None of the four major central banks has changed its operating target since July 10, when the Monetary Policy Committee of the Bank of England reduced its policy rate from 3.75% to 3.5%. On balance, since the Federal Open Market Committee’s last rate reduction, most of the other rate-setting central banks tracked by Bloomberg also have lowered their operating targets at least 25 basis points.

A central bank typically acts as the bank for a nation’s banks, which use central bank deposit transfers to settle their debts to one another. The Bank for International Settlements (BIS) is a central bank for central banks, established in 1930 to facilitate payment of international reparations from World War I. In addition to its banking functions, the BIS is an important center for economic and financial research that facilitates international discussion and helps coordinate decision making among central banks.

The Reserve Bank of New Zealand announced in August that it has accepted an invitation to join the BIS, becoming the sixteenth new member since 1996. The BIS has been enlarging its membership to “underpin its increasingly global activities and the regional interests of its shareholding members.” New Zealand’s central bank says that it expects benefits to include “increased access to foreign currency funding, which in a crisis could enhance the Bank’s capabilities to intervene in markets to maintain stability. Being a BIS shareholder also more generally strengthens the Reserve Bank’s connections with the international central banking community, which in a period of financial stress could be very useful.”