

Banka Slovenije
in cooperation with
the Research Centre of the School of Economics and Business
invites you to a seminar

Monetary Policy in the Media Spotlight: Sentiments, Signals, and Economic Impact

Author and speaker:
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The seminar will be held in the
Great Hall of Banka Slovenije
on Monday, 30 June 2025 at 10:00

Abstract:

This paper studies how perceptions of future monetary policy—captured through news-based sentiment indicators—influence macroeconomic dynamics. Authors first construct media coverage indicators of monetary policy, leveraging both traditional machine learning techniques and large language models (LLMs) applied to an extensive dataset from major Canadian newspapers. Authors label these indicators as sentiments about monetary policy and interpret them as reflecting the cognitive discounting effects from Gabaix (2020). Authors show that these indicators have significant predictive ability for major economic variables and that they enter significantly into an estimated Taylor rule, suggesting that these sentiments play a role in the determination of interest rates. Finally, authors study how these extracted sentiments or narratives could be interpreted as reflecting the communication strategy of monetary authorities: in such an interpretation, these sentiments are not only additional information that helps set monetary policy but rather an integral part of it.

About the speaker:

Dalibor Stevanović is a full professor, co-director of graduate studies and co-chair of the Macroeconomics and Forecasting at School of Management, Université du Québec à Montréal. Professor Stevanović holds research positions at several international research centres (CIRANO, Rimini Centre for Economic Analysis, Centre for Monetary and Financial Economics). His research interests are time series econometrics, macroeconomics and finance, with a special focus on machine learning and big data analysis. He is publishing research articles in leading academic journals. In 2022, he received a Harry Johnson Prize for the best paper published in 2022 in Canadian Journal of Economics. Professor Stevanović holds a PhD in Economics from Université de Montréal. He obtained his doctorate under the supervision of Jean-Marie Dufour and Jean Boivin.

How to sign up:

To sign up for the seminar, please send an email to seminar@bsi.si. You can sign up by Thursday, 26 June 2025. The seminar will be held in English.