Subject/Title	Foreign Disturbance, Inflation and Nominal Anchor Switch in Monetary Policy
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Abstract	This paper examines the effect of a preannounced change in the monetary policy in a small open economy. Based on the framework of Shaw, Lai and Chang (2005), using an endogenous growth model, we explore how a monetary policy-switching the money growth rate targeting to the inflation targeting-affects the growth rate and price as facing a disturbance from foreign. The main result is that an anticipated monetary policy leads to a lower fall in stock prices, mitigating the inflation, and declining the economic growth. The anticipated monetary policy hence exhibits an stabilization effect on the economy.
Keyword(s)	Inflation Targeting ； Nominal Anchor ； Regime Reform