

## **Description for the general public in English**

The objective of information strategies of central banks in the area of monetary policy is a reduction of market uncertainty among the financial market participants thanks to their better understanding of central banks actions. Transparent monetary policy of central banks should also contribute to market development measured by investors activity and the volume of trade, which they generate.

The aim of the proposed project is a detailed investigation of short-term responses of the financial market in Poland, in its three main segments: stock market, foreign exchange market and money market, to the announcements regarding the new monetary policy data released by the National Bank of Poland (NBP) using high-frequency data (daily and intra-daily).

The methodological tools used in this research project from the quantitative side will include the econometric models (mainly ARCH class models with dummy variables) and event studies methods.

The quantitative analysis will be supported by additional qualitative analyses based on such research tools as interviews with investment managers and in Poland: direct structured interviews F2F (face-to-face) and individual in-depth interviews (IDI).

The results of this research project will contribute to better understanding of the impact of NBP central bank communication with financial markets regarding its monetary policy on the prices of financial instruments and on the changes of market activity in response to new NBP announcements as well as on the reduction of market uncertainty among the participants of the Polish financial market.

Due to comprehensive nature of the proposed project which encompasses both quantitative and qualitative methodological tools, the results of this research are expected to have broader policy implications and they will contribute to better understanding of such economic issues as: (1) the role of information in form of public announcements of new macroeconomic data for the construction of new theoretical models of pricing financial assets, (2) the role of central banks in transition economies which are evolving towards market based systems, (3) the impact of institutional changes at central banks on the effectiveness of their communication strategies with financial markets, (4) differences between the responses of various segments of financial market (e.g. stock market and foreign exchange market) to the publication of macroeconomic data from central banks.

The outcomes of this project will also deliver important knowledge regarding various aspects of the stability of a wider financial system in Poland.