Short-term Responses of Financial Market in Poland to the National Bank of Poland (NBP) Monetary Policy Announcements

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- Thank you for coming.

1. General Comments

- Interesting look at Polish announcements of monetary policy and market reaction.
- The results don’t seem surprising

2. Specific Comments

Some very interesting references that you might wish to read are:

- https://www.bis.org/publ/work71.pdf
- https://www.newyorkfed.org/medialibrary/media/research/epr/97v03n4/9712flem.pdf
- https://jpm.iijournals.com/content/25/4/28
- http://personal.lse.ac.uk/verardom/papers/BetaNews_RFS12.pdf

2. Specific Comments

1. You mention FX market size, can you actually put real numbers and compare to more established FX markets?
2. Why do you use broad economic variables ONLY for the intraday study? Seems odd.
3. You should explain the equations more and write them out more.

2. Specific Comments

4. Some really good work on this type of stuff for equities and bonds is Remolona and Fleming (see my references)
5. You removed 12 data points – seems suspicious – explain more
6. Have you thought of a benchmark for currency so as to have a “beta” prior to the event rather than just AR or average return?
7. Did you get intraday data from Datastream? I didn’t know they had this.

2. Specific Comments

8. Table 3. Nothing differs from expectations for the interest rate. That seems odd. Perhaps explain this more. Also, you might have a larger table with actual expected number and typical number of something else that gives more color.
9. Do you really need GARCH? Is it just because of the nature of FX markets. Perhaps explain the value in that.

2. Specific Comments

10. Table 4. You mention “interest rate up” coefficients, but before you say no differ than expectations in Table 3. Perhaps explain what’s going on and why the difference.
11. I think all tables should be presented better and in a better format.
12. Table 6. I assume this is all minutes before and after event. Maybe put that in table footnote.

2. Specific Comments

13. Am I correct that all reaction occurs in the MINUTE of the announcement, no other drift? How does that compare to Remolona and other studies on US markets?
14. You state “announcements matter” – so why is that important? Seems rather obvious in an efficient market. What’s the new twist?
15. On page 23, you say important results for PMs. But is that true? PMs can’t act on the news, it happens in one minute. So I would clarify what you mean.

Summary

I think it’s an interesting application to the Polish markets, but I also think the result is fairly obvious. If it’s not, then you need to stress what is important about it. If it is, then say something like “as expected markets seem to react efficiently in Poland”.

Thank you

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