

**Banka Slovenije**  
in cooperation with  
**the Research Centre of the School of Economics and Business**  
invites you to a seminar

***Inflation Attention and Inflation Expectations***

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Montréal

The seminar will be held in the  
**Great Hall of Banka Slovenije**  
on **Wednesday, 26 June 2024 at 11:00 CEST**

**Abstract:**

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In this article M. Marcellino and D. Stevanović study how the demand and supply of information about inflation affect inflation developments. As a proxy for the demand of information, authors extract Google Trends (GT) for keywords such as "inflation", "inflation rate", or "price increase". The rationale is that when agents are more interested about inflation, they should search for information about it, and Google is by now a natural source. As a proxy for the supply of information about inflation, authors instead use an indicator based on a (standardized) count of the Wall Street Journal (WSJ) articles containing the word "inflat" in their title. Authors find that measures of demand (GT) and supply (WSJ) of inflation information have a relevant role to understand and predict actual inflation developments, with the more granular information improving expectation formation, especially so during periods when inflation is very high or low. In particular, the full information rational expectation hypothesis is rejected, suggesting that some informational rigidities exist and are waiting to be exploited. Contrary to the existing evidence, authors conclude that the media communication and agents attention do play an important role for aggregate inflation expectations, and this remains valid also when controlling for FED communications.

**About the author:**

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Dalibor Stevanović is a full professor and co-director of graduate studies at School of Management, Economics Department, Université du Québec à Montréal. Professor Stevanović holds research positions at several international research centres (CIRANO, Rimini Centre for Economic Analysis, Centre for Monetary and Financial Economics). His research interests are time series econometrics, macroeconomics and finance, with a special focus on machine learning and big data analysis. He is publishing research articles in leading academic journals. In 2022, he received a Harry Johnson Prize for the best paper published in 2022 in Canadian Journal of Economics. Professor Stevanović holds a PhD in Economics from Université de Montréal. He obtained his doctorate under the supervision of Jean-Marie Dufour and Jean Boivin.

**How to sign up:**

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To sign up for the seminar, please send an email to [seminar@bsi.si](mailto:seminar@bsi.si). You can sign up by Monday, 24 June 2024. The seminar will be held in English.