New Monetary Policy Tools: What Have We Learned?

Eric S. Rosengren
President & CEO
Federal Reserve Bank of Boston

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bostonfed.org
Figure 1: Federal Reserve System Assets

Source: Federal Reserve Board, Haver Analytics

Periods of Large-Scale Asset Purchases ‘QE’

QE1
11-Jun-08
18-Nov-09
27-Apr-11
3-Oct-12
12-Mar-14

QE2

Maturity Extension Program Begins and Ends

QE3

Tapering Announcements ($10 Billion Each)

Trillions of Dollars
Figure 2: Blue Chip Forecast for U.S. Real GDP Growth

Forecast as of August 10, 2012

Source: Blue Chip Economic Indicators, August 10, 2012, BEA, Haver Analytics
Figure 3: Blue Chip Forecast for the U.S. Unemployment Rate

Forecast as of August 10, 2012

Source: Blue Chip Economic Indicators, August 10, 2012, BLS, Haver Analytics
Figure 4: U.S. FHFA House Price Purchase-Only Index: IHS Global Insight Forecast and Actual Forecast as of August 2012

Source: IHS Global Insight, U.S. Economic Outlook, August 2012, FHFA, Haver Analytics
Figure 5: U.S. Housing Starts: Blue Chip Annual Forecast for 2013 and Quarterly Actual Forecast as of August 10, 2012

Note: Actual quarterly observations are seasonally adjusted annual rates.

Source: Blue Chip Economic Indicators, August 10, 2012, Bureau of the Census, Haver Analytics
Figure 6: U.S. Auto Sales: Blue Chip Annual Forecast for 2013 and Quarterly Actual Forecast as of August 10, 2012

Note: Actual quarterly observations are seasonally adjusted annual rates.

Source: Blue Chip Economic Indicators, August 10, 2012, BEA, Haver Analytics.
Figure 7: U.S. Unemployment Rate: Blue Chip Forecast and Actual

Forecast as of August 10, 2012

Source: Blue Chip Economic Indicators, August 10, 2012, BLS, Haver Analytics
Figure 8: 10-Year U.S. Treasury Note Yield at Constant Maturity

January 2, 2013 - June 2, 2014

Source: Federal Reserve Board, Haver Analytics
Figure 9: U.S. Treasury Yield Volatility Index
January 1993 - May 2014

Note: Merrill Lynch’s MOVE Index is a yield curve weighted index of the normalized implied volatility on 1-month Treasury options. It is the weighted average of volatilities on Treasuries maturing in 2, 5, 10, and 30 years with weights of 20%, 20%, 40% and 20%, respectively.

Source: Bank of America Merrill Lynch, Bloomberg, Haver Analytics
Figure 10: Excess Reserves of Depository Institutions in the U.S.
January 2007 - April 2014

Source: Federal Reserve Board, Haver Analytics
Figure 11: Federal Funds Target Rate and 10-Year U.S. Treasury Yield
January 1990 - May 2014

Source: Federal Reserve Board, Haver Analytics
Figure 12: Federal Reserve System Assets

Source: Federal Reserve Board, Haver Analytics