

TABLE 1

Response of Interest Rates and Inflation to the Policy News Shock

	Nominal	Real	Inflation
2Y Treasury Yield	1.10 (0.33)	1.06 (0.24)	0.04 (0.18)
5Y Treasury Yield	0.73 (0.20)	0.64 (0.15)	0.09 (0.11)
10Y Treasury Yield	0.38 (0.17)	0.44 (0.13)	-0.06 (0.08)
2Y Treasury Inst. Forward Rate	1.14 (0.46)	0.99 (0.29)	0.15 (0.23)
3Y Treasury Inst. Forward Rate	0.82 (0.43)	0.88 (0.32)	-0.06 (0.15)
5Y Treasury Inst. Forward Rate	0.26 (0.19)	0.47 (0.17)	-0.21 (0.08)
10Y Treasury Inst. Forward Rate	-0.08 (0.18)	0.12 (0.12)	-0.20 (0.09)