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“Central Bank Transparency and the Signal Value of Prices”  
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The effectiveness of monetary policy hinges on the central bank's ability to influence market expectations. Central bank transparency is a means toward this end. However, the more effective the central bank is at influencing the market's expectations, the greater is the potential for market outcomes to reflect the central bank's own assessment of the economy. The role of market prices in aggregating the information held by dispersed individual economic agents may thereby be impaired. This paper explores trade-offs involved in central bank transparency and relates them to the debates concerning the overweighting of public information in market decisions and the welfare consequences of greater provision of public information.

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