

# Measuring and responding to long-run inflation expectations

Ricardo Reis

LSE

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1. What is the long-run goal of the central bank?
2. The centrality of expectations in the long run
3. Are long-run expectations well anchored today?
4. Looking at financial markets for guidance
5. Policy actions to anchor expectations
6. Policy regimes to keep them anchored
7. Communication and expectations

1. What is the long-run goal of the central bank?  
*Inflation, alone*
2. The centrality of expectations in the long run  
*Anchoring inflation is anchoring expectations*
3. Are long-run expectations well anchored today?  
*Might seem so, but remember Japan*
4. Looking at financial markets for guidance  
*Cause for great concern in EZ and US*
5. Policy actions to anchor expectations  
*Be aggressive, mean it, go above target, globalize*
6. Policy regimes to keep them anchored  
*Symmetric target, price level, fiscal if need be*
7. Communication and expectations  
*Overreach for clarity and reach may erode trust*