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Course on Monetary Policy Implementation  
Deutsche Bundesbank, Joint Vienna Institute, Oesterreichische Nationalbank  
Vienna, March 12-16, 2018  
READING LIST<sup>1</sup>

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**L-1: Principles of Modern Monetary Policy: Implications for Operations**

- Bindseil, Ulrich (2016). "Evaluating Monetary Policy Operational Frameworks," Economic Policy Symposium at Jackson Hole, Wyoming.  
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- **International Monetary Fund (2015). "Evolving Monetary Policy Frameworks in Low-Income and Other Developing Countries," October.**  
<https://www.imf.org/external/np/pp/eng/2015/102315.pdf>
- Freedman, Charles, and Inci Ötoker-Robe (2010), "Important Elements for Inflation Targeting for Emerging Economies," IMF Working Paper wp/10/113.  
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**L-2: Interest rate steering**

- Berentsen, Aleksander and Cyril Monnet (2008): Monetary policy in a channel system, in: *Journal of Monetary Economics* 55 (2008) 1067–1080
- **Bindseil, Ulrich (2014): Three basic Techniques to Control Short-term Interest Rates, in: Bindseil, Ulrich (2014): Monetary Policy Operations and the Financial System, pp 51-61**
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- Bindseil, Ulrich and Jablecki (2011): The optimal width of the central bank standing facilities corridor and banks' day-to-day liquidity management, ECB working paper No 1350, June 2011.  
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[https://www.snb.ch/n/mmr/reference/working\\_paper\\_2009\\_15/source/working\\_paper\\_2009\\_15.n.pdf](https://www.snb.ch/n/mmr/reference/working_paper_2009_15/source/working_paper_2009_15.n.pdf)

**L-3: Monetary policy implementation from a balance sheet perspective**

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<sup>1</sup> Key readings are highlighted with bold font

- **Bindseil, Ulrich (2014): Representing Policy Operations in Financial Accounts, in Ulrich Bindseil (2014): Monetary Policy Operations and the Financial System, Chapter 2, pp 15-35.**
- Caruana, Jamie (2012): Why central bank balance sheets matter, in: BIS Papers No 66. <https://www.bis.org/publ/bppdf/bispap66b.pdf>
- Durré, A. and H. Pill (2012): Central Bank balance sheets as policy tools, in: BIS Paper No 66. <https://www.bis.org/publ/bppdf/bispap66m.pdf>
- ECB (2001): Autonomous liquidity factors in the euro area and the use of the forecasts of liquidity needs provided by the ECB, in: ECB Monthly Bulletin, July 2001, pp 14-16. [https://www.ecb.europa.eu/pub/pdf/other/mb200107\\_focus02.en.pdf?9b5ca7661d8f4e4549b8e2703d4b6a6b](https://www.ecb.europa.eu/pub/pdf/other/mb200107_focus02.en.pdf?9b5ca7661d8f4e4549b8e2703d4b6a6b)
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- **Gray, Simon (2008): Liquidity forecasting, CCBS Handbook in Central Banking, No. 27.** <https://www.bankofengland.co.uk/-/media/boe/files/ccbs/resources/liquidity-forecasting.pdf?la=en&hash=B6D02F15DDB16AD60F0D1CD714DDCB1E26B19F62>
- **Rule, Garreth (2015): Understanding the central bank balance sheet, CCBS Handbook in Central Banking, No. 32.** <https://www.bankofengland.co.uk/-/media/boe/files/ccbs/resources/understanding-the-central-bank-balance-sheet.pdf?la=en&hash=0475942A8BE465179CF4CFB4996AF44CDACB1662>

#### **L-4: Reserve requirements**

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- **Gray, Simon (2011): Central Bank Balances and Reserve Requirements, IMF Working Paper 11/36.** <https://www.imf.org/en/Publications/WP/Issues/2016/12/31/Central-Bank-Balances-and-Reserve-Requirements-24648>
- Keister, T. and J. Mc Andrews (2009): Why are banks holding so many excess reserves? Fed NY, Staff Report No 380. [https://www.newyorkfed.org/medialibrary/media/research/current\\_issues/ci15-8.pdf](https://www.newyorkfed.org/medialibrary/media/research/current_issues/ci15-8.pdf)
- Tovar, Camilo et.al. (2012): Credit Growth and the Effectiveness of Reserve Requirements and Other Macroprudential Instruments in Latin America, IMF Working Paper 12/142. <https://www.imf.org/en/Publications/WP/Issues/2016/12/31/Credit-Growth-and-the-Effectiveness-of-Reserve-Requirements-and-Other-Macroprudential-25958>

### L-5: Open market operations

- Bindseil, U. (2014): Open Market Operations in Normal Times, in: Bindseil (2014): Monetary Policy Operations and the Financial System, Chapter 7, pp 85-95
- Bindseil, U. (2014): Open Market Operations and Standing Facilities, in: Bindseil (2014): Monetary Policy Operations and the Financial System, Chapter 13, pp 201-234
- **Gray, Simon and Nick Talbot (2006): Monetary Operations, CCBS Handbook in Central Banking, No 24, p 36-44.** <https://www.bankofengland.co.uk/-/media/boe/files/ccbs/resources/monetary-operations.pdf?la=en&hash=4458566AEF8644E5C48E663A3761B430F7C6C208>
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### L-6: Official Interventions in FX Market

- Bank for International Settlements (2013): “Market Volatility and Foreign Exchange Intervention in EMEs: What Has Changed?” BIS Papers no 73. <http://www.bis.org/publ/bppdf/bispap73.htm>
- Ostry, Jonathan et. al. (2012). “Two Targets, Two Instruments: Monetary and Exchange Rate Policies in Emerging Market Economies,” IMF Staff Discussion Note. <http://www.imf.org/external/pubs/ft/sdn/2012/sdn1201.pdf>
- Adler, Gustavo, Irineu de Carvalho and Olivier Blanchard (2015). “Can Foreign Exchange Rate Intervention Stem Exchange Rate Pressures from Global Capital Flow Shocks?” IMF Working Paper 15/159. <http://www.imf.org/en/Publications/WP/Issues/2016/12/31/Can-Foreign-Exchange-Intervention-Stem-Exchange-Rate-Pressures-from-Global-Capital-Flow-43090>

### L-8: Monetary Policy Implementation: Current Challenges

- Haldane, A., M. Roberts-Sklar, T. Wieladek and C. Young (2016). QE: The story so far. Bank of England, Staff Working Paper No. 624.
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- ECB Economic Bulletin (2017a). MFI lending rates: pass-through in the time of non-standard monetary policy. Issue 1/2017, pp. 40-63.
- ECB Economic Bulletin (2017b). Impact of ECB’s non-standard measures on financing conditions: taking stock of recent evidence. Issue 2/2017, pp. 46-51.