

Abstract

The thesis aims to shed light on the European Central Bank's communication in order to identify its main components bearing information about future changes in the policy rate. For the analysis, the study introduces a modification of a widely used approach based on the dissent expressed in previous monetary policy vote. Since the European Central Bank does not publish the vote's details the communication of the central bank is used as a proxy. Results not only confirm the predictive power of the communication but furthermore indicate that the financial markets do not fully incorporate the information contained. A detailed analysis shows the relevance of the timing, delivery and content of the communication. The study therefore provides a summary of the important factors of the European Central Bank board members' statements for predicting future monetary policy.