

# Accepted Manuscript

## Monetary Policy Uncertainty and the Market Reaction to Macroeconomic News

Alexander Kurov , Raluca Stan

PII: S0378-4266(17)30219-4  
DOI: [10.1016/j.jbankfin.2017.09.005](https://doi.org/10.1016/j.jbankfin.2017.09.005)  
Reference: JBF 5209



To appear in: *Journal of Banking and Finance*

Received date: 24 November 2015  
Revised date: 22 August 2017  
Accepted date: 7 September 2017

Please cite this article as: Alexander Kurov , Raluca Stan , Monetary Policy Uncertainty and the Market Reaction to Macroeconomic News, *Journal of Banking and Finance* (2017), doi: [10.1016/j.jbankfin.2017.09.005](https://doi.org/10.1016/j.jbankfin.2017.09.005)

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.

## Monetary Policy Uncertainty and the Market Reaction to Macroeconomic News

Alexander Kurov\* and Raluca Stan

August 2017

### Abstract

We examine whether monetary policy uncertainty influences the reaction of the equity, Treasury security, foreign exchange and crude oil markets, as well as medium-term interest rates, to U.S. macroeconomic announcements. Using intraday futures data, we show that in the presence of higher policy uncertainty the response to macroeconomic news weakens in the stock and crude oil markets and strengthens in the Treasury, interest rate and foreign exchange markets. In times of elevated monetary policy uncertainty, macroeconomic announcements impact the financial and crude oil markets to a large extent through expectations of future monetary policy.

*Keywords:* Monetary policy; Macroeconomic announcements; Financial markets; Intraday data

---

\*Corresponding author, Department of Finance, College of Business and Economics, West Virginia University, P.O. Box 6025, Morgantown, WV 26506, Tel: 304-293-7892, Fax: 304-293-3274, e-mail: [alkurov@mail.wvu.edu](mailto:alkurov@mail.wvu.edu).

We thank the editor, Geert Bekaert, two anonymous referees, Gene Birz, Ann Marie Hibbert, Ivan Indriawan, Bingxin Li, Alexei Orlov, Georg Strasser, Marketa Halova Wolfe, participants at the 2015 Meeting of the Financial Management Association, participants at the 2016 Meeting of the Eastern Finance Association, and seminar participants at West Virginia University for helpful comments and suggestions. Any errors or omissions are our own.

Alexander Kurov is a professor of finance in the Department of Finance, West Virginia University, Morgantown, West Virginia.

Raluca Stan is a doctoral student in finance in the Department of Finance, West Virginia University, Morgantown, West Virginia.

Download English Version:

<https://daneshyari.com/en/article/5088003>

Download Persian Version:

<https://daneshyari.com/article/5088003>

[Daneshyari.com](https://daneshyari.com)