



Finance and Economics Discussion Series: Does Monetary Policy Affect Stock Prices and Treasury Yields? an Error Correction and Simultaneous Equation Approach

By J Benson Durham

Bibliogov, United States, 2013. Paperback. Book Condition: New. 246 x 189 mm. Language: English . Brand New Book ***** Print on Demand *****.This study pursues two addenda to the practitioner and academic on the effect of monetary policy on asset prices. First, this paper applies cointegration theory, and, second, relaxes the stringent assumption in the literature that changes in 10-year Treasury yields, stock returns, and changes in the stance of monetary policy are exogenous. Given quarterly data from 1978: Q4 to 2002: Q3, two-stage least squares (2SLS) regressions suggest that changes in the exogenous component of the federal funds rate affect changes in Treasury yields but not stock returns, ceteris paribus. However, this result is sensitive to alternative proxies for the stance of monetary policy. Also, little evidence suggests that monetary policy responds to the exogenous components of changes in financial asset price.



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Reviews

Simply no words and phrases to clarify. It really is full of knowledge and wisdom You wont feel monotony at at any moment of the time (that's what catalogs are for relating to when you question me).

-- Paolo Spinka

It is great and fantastic. I have go through and i am sure that i will likely to study again once again later on. I am just easily could possibly get a enjoyment of looking at a published book.

-- Tad Stanton Sr.