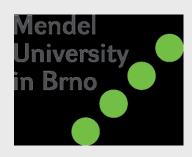


June 15, 2015, Brno Author: Dominik Holásek

Monetary Policies in the US and the Eurozone



Summary

- 1. Reasons for research
- 2. Purpose of the Thesis
- 3. Methodology
- 4. Observations
- 5. Contribution of the Thesis

Reasons for research

- importance of monetary policy in economy
- interdependency of European and U.S. financial markets
- impacts of FED's and ECB's policies on both sides of the Atlantic

Purpose of the Thesis

 to identify differences in monetary policymaking process between FED and ECB

Methodology

The Thesis consists of two parts.

- 1) theoretical part
 - functions, goals and instruments used by both monetary authorities
 - theoretical comparison

Legal documents, official statements, annual reports and publications of European and American authors were used during the elaboration of this part.

2) practical part

- description and impacts of anti-crisis policies conducted by both central banks
- practical comparison

For the description, official statements to anticrisis programs were used.

Regarding the impacts, they were examined using a variety of macroeconomic, financial and monetary indicators.

Observations

- goals and behavior of the European and American central bank influence significantly the monetary policymaking and have an impact on expectations of financial market participants
- the FED's explicit declaration concerning future value of basic interest rates explains the effects of its policies to the public better

- the more careful behavior of European financial market participants and a different financial system have a cardinal impact on the quickness of recovery from economic crises in the Eurozone
- conservative policies conducted by the European Central Bank leave less space for a possible moral hazard, which helps to prevent the Eurozone from future financial crises

Contribution of the Thesis

- unique work in the range of data used for comparison
- the observations help to estimate future steps conducted by both institutions during next economic crises
- the findings also provide information to investors and managers of financial and nonfinancial institutions about how monetary policy in the Eurozone and the U.S. can influence their businesses