Abstract

We use intraday changes in money market rates to construct indicators of news about monetary policy stemming separately from policy decisions and from official communication of the European Central Bank, and study their impact on the yield curve. We show that communication may lead to substantial revisions in expectations of monetary policy and, at the same time, exert a significant impact on interest rates at longer maturities. Thereby, the maturity response pattern to communication is hump-shaped, while that to policy decisions is downward sloping. (JEL: E43, E58)