

[Working Papers](#)

# Stock Prices and Economic News

Douglas K. Pearce & V. Vance Roley

SHARE       

WORKING PAPER 1296

DOI 10.3386/w1296

ISSUE DATE March 1984

This paper examines the daily response of stock prices to announcements about the money supply, inflation, real economic activity, and the discount rate. Except for the discount rate, survey data on market participants' expectations of these announcements are used to identify the unexpected component of the announcements in order to test the efficient markets hypothesis that only the unexpected part of any announcement, the surprise, moves stock prices. The empirical results support this hypothesis and indicate further that surprises related to monetary policy significantly affect stock prices. There is only limited evidence of an impact from inflation surprises and no evidence of an impact from real activity surprises on the announcement days. There is also only weak evidence of stock price responses to surprises beyond the announcement day.

Download a PDF

[Information on access](#)

## Acknowledgements and Disclosures



## Citation and Citation Data



## Published Versions

Pearce, Douglas K. and V. Vance Roley. "[Stock Prices an Economic News](#)." Journal of Business, Vol. 58, No. 1, (January 1985), pp. 49-67. citation courtesy of [RePEc](#)

## Related

### TOPICS

Macroeconomics

### PROGRAMS

Monetary Economics

## More from the NBER

In addition to [working papers](#), the NBER disseminates affiliates' latest findings through a range of free periodicals — the [NBER Reporter](#), the [NBER Digest](#), the [Bulletin on Health](#), and the [Bulletin on Entrepreneurship](#) — as well as online [conference reports](#), [video lectures](#), and [interviews](#).



Martin Feldstein Lecture, Summer Institute 2025  
**The Fiscal Future**

N. Gregory Mankiw, Harvard University and NBER  
July 10, 2025

**2025, 17th Annual Feldstein Lecture, N. Gregory Mankiw, "The Fiscal Future"**

FELDSTEIN LECTURE

PRESENTER: N. GREGORY MANKIW

N. Gregory Mankiw, Robert M. Beren Professor of Economics at Harvard University, presented the 2025 Martin Feldstein...



Methods Lecture, Summer Institute 2025  
**Uncovering Causal Mechanisms:  
Mediation Analysis and  
Surrogate Indices**

Raj Chetty, Harvard University and NBER  
Kosuke Imai, Harvard University  
July 24, 2025



**2025, Methods Lecture, Raj Chetty and Kosuke Imai, "Uncovering Causal Mechanisms: Mediation Analysis and Surrogate Indices"**

PRESENTERS: [RAJ CHETTY](#) & [KOSUKE IMAI](#)

SlidesBackground materials on mediationImai, Kosuke, Dustin Tingley, and Teppei Yamamoto. (2013). "Experimental Designs...



**2025, International Trade and Macroeconomics, "Panel on The Future of the Global Economy"**

PANEL DISCUSSION

PRESENTERS: [OLEG ITSKHOKI](#), [PAUL R. KRUGMAN](#) & [LINDA TESAR](#)

Supported by the Alfred P. Sloan Foundation grant #G-2023-19633, the Lynde and Harry Bradley Foundation grant #20251294...

**National Bureau of Economic Research**

[Contact Us](#)

1050 Massachusetts Avenue

Cambridge, MA 02138

[617-868-3900](tel:617-868-3900)

[info@nber.org](mailto:info@nber.org)

[webaccessibility@nber.org](mailto:webaccessibility@nber.org)

[HOMEPAGE](#)

[Accessibility Policy](#)

[Diversity Policy](#)

[Privacy Policy](#)

FOLLOW



© 2026 NATIONAL BUREAU OF ECONOMIC RESEARCH. ALL RIGHTS RESERVED.