JOURNAL ARTICLE

A Macro-Finance Model of the Term Structure, Monetary Policy and the Economy Get access >

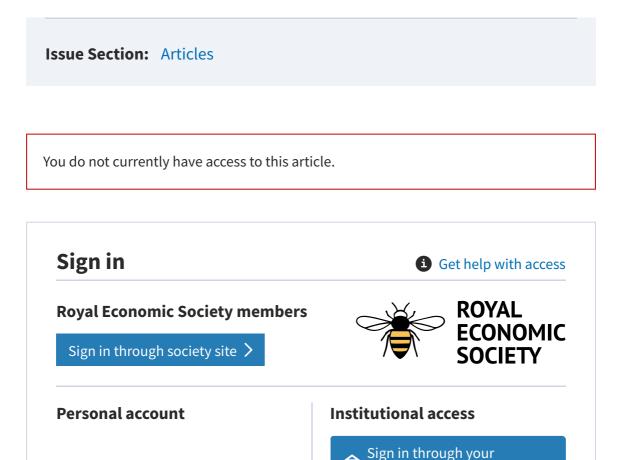
Glenn D. Rudebusch , Tao Wu

The Economic Journal, Volume 118, Issue 530, 1 July 2008, Pages 906–926, https://doi.org/10.1111/j.1468-0297.2008.02155.x **Published:** 28 June 2008

Abstract

This article develops and estimates a macro-finance model that combines a canonical affine no-arbitrage finance specification of the term structure of interest rates with standard macroeconomic aggregate relationships for output and inflation. Based on this combination of yield curve and macroeconomic structure and data, we obtain several interesting results: (1) the latent term structure factors from no-arbitrage finance models appear to have important macroeconomic and monetary policy underpinnings, (2) there is no evidence of a slow partial adjustment of the policy interest rate by the central bank, and (3) both forward-looking and backward-looking elements play roles in macroeconomic dynamics.

© The Author(s). Journal compilation © Royal Economic Society 2008



- Sign in with email/username & password
- Get email alerts
- Save searches
- Purchase content
- Activate your purchase/trial code
- Add your ORCID iD



institution
Sign in through your institution
Sign in with a library card
Sign in with username/password
Recommend to your librarian
Institutional account
management
Sign in as administrator

Purchase

Subscription prices and ordering for this journal

Purchasing options for books and journals across Oxford Academic

Short-term Access

To purchase short-term access, please sign in to your personal account above.

Don't already have a personal account? Register

A Macro-Finance Model of the Term Structure, Monetary Policy and the Economy - 24 Hours access

EUR €53.00 GBP £44.00 USD \$58.00

Rental



This article is also available for rental through DeepDyve.