I study the effects of a lack of common knowledge on nominal adjustment in a dynamic price-setting game with incomplete information. In particular, I show how the speed of price adjustments following a nominal or real shock depends on the information structure among price-setters. The provision of public information leads to a reduction of higher-order uncertainty, and hence to more rapid price adjustments, but it potentially comes at the cost of an increased exposure to informational noise. I extend my analysis to allow for other disturbances, showing that higher-order uncertainty may account for the persistence of any kind of shock. Finally, I reconsider the role of monetary policy and discuss how the central bank's policy actions may act as a focal point for market beliefs and hence affect nominal and real adjustment through its "coordination effect".

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