PIERRE SIKLOS, Wilfrid Laurier University

How Machine Learning Helps Us Understand Central Bank Communication: Some Illustrations

I draw upon ongoing research with colleagues to illustrate how LLM and topic modelling developments have impacted how economists interpret what central banks communicate. In particular, I summarize relevant contributions from: "Emotion in Euro Area Monetary Policy Communication and Bond Yields: The Draghi Era" (with D. Kanelis); "A New Sentiment Indicator for the Euro Area" (with D. Kanelis) "One Money, One Voice? Evaluating Ideological Positions of Euro Area Central Banks" (with P. Hofmarcher, M. Feldkircher). Versions are available from SSRN.