Title: **STOCK RETURNS OVER THE FOMC CYCLE**

Speaker: **ANNA CIESLAK**
Duke University

Importance: Why this matters:

Research indicates that news about monetary policy comes out in a bi-weekly cycle, anchored to Fed FOMC meetings. This suggests that information is coming from sources other than the Fed's public announcements and open market operations.

Investigation: "Speaker analyzed XXX data to address the questions yyy, zzz, etc."

Cieslak investigated whether stock market returns are related to weekly cycles timed to align with the Fed's FMOC meetings. She demonstrated that returns had positive returns in weeks 0, 2, 4 and 6, and the results were robust.

Innovation: Are there new techniques of interest in the data or approach to the problem?

There have been numerous studies investigating seasonality of stock market returns. Rather than using the calendar, this study aligns the data with Fed meetings, and the two week cycles of the Board of Governors discount rate meetings.

Insights: 1-2-3, what are the three most important things the speaker offered?

1. Since 1994, the equity risk premium followed an alternating weekly pattern measured relative to the last FOMC meeting.
2. Returns were positive in weeks 0, 2, 4 and 6, and zero in other weeks.
3. Indication that news about monetary policy tends to come out between Fed meetings, rather than in the post-meeting announcement.
4. The behavior was much stronger for stocks than bonds.

Audience rating: 4.05