

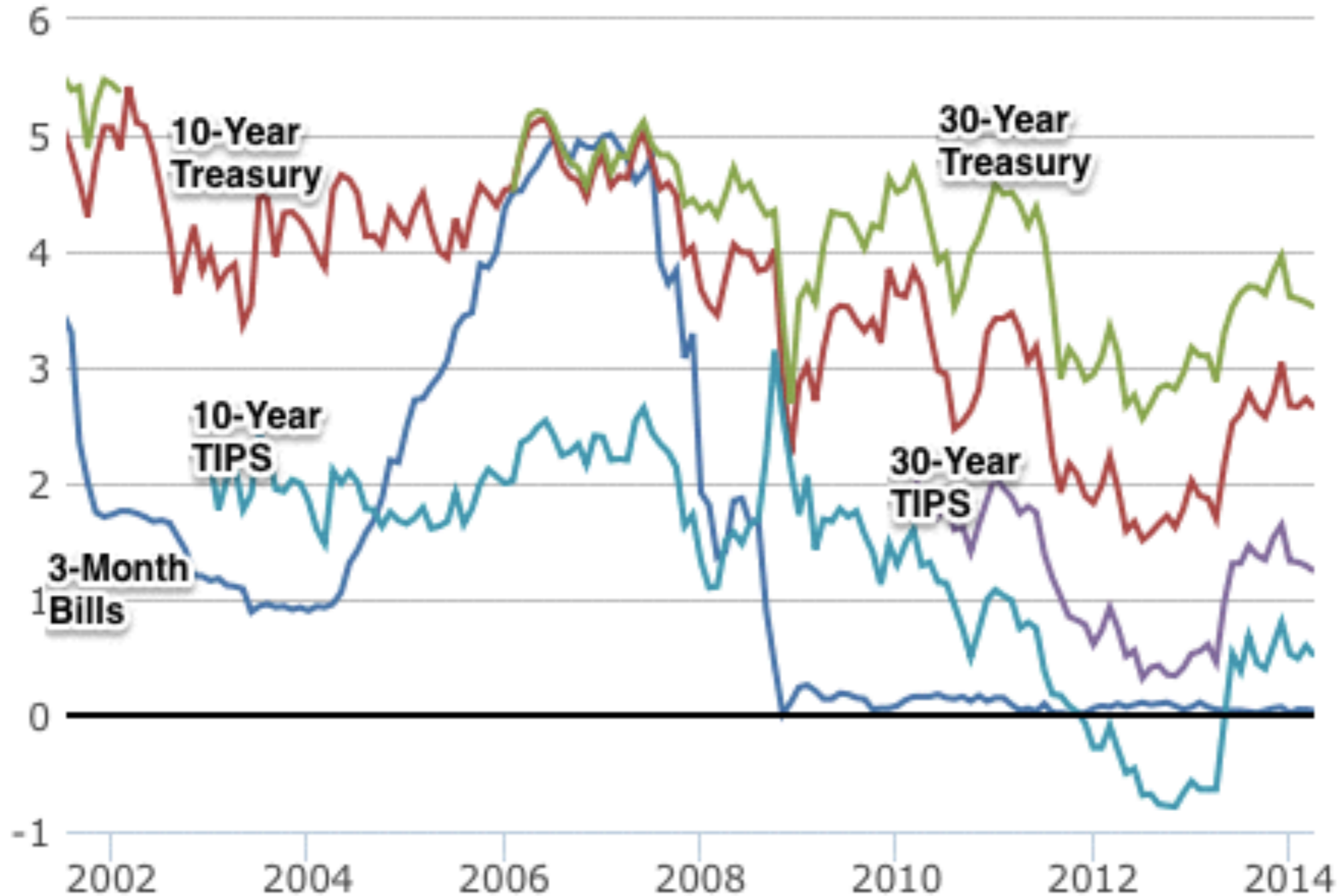
Principles of Economics
Macroeconomics
Monetary Orthodoxy

J. Bradford DeLong
U.C. Berkeley

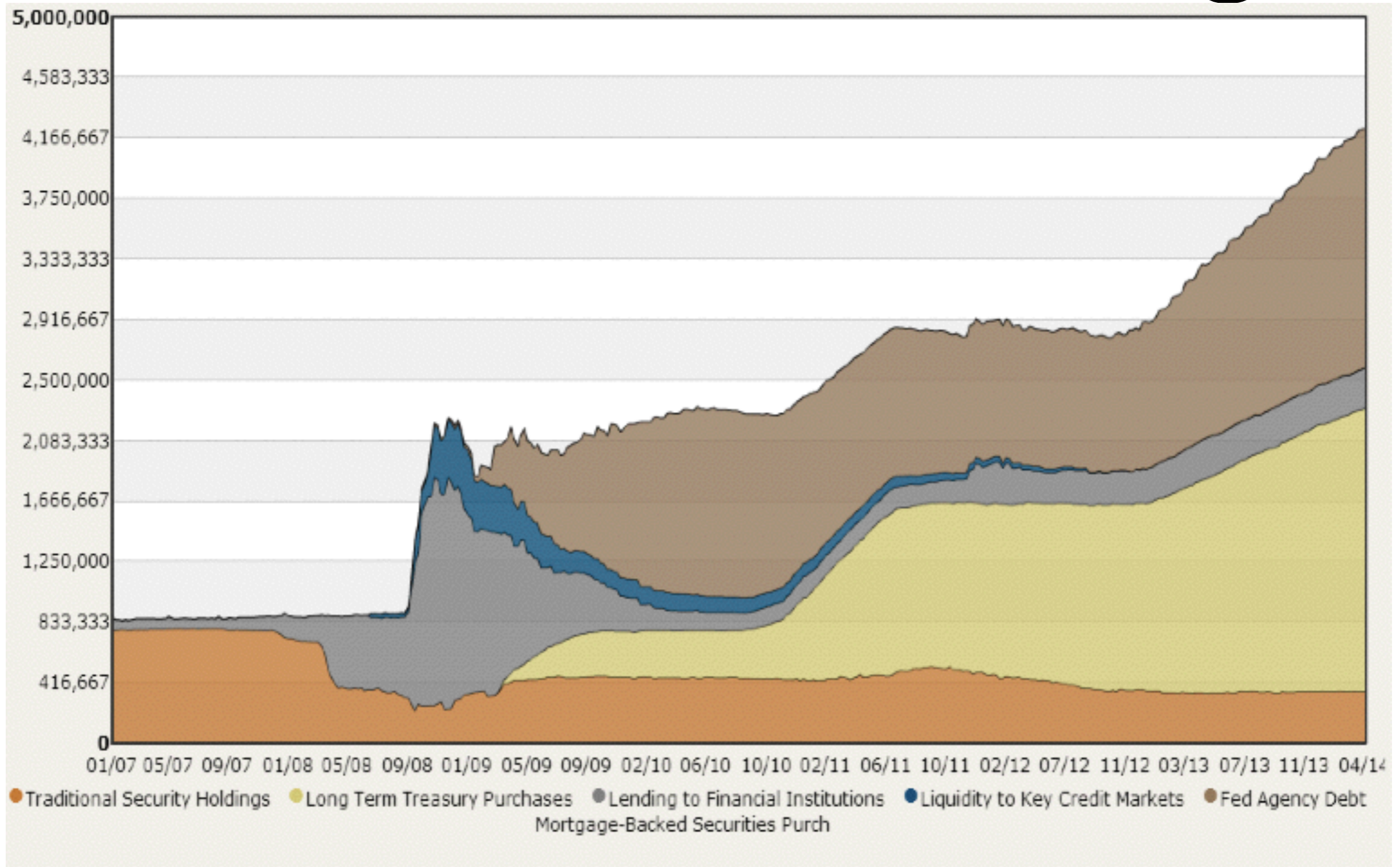
At the Zero Lower Bound on Safe Nominal Interest Rates

- So can the central bank do anything?
- Buy risky assets
- Shift expectations:
 - Of future policy and of inflation
 - Forward guidance
 - Regime shift

U.S. Treasury Interest Rates



Quantitative Easing



The “Taper”



“Taper Tantrum”

