Macroeconomic News and Stock–Bond Comovement

Online Appendix: Additional Tables

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The tables that follow are mentioned in Section 3.4 of the main text.

Table OAI. Regressions of Ex Ante Real Yield Changes on Macroeconomic News, 1978–1996

The table reports results of regressing Greenbook-to-Greenbook changes in ex ante real bond yields on the first two principal components (PCs) of innovations in Greenbook nowcasts of economic growth and the first two PCs of innovations in Greenbook forecasts of expected future economic growth. Table 3 describes the PCs in more detail. The sample period is July 1978 through 1996. Yields are one-year nominal yields less expected one-year inflation as measured by either the GDP deflator, the CPI, or Core CPI. Yields are measured in percent/year. Standard errors are in parentheses. Asterisks represent statistical significance versus zero at two-sided ten, five, and one percent levels. Test statistics are adjusted for generalized heteroskedasticity.

| Inflation Measure | Obs | News From Nowcasts | | News From Longer Horizon Forecasts | | R^2 |
		1st PC	2nd PC	1st PC	2nd PC	
GDP Deflator	154	0.215*** (0.054)				0.211
	144	0.223*** (0.054)		−0.031 (0.037)		0.254
	144	0.200*** (0.057)	−0.166*** (0.057)	−0.021 (0.037)	−0.046 (0.044)	0.299
CPI	140	0.194*** (0.053)				0.204
	132	0.200*** (0.049)		−0.027 (0.034)		0.243
	132	0.182*** (0.053)	−0.156*** (0.057)	−0.015 (0.036)	−0.033 (0.046)	0.289
Core CPI	87	0.117*** (0.027)				0.174
	85	0.121*** (0.027)		−0.019 (0.026)		0.195
	85	0.097*** (0.035)	−0.051 (0.060)	−0.025 (0.025)	−0.053 (0.340)	0.218

Table OAII. Regressions of Ex Ante Real Yield Changes on Macroeconomic News, 1997–2016

The table reports results of regressing Greenbook-to-Greenbook changes in ex ante real bond yields on the first two principal components (PCs) of innovations in Greenbook nowcasts of economic growth and the first two PCs of innovations in Greenbook forecasts of expected future economic growth. Table 3 describes the PCs in more detail. The sample period is January 1997 through 2016. Yields are one-year nominal yields less expected one-year inflation as measured by either the GDP deflator, the CPI, or Core CPI. Yields are measured in percent/year. Standard errors are in parentheses. Asterisks represent statistical significance versus zero at two-sided ten, five, and one percent levels. Test statistics are adjusted for generalized heteroskedasticity. All regressions have 160 observations.

Inflation Measure	News From Nowcasts		News From Longer Horizon Forecasts		R^2
	1st PC	2nd PC	1st PC	2nd PC	
GDP Deflator	0.080*** (0.019)				0.126
	0.088*** (0.019)		−0.012 (0.015)		0.137
	0.081*** (0.021)	−0.017 (0.022)	−0.012 (0.015)	−0.025 (0.020)	0.153
CPI	0.068*** (0.024)				0.067
	0.075*** (0.025)		−0.011 (0.016)		0.073
	0.064** (0.025)	−0.013 (0.029)	−0.010 (0.015)	−0.032 (0.024)	0.090
Core CPI	0.083*** (0.019)				0.142
	0.085*** (0.019)		−0.003 (0.013)		0.143
	0.078*** (0.022)	−0.019 (0.019)	−0.002 (0.013)	−0.024 (0.020)	0.159

Table OAIII. Regressions of Stock Market Returns and Yield Changes on Macroeconomic News, 1978–1996, Excluding the Stock Market Crash

The table reports results of regressing Greenbook-to-Greenbook excess stock market returns and changes in bond yields on the first two principal components (PCs) of innovations in Greenbook nowcasts of economic growth and the first two PCs of innovations in Greenbook forecasts of expected future economic growth. Table 3 describes the PCs in more detail. The sample period is July 1978 through 1996. The sample excludes the Greenbook of October 28 1987. Stock returns are measured in percent. Yields are measured in percent/year. Standard errors are in parentheses. Asterisks represent statistical significance versus zero at two-sided ten, five, and one percent levels. Test statistics are adjusted for generalized heteroskedasticity. Regressions using only nowcast PCs have 153 observations. Regressions also using PCs of longer horizon forecasts have 143 observations.

Dependent Variable	News From Nowcasts		News From Longer Horizon Forecasts		R^2
	1st PC	2nd PC	1st PC	2nd PC	
Stock Return	−0.259 (0.206)				0.009
	−0.174 (0.198)		0.699*** (0.252)		0.113
	−0.287 (0.219)	0.791** (0.314)	0.656*** (0.247)	−0.387 (0.375)	0.163
Δ Nominal 1 Year Yield	0.218*** (0.057)				0.222
	0.214*** (0.056)		−0.083** (0.036)		0.301
	0.188*** (0.060)	−0.149** (0.058)	−0.074** (0.036)	−0.059 (0.051)	0.340
Δ Nominal 10 Year Yield	0.123*** (0.025)				0.186
	0.118*** (0.024)		−0.056*** (0.017)		0.270
	0.105*** (0.029)	−0.086** (0.037)	−0.050*** (0.018)	−0.028 (0.041)	0.302