 13-17, 2017

PROGRAM

Monday, March 13

8:30 a.m. - 9:00 a.m. Administrative Briefing
Ms. Tatiana Arnhold, Program Officer, Joint Vienna Institute (JVI)

9:00 a.m. - 9:30 a.m. Opening Session and Tour de Table
Mr. Tom Richardson, Director, JVI

9:30 a.m. - 10.30 a.m. Quiz

11:00 a.m. - 12:30 p.m. L-1 Principles of Modern Monetary Policy: Overview and Implications for Operations
Mr. Rafael Portillo, Senior Economist, JVI
- Goals, instruments and policy strategy
- Evolution of exchange rate and monetary frameworks
- Operations and the effectiveness of policy

2:00 p.m. - 3:30 p.m. L-2 Monetary Policy Implementation from a Balance Sheet Perspective
Ms. Sonja Juko, Senior Advisor Centre for Technical Central Bank Cooperation (TCBC), Deutsche Bundesbank (BBK)
- CB balance sheet: structure and evolution
- CB balance sheet: operational targets and implementation approaches
- CB balance sheet as basis for liquidity analysis
- Role of CB balance sheet in times of crisis

4:00 p.m. - 5:30 p.m. W-1 CB Balance Sheet Analysis: Assessing Liquidity Conditions
Ms. Juko, Mr. Malte Vieth, Head of Section, Coordination of External Projects, TCBC, BBK
- Analysis of size, structure and evolution of CB balance sheets
- Impact of CB operations on CB balance sheet

1 Unless otherwise stated, coffee breaks take place during 10:30 a.m. - 11:00 a.m. and 3:30 p.m. - 4:00 p.m. and lunch breaks during 12:30 p.m. - 2:00 p.m.
- Daily liquidity analysis and benchmark calculation

**Tuesday, March 14**

9:00 a.m. - 10:30 a.m. L-3  **Monetary Policy Implementation Using an Interest Rate Steering Approach**  
Ms. Juko  
- Conceptual basics of interest-rate steering  
- Basic techniques to control short-term interest rates

11:00 a.m. - 12:30 p.m. W-2  **Interest Rate and Liquidity Management in Practice: Case Study**  
Ms. Juko  
- Tracing the interaction of monetary policy  
- Operations, changes in liquidity and interest rate movements

2:00 p.m. - 3:30 p.m. L-4  **Open Market Operations (OMOs) - An Overview**  
Ms. Juko  
- Conceptual issues  
- Balance sheet perspective  
- Function  
- Operational features

4:00 p.m. - 5:30 p.m. W-3  **Design of OMOs: Advantages and Disadvantages of Various Modalities**  
Ms. Juko, Mr. Vieth  
- OMO type: Outright vs reverse transactions  
- OMO auction procedures  
- OMO maturity & frequency  
- OMO counterparties

**Wednesday, March 15**

9:00 a.m. - 10:30 a.m. L-5  **Official Intervention in FX Markets**  
Mr. Portillo  
- FX interventions and the CB balance sheet  
- Modalities of FX interventions  
- Interventions and the policy regime

11:00 a.m. - 12:30 p.m. L-6  **Unconventional Monetary Policy (UMP)**  
Mr. Portillo  
- Unconventional MP tools and their transmission channel  
- Implications for operations and the CB balance sheet  
- Operational frameworks after UMP
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| 2:00 p.m. – 3:00 p.m. | L-7      | Transition to Interest-Rate Based Operational Frameworks  
Mr. Alexei Miksjuk, Economist JVI, Mr. Portillo  
- Monetary policy implementation as part of the broader financial development agenda  
- Developing the money market infrastructure  
- Organizing the monetary policy implementation capacity |
| 3:15 p.m. – 5:30 p.m. | W-4      | Workshop in CB Auctions: Simulation Exercise  
Ms. Juko, Mr. Miksjuk, Mr. Portillo  
- OMOs & liquidity management from the perspective of CB counterparties  
- Auction mechanisms and bidding behavior |
| **Thursday, March 16** |          |                                                                                                                  |
| 9:00 a.m. – 10:30 p.m. | W-5      | Monetary Policy Implementation: A Survey-Based Country Comparison  
Ms. Juko, Mr. Portillo  
- Review and comparison of monetary policy frameworks in participating countries |
| 11:00 a.m. – 12.30 p.m. | L-8      | Risk Control in Monetary Policy Implementation  
Ms. Juko  
- Conceptual basics of risk control and role of collateral  
- Importance of risk control for CBs  
- Elements of collateral frameworks: asset eligibility criteria, asset valuation, haircuts |
| 2:00 p.m. – 3:30 p.m. | L-9      | Central Bank Transparency and Communication  
Mr. Vieth  
- Why CB transparency and communication is important  
- What to communicate  
- How to communicate |
| 4:00 p.m. – 5:30 p.m. | W-6      | Workshop on Central Bank Transparency and Communications  
Ms. Juko, Mr. Miksjuk, Mr. Vieth  
- Measuring central bank transparency  
- Comparison of transparency across countries |
**Friday, March 17**

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| 9:00 a.m. - 10:30 a.m. | L-10     | **Monetary Policy Implementation: Current Challenges**<br>Ms. Doris Ritzberger-Grünwald, Director of the Economic Analysis Department, and Ms. Claudia Kwapil, Expert, both OeNB  
- Unconventional policies  
- Level of inflation target  
- Exit from QE |
| 11:00 a.m. - 11.45 a.m. |          | Final quiz                                                               |
| 11:45 a.m. - 12.45 p.m. |          | **Closing Session**                                                      |