

Response of Asset Prices and Yields to a 0.1 Percent “Surprise” in Nonfarm Payrolls

Asset	Response after Thirty Minutes	Response by 4 p.m.	Response Unit
Two-year Treasury yield	7.769	7.520	Basis points
Ten-year Treasury yield	6.368	5.818	Basis points
Euro/dollar exchange rate	0.338	0.340	Dollar appreciation in percentage points
Yen/dollar exchange rate	0.181	0.133	Dollar appreciation in percentage points
Eurodollar futures rate	2.381	3.185	Basis points
Federal funds futures rate	0.857	1.568	Basis points
S&P 500 Index	0.228	0.042	Change in index in percentage points

Notes: A surprise in nonfarm payrolls is defined as (actual level of jobs – expected level of jobs)/(previous level of jobs). For simplicity, we use a surprise of 0.1 percent.

Response of Asset Prices and Yields to a 0.1 Percentage Point “Surprise” in the Core Consumer Price Index

Asset	Response after Thirty Minutes	Response by 4 p.m.	Response Unit
Two-year Treasury yield	1.850	1.465	Basis points
Ten-year Treasury yield	1.866	1.999	Basis points
Euro/dollar exchange rate	0.021	0.013	Dollar appreciation in percentage points
Yen/dollar exchange rate	0.021	0.015	Dollar appreciation in percentage points
Eurodollar futures rate	0.687	0.961	Basis points
Federal funds futures rate	0.534	0.753	Basis points
S&P 500 Index	-0.048	-0.194	Change in index in percentage points

Notes: The core CPI excludes food and energy. A surprise in core CPI is defined as (actual level of CPI – expected level of CPI). A surprise of 0.1 percentage point—a figure we choose for simplicity—would occur if, for example, the CPI was expected to be 3.1 percent but came in at 3.2 percent.

Statistics about the Surprise Measures

	Nonfarm Payrolls Surprise (Percent)	Core CPI Surprise (Percentage Points)
Minimum	-0.243	-0.20
Median	-0.010	0.00
Mean	-0.015	0.00
Maximum	0.290	0.20
Mode	N/A	0.00
Number of observations	114	113