

Investor Advisory Committee on Financial Markets

Chairman: William Dudley

33 Liberty Street, 10th Floor

New York, NY 10045

Tuesday, February 28, 2012; 11:00 pm – 2:00pm

Meeting Agenda

Europe

- What do members see as the implications of the second Greek aid package and terms of PSI? More broadly, to what extent have euro-area policy actions since the last meeting mitigated bank and sovereign funding risks?
- To what extent do members judge the recent stabilization in European asset prices and funding markets as sustainable?
- How have euro-area events impacted the availability of credit to households and businesses, both in Europe and globally?

The Financial Landscape

- How has the dealer business model shifted since the financial crisis? Are observed changes due to structural or cyclical factors?
- How, if at all, have changing dealer business models impacted market liquidity and asset valuations?
- A number of global capital market banks have experienced credit rating downgrades in recent years, and some of these banks are currently on review for possible downgrade. What do members see as the main implications for markets, investors and credit provision of any potential further downgrades?

Monetary Policy

- How do members interpret the January FOMC statement's guidance that economic conditions "are likely to warrant exceptionally low levels for the federal funds rate at least through late 2014"?
- How do members understand FOMC participants' federal funds rate projections within the context of the FOMC statement's guidance on the likely level of the federal funds rate through late 2014?
- Does the FOMC's statement on long-run goals and policy strategy provide useful information on the FOMC's reaction function? How do members characterize the reaction function at present?
- What does the term structure of interest rates imply about long-term growth prospects, inflation and the policy outlook?
- How has the stance of monetary policy at major central banks affected, if at all, the trajectory and outlook for global asset prices?