จากข้อความสู่ข้อมูล...มิติใหม่ของการวิเคราะห์การสื่อสารนโยบายการเงิน

สัมมนาวิชาการธนาคารแห่งประเทศไทยประจำปี 2559
วิจารณ์บทความโดย
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DISCLOSURE APPENDIX AT THE BACK OF THIS REPORT CONTAINS IMPORTANT DISCLOSURES AND ANALYST CERTIFICATIONS.
Agenda

- Text as Data – Why it matters
- Text vs Data – Context sensitivity
- Future research questions
Text as data – Why it matters
CB Communication – The basic framework

**Messages**
- Information on the economy
- CB reaction function

**Central banks**
- Tools
  - Monetary policy decisions
  - Voting patterns
  - Forecast changes
  - Statements
  - Minutes
  - Speeches/interviews
  - Reports

**Audience**

**FEEDBACK**
From text to continuous variable to detect subtle changes in CB’s thinking

Monetary policy decisions
Voting patterns
Forecast changes

Statements
Minutes
Speeches/interviews
Reports

Structured data
Discrete
‘Strong signal’
Slow moving?

Unstructured data
Continuous
‘Subtle signal’
Text vs Data – ‘Context sensitivity’
### Which one was followed by a rate cut?

<table>
<thead>
<tr>
<th><strong>GROWTH</strong></th>
<th><strong>GROWTH</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>In 2015, the economy should continue to recover, albeit at a rate lower than formerly assessed.</td>
<td>Looking ahead, the economy should continue to recover ....which should strengthen the recovery of domestic demand. Nevertheless, key downside risks from global economy remain....</td>
</tr>
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<table>
<thead>
<tr>
<th><strong>INFLATION</strong></th>
<th><strong>INFLATION</strong></th>
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<tbody>
<tr>
<td>[Headline inflation]..is projected to remain subdued for some periods ahead, in line with global oil prices</td>
<td>This increased the probability of breaching the lower bound of the inflation target in 2015, but is not considered deflation because...</td>
</tr>
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<table>
<thead>
<tr>
<th><strong>FINANCIAL STABILITY</strong></th>
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<tbody>
<tr>
<td>Meanwhile, risks to financial stability from a period of low interest rates are contained.</td>
<td>Risks to overall financial stability remain contained, but household loan quality and asset price movements warrant continued monitoring</td>
</tr>
</tbody>
</table>
Q1: To what extent CB communications are affected by what the financial markets are signaling?

Active vs reactive

Central banks
- The Governor and staff
- MPC external members
- Other government officials

Tools
- Monetary policy decision
- Voting patterns
- Forecast changes
- Statements
- Minutes
- Speeches/interviews
- Reports

Audience
- Domestic mkt participants
- Foreign investors
- Media
- General public

FEEDBACK
Which central banks are full of surprises?

NUMBERS AS OF 16 August 2016 (since 2007)

<table>
<thead>
<tr>
<th>Central Bank &amp; policy rate</th>
<th>% Surprises*</th>
<th>% Dovish surprises**</th>
<th>Number of rate changes***</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia – BI rate</td>
<td>17.1%</td>
<td>54.5%</td>
<td>46</td>
</tr>
<tr>
<td>Philippines – reverse repo</td>
<td>9.7%</td>
<td>55.6%</td>
<td>22</td>
</tr>
<tr>
<td>Thailand – repo rate</td>
<td>15.6%</td>
<td>58.3%</td>
<td>27</td>
</tr>
<tr>
<td>Taiwan – discount rate</td>
<td>16.7%</td>
<td>57.1%</td>
<td>20</td>
</tr>
<tr>
<td>India – repo rate</td>
<td>23.3%</td>
<td>35.7%</td>
<td>25</td>
</tr>
<tr>
<td>Korea – 7 day repo</td>
<td>17.6%</td>
<td>42.9%</td>
<td>25</td>
</tr>
<tr>
<td>Malaysia – overnight policy rate</td>
<td>16.7%</td>
<td>58.3%</td>
<td>11</td>
</tr>
</tbody>
</table>

* Percentage of scheduled rate decisions consensus got wrong. ** Percentage of errors where central bank surprised in hawkish direction. *** Figures in brackets show number of policy rate changes made between scheduled meetings

Source: Credit Suisse, the BLOOMBERG PROFESSIONAL™ service
Q2: Does changing the MPCs influence link between communication and policy actions?

Thailand's CB surprise Index

- Governor Prasarn started
- Change in MPCs
- Governor Veerathai started
- Change in MPCs
Designing monetary policy communication: Being clear, informative, and…
Q3. How should communication be mixed with other policy actions?

People expect very dovish Fed
Weak dollar, stable UST yields, rallying stocks, EM capital inflows

Should we still believe the Fed?

Tighter financial conditions
(stronger dollar, rising UST yields, stock mkt decline, EM capital outflows)

More dovish/less hawkish Fed

Hawkish Fed
Conclusions

- Converting CB’s texts into data is like ‘listing companies on a stock market’, with ‘stock prices’ reflecting views of the MPC.

- However, data created from texts is likely to be more sensitive to ‘contexts’ than the usual economic data.

- Converting text into data allows us to explore how context could influence policy communications and actions, and ultimately understand how to create more effective communication strategy.
Disclosure Appendix

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Sanftim Sathirathai, Michael Wan and Deepak Bhargava each certify, with respect to the companies or securities that the individual analyzes, that (1) the views expressed in this report accurately reflect his or her personal views about all of the subject companies and securities and (2) no part of his or her compensation was, is or will be directly or indirectly linked to the specific recommendations or views expressed in this report.

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