Empirical Appendix
to
Predictability in Financial Markets: What Do Survey Expectations Tell Us?

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This Appendix presents results that complement those presented in the paper. Tables A1 to A4 and A7 to A16 show the results for various markets at different horizons. Tables A5 and A6 show the results for the ICF/Yale survey when the individual responses are aggregated daily or monthly. Tables B1 to B3 provide descriptive evidence on the survey errors. Finally, Tables C1 to C5 provide evidence that survey expectations react to several variables.

In the case of the money market, the regressions use an interest rate spread as predictor different from the one used to derive excess returns. More precisely, we estimate the following regression to evaluate the predictability of expectational errors

$$(q_{t+n}^{m+n} - E_t^s q_{t+n}^{m+n}) = \gamma + \delta(i_t^l - i_t^k) + v_{t+n} \tag{1}$$

There are survey predictions of 3 and 12-month Libor over 3, 6 and 12 month horizons, so that (1) can be estimated for the six combinations of $m = 3, 12$ and $n = 3, 6, 12$. The main text considers the case $m = n = 3$, $k = 6$, $l = 3$. Tables A11 to A16 present the other five cases: (i) $m = 3$, $n = 6$, $k = 12$, $l = 6$, (ii) $m = 3$, $n = 12$, $k = 12$, $l = 6$, (iii) $m = 12$, $n = 3$, $k = 12$, $l = 3$, (iv) $m = 12$, $n = 6$, $k = 12$, $l = 6$, (v) $m = 12$, $n = 12$, $k = 12$, $l = 6$.

Table A.1: Foreign Exchange Market – Predictability over 3 months

Panel A: Excess Return Predictability

$$q_{t+3} = \alpha + \beta(i_t - i_t^*) + u_{t+3}$$

Currencies	β	$\sigma(\beta)$	R^2
Australia	-2.3996^{***}	0.6849	0.11
Canada	-2.2144^{***}	0.4490	0.11
France	-2.0620^{**}	0.9733	0.05
Germany	-1.9760^{**}	0.9293	0.05
Japan	-3.4887^{***}	1.0324	0.10
Switzerland	-2.5341^{**}	1.1328	0.06
U.K.	-1.7219	1.4516	0.03
EW avg.	-2.3424^{***}	0.6407	
p($\boldsymbol{\beta} = 0$)	0.0000		

Panel B: Survey Error Predictability

$$s_{t+3} - E_t^s s_{t+3} = \gamma + \delta(i_t - i_t^*) + v_{t+3}$$

Currencies	δ	$\sigma(\delta)$	R^2
Australia	-3.0989^{***}	0.7646	0.15
Canada	-2.1294^{***}	0.4634	0.10
France	-2.3636^{***}	0.8987	0.06
Germany	-2.6882^{***}	0.9066	0.08
Japan	-1.3139	1.1531	0.01
Switzerland	-2.8000^{**}	1.1563	0.07
U.K.	-0.7555	1.4323	0.00
EW avg.	-2.1642^{***}	0.6531	
p($\boldsymbol{\delta} = 0$)	0.0000		

Panel C: Survey-Expected Excess Returns

$$E_t^s q_{t+3} = \alpha + \beta(i_t - i_t^*) + u_t^s$$

Currencies	β	$\sigma(\beta)$	R^2
Australia	0.6994^{***}	0.2463	0.06
Canada	-0.0850	0.1504	0.00
France	0.3016	0.5066	0.01
Germany	0.7123^{*}	0.4036	0.03
Japan	-2.1748^{***}	0.5011	0.19
Switzerland	0.2659	0.5088	0.00
U.K.	-0.9664	0.6243	0.04
EW avg.	-0.1781	0.3138	
p($\boldsymbol{\beta} = 0$)	0.0000		

Note: ***, ** and * denote significance at the 1%, 5% respectively 10% level. p($\boldsymbol{\beta} = 0$) and p($\boldsymbol{\delta} = 0$) test for joint significance of slopes across equations. Newey-West standard errors with 4 lags. SUR systems for all panels estimated from 216 observations over sample from October 1986 to April 2005. See section 4.1.1 for construction of data.

Table A.2: Foreign Exchange Market – Predictability over 6 months

Panel A: Excess Return Predictability

$$q_{t+6} = \alpha + \beta(i_t - i_t^*) + u_{t+6}$$

Currencies	β	$\sigma(\beta)$	R^2
Australia	-2.5407^{***}	0.7046	0.20
Canada	-1.9864^{***}	0.4908	0.14
France	-2.2968^{**}	1.0684	0.12
Germany	-2.3986^{***}	0.9295	0.13
Japan	-3.8211^{***}	0.8653	0.21
Switzerland	-2.9378^{***}	1.0532	0.16
U.K.	-1.5000	1.3776	0.04
EW avg.	-2.4974^{***}	0.6189	
p($\boldsymbol{\beta} = 0$)	0.0000		

Panel B: Survey Error Predictability

$$s_{t+6} - E_t^s s_{t+6} = \gamma + \delta(i_t - i_t^*) + v_{t+6}$$

Currencies	δ	$\sigma(\delta)$	R^2
Australia	-3.6196^{***}	0.7487	0.34
Canada	-2.1585^{***}	0.4794	0.15
France	-2.9174^{***}	1.0196	0.14
Germany	-3.0588^{***}	0.8130	0.17
Japan	-2.2369^{**}	1.0379	0.07
Switzerland	-3.4626^{***}	1.0207	0.17
U.K.	-1.5476	1.4416	0.03
EW avg.	-2.7145^{***}	0.5806	
p($\boldsymbol{\delta} = 0$)	0.0000		

Panel C: Survey-Expected Excess Returns

$$E_t^s q_{t+6} = \alpha + \beta(i_t - i_t^*) + u_t^s$$

Currencies	β	$\sigma(\beta)$	R^2
Australia	1.0789^{***}	0.2113	0.23
Canada	0.1721	0.1957	0.01
France	0.6206	0.5680	0.03
Germany	0.6602	0.5161	0.03
Japan	-1.5842^{***}	0.4503	0.14
Switzerland	0.5248	0.5660	0.02
U.K.	0.0476	0.6139	0.00
EW avg.	0.2171	0.3367	
p($\boldsymbol{\beta} = 0$)	0.0000		

Note: ***, ** and * denote significance at the 1%, 5% respectively 10% level. p($\boldsymbol{\beta} = 0$) and p($\boldsymbol{\delta} = 0$) test for joint significance of slopes across equations. Newey-West standard errors with 7 lags. SUR systems for all panels estimated from 214 observations over sample from October 1986 to February 2005. See section 4.1.1 for construction of data.

Table A.3: Stock Markets – ICF/Yale Survey Errors over 1 month

Survey Error Predictability

$$\tilde{r}_{t+1} - E_t^s \tilde{r}_{t+1} = \gamma + \boldsymbol{\delta} \boldsymbol{X}_t + v_{t+1}$$

i	$\ln(D/P)$	R^2 $p(\boldsymbol{\delta}=0)$	obs NW lags
Dow Jones (Individuals) Jan/99 – Oct/04			
−1.0218		0.00	1152
(3.0562)		0.7384	16
	0.0463*	0.02	1152
	(0.0258)	0.0735	16
19.4283***	0.1852***	0.06	1152
(6.5955)	(0.0541)	0.0028	16
Dow Jones (Institutions) Aug/93 – Oct/04			
6.0100***		0.02	1387
(2.0616)		0.0036	10
	−0.0026	0.00	1387
	(0.0103)	0.7983	10
6.2799***	−0.0083	0.03	1387
(2.1130)	(0.0104)	0.0120	10
Nikkei (Institutions) Aug/93 – Oct/04			
−2.6332		0.00	787
(3.8619)		0.4961	6
	0.0294	0.01	787
	(0.0254)	0.2469	6
−0.3228	0.0288	0.01	787
(4.3580)	(0.0281)	0.4918	6

Note: ***, ** and * denote significance at the 1%, 5% respectively 10% level. Newey West standard errors reported in brackets (lags as indicated above, corresponding to the number of observations per year divided by 12). See Section 4.2.1 for construction of data.

Table A.4: Stock Markets – ICF/Yale Survey Errors over 3 months

Survey Error Predictability

$$\tilde{r}_{t+3} - E_t^s \tilde{r}_{t+3} = \gamma + \boldsymbol{\delta} \boldsymbol{X}_t + v_{t+3}$$

i	$\ln(D/P)$	R^2 $p(\boldsymbol{\delta}=0)$	obs NW lags
Dow Jones (Individuals) Sep/96 – Aug/04			
0.1341		0.00	1300
(2.1938)		0.9513	47
	0.1456^{***}	0.10	1300
	(0.0419)	0.0005	47
4.2325^{**}	0.1942^{***}	0.13	1300
(1.7144)	(0.0418)	0.0000	47
Dow Jones (Institutions) Jun/89 – Aug/04			
2.1370		0.01	2301
(1.6085)		0.1843	36
	0.0128	0.00	2301
	(0.0208)	0.5385	36
2.2055	−0.0019	0.01	2301
(1.5889)	(0.0203)	0.3752	36
Nikkei (Institutions) Jun/89 – Aug/04			
−2.4047		0.02	1297
(1.6863)		0.1544	20
	0.1500^{***}	0.08	1297
	(0.0421)	0.0004	20
1.2677	0.1713^{***}	0.08	1297
(2.0492)	(0.0579)	0.0020	20

Note: ***, ** and * denote significance at the 1%, 5% respectively 10% level. Newey West standard errors reported in brackets (lags as indicated above, corresponding to the number of observations per year divided by 4). See Section 4.2.1 for construction of data.

Table A.5: Stock Markets – ICF/Yale Survey Errors over 12 months (Aggregation: daily)

Survey Error Predictability

$$\tilde{r}_{t+12} - E_t^s \tilde{r}_{t+12} = \gamma + \boldsymbol{\delta} \boldsymbol{X}_t + v_{t+12}$$

i	$\ln(D/P)$	R^2 $p(\boldsymbol{\delta}=0)$	obs NW lags
Dow Jones (Individuals) Sep/96 – Nov/03			
−0.2238		0.00	600
(2.2248)		0.9201	100
	0.5174***	0.34	600
	(0.1258)	0.0000	100
4.2092**	0.7364***	0.47	600
(1.7658)	(0.1832)	0.0003	100
Dow Jones (Institutions) Jun/89 – Nov/03			
2.5567*		0.09	953
(1.4110)		0.0706	64
	0.1535**	0.11	953
	(0.0694)	0.0275	64
1.7035	0.1183*	0.14	953
(1.2623)	(0.0610)	0.0868	64
Nikkei (Institutions) Jun/89 – Nov/03			
−1.2684		0.02	686
(1.1343)		0.2646	46
	0.5005***	0.27	686
	(0.1350)	0.0002	46
1.5597	0.5923***	0.29	686
(1.1649)	(0.1267)	0.0000	46

Note: ***, ** and * denote significance at the 1%, 5% respectively 10% level. Newey West standard errors reported in brackets (lags as indicated above, corresponding to the number of observations per year). See Section 4.2.1 for construction of data.

Table A.6: Stock Markets – ICF/Yale Survey Errors over 12 months (Aggregation: monthly)

Survey Error Predictability

$$\tilde{r}_{t+12} - E_t^s \tilde{r}_{t+12} = \gamma + \boldsymbol{\delta} \boldsymbol{X}_t + v_{t+12}$$

i	$\ln(D/P)$	R^2 $p(\boldsymbol{\delta}=0)$	obs NW lags
Dow Jones (Individuals) Sep/96 – Nov/03			
−0.5338		0.00	54
(2.1910)		0.8120	12
	0.4908***	0.39	54
	(0.1157)	0.0001	12
4.5098**	0.7644***	0.57	54
(1.9412)	(0.2137)	0.0039	12
Dow Jones (Institutions) Jun/89 – Nov/03			
2.6577*		0.10	110
(1.6055)		0.1039	12
	0.1484*	0.13	110
	(0.0785)	0.0636	12
1.8781	0.1176	0.17	110
(1.4301)	(0.0729)	0.1552	12
Nikkei (Institutions) Jun/89 – Nov/03			
−0.5462		0.00	105
(1.1448)		0.6375	12
	0.5214***	0.32	105
	(0.1791)	0.0048	12
2.0978*	0.6285***	0.37	105
(1.1823)	(0.1359)	0.0000	12

Note: ***, ** and * denote significance at the 1%, 5% respectively 10% level. Newey West standard errors reported in brackets (lags as indicated above, corresponding to the survey horizon of 12 months). See Section 4.2.1 for construction of data.

Table A.7: 10-year Bonds – Return Predictability over 3 months

Excess Return Predictability (survey sample)

$$q_{t+3}^{123} = \alpha + \boldsymbol{\beta} \boldsymbol{X}_t + u_{t+3}$$

Countries	Spread	Libor (3M)	Libor (6M)	Libor (12M)	Bonds (10Y)	R^2 $p(\boldsymbol{\delta} = 0)$
Australia	2.5893*					0.06
	(1.4828)					0.0846
		−34.1210*	57.3146	−28.5892	7.5680***	0.13
		(19.5400)	(35.8335)	(17.4544)	(1.8387)	0.0001
Canada	1.6008					0.02
	(1.5081)					0.2931
		4.7875	−26.4561	21.3860*	1.1613	0.09
		(12.6040)	(20.6574)	(11.3379)	(2.6801)	0.1362
France	1.0693					0.01
	(1.1814)					0.3698
		1.0114	8.5249	−15.0967	8.2053***	0.10
		(9.6514)	(18.8732)	(10.9740)	(2.6342)	0.0502
Germany	1.9721*					0.05
	(1.1339)					0.0858
		−14.5435	21.3659	−9.3797	3.0178	0.07
		(10.8109)	(19.8089)	(11.9147)	(2.2559)	0.2279
Japan	3.7632*					0.06
	(2.1651)					0.0860
		9.6888	−14.2792	−3.0608	10.6918***	0.17
		(19.2207)	(34.4035)	(19.8528)	(3.4241)	0.0248
Switzerland	3.2161***					0.16
	(0.9562)					0.0010
		−10.4415	11.4599	−7.3815	10.8703***	0.25
		(13.4671)	(25.2968)	(15.0792)	(3.7174)	0.0001
U.K.	1.8148					0.04
	(1.3736)					0.1911
		−5.4670	7.4564	−4.9461	4.2431*	0.07
		(15.0896)	(27.8213)	(14.5684)	(2.2002)	0.1886
U.S.	0.8278					0.01
	(1.3153)					0.5326
		−15.4920	3.0526	12.7759	0.6095	0.11
		(16.9316)	(27.3445)	(13.0145)	(2.1686)	0.0664
EW avg.	2.1067**					
	(0.9446)					
Spread: p($\delta = 0$)						0.0304
Yields: p($\boldsymbol{\delta} = \mathbf{0}$)						0.0000

Note: ***, ** and * denote significance at the 1%, 5% respectively 10% level. The reported p-values correspond to F-tests on the joint significance of slopes across equations. Newey-West standard errors with 4 lags. SUR system for Spread and Yield regressions estimated from 162 observations over sample from September 1987 to April 2005. Spread is the difference in log-yields of Bonds (10Y) and Libor (3M). See section 4.3.1 for construction of data.

Table A.8: 10-year Bonds – Return Predictability over 6 months

Excess Return Predictability (survey sample)

$$q_{t+6}^{126} = \alpha + \boldsymbol{\beta} \boldsymbol{X}_t + u_{t+6}$$

Countries	Spread	Libor (3M)	Libor (6M)	Libor (12M)	Bonds (10Y)	R^2 $p(\boldsymbol{\delta} = 0)$
Australia	2.4226*					0.08
	(1.2739)					0.0606
		−11.5720	19.3686	−12.4039	6.7693***	0.20
		(15.0356)	(26.3827)	(12.3294)	(1.5353)	0.0000
Canada	1.5439					0.04
	(1.1092)					0.1686
		9.4919	−26.3305*	15.1208**	3.1524	0.16
		(8.9404)	(13.9014)	(6.8857)	(2.1601)	0.0002
France	1.2767					0.03
	(1.3754)					0.3577
		11.1152	−14.9279	−0.5190	6.7351***	0.14
		(7.2854)	(14.3991)	(9.0446)	(1.9445)	0.0124
Germany	1.7042					0.07
	(1.1496)					0.1427
		4.9105	−12.5009	5.7767	2.8330	0.10
		(8.6657)	(13.6452)	(9.1395)	(1.8942)	0.1725
Japan	3.4812*					0.11
	(2.1017)					0.1018
		2.9078	−4.8356	−4.8107	9.4438***	0.26
		(11.2493)	(21.9518)	(13.6729)	(2.9879)	0.0019
Switzerland	2.7319***					0.17
	(0.8686)					0.0021
		3.0176	−15.0265	6.4909	10.7420***	0.36
		(9.6887)	(17.4934)	(11.4827)	(3.5386)	0.0000
U.K.	1.6209					0.06
	(1.1893)					0.1776
		2.4678	−8.1793	3.6265	3.3007*	0.12
		(9.1503)	(18.8173)	(11.5910)	(1.9948)	0.0962
U.S.	0.9702					0.01
	(1.1092)					0.3861
		−6.1022	−10.9833	17.0652*	0.9286	0.20
		(11.9091)	(19.9034)	(10.0005)	(2.1428)	0.0060
EW avg.	1.9690***					
	(0.7605)					
Spread: p($\delta = 0$)						0.0026
Yields: p($\boldsymbol{\delta} = \mathbf{0}$)						0.0000

Note: ***, ** and * denote significance at the 1%, 5% respectively 10% level. The reported p-values correspond to F-tests on the joint significance of slopes across equations. Newey-West standard errors with 7 lags. SUR system for Spread and Yield regressions estimated from 159 observations over sample from September 1987 to January 2005. Spread is the difference in log-yields of Bonds (10Y) and Libor (6M). See section 4.3.1 for construction of data.

Table A.9: 10-year Bonds – Survey Error Predictability over 3 months

Survey Error Predictability

$$q_{t+3}^{123} - E_t^s q_{t+3}^{123} = \gamma + \boldsymbol{\delta} \boldsymbol{X}_t + v_{t+3}$$

Countries	Spread	Libor (3M)	Libor (6M)	Libor (12M)	Bonds (10Y)	R^2 $p(\boldsymbol{\delta} = 0)$
Australia	1.0257					0.01
	(1.4155)					0.4725
		-52.7391^{***}	80.7108^{**}	-30.6905^{*}	4.0148^{*}	0.08
		(18.5606)	(33.2668)	(16.2849)	(2.1166)	0.0073
Canada	2.5143					0.05
	(1.5609)					0.1114
		−8.7947	−14.7253	24.6966^{**}	−1.7040	0.14
		(13.7814)	(22.8075)	(12.2625)	(2.7894)	0.0681
France	1.7652					0.03
	(1.3504)					0.1958
		17.0232^{*}	−20.8362	−2.7240	9.5791^{***}	0.12
		(9.3699)	(18.7096)	(11.1692)	(2.8032)	0.0158
Germany	2.4490^{**}					0.07
	(1.0710)					0.0244
		−13.2020	8.4840	2.7339	2.5756	0.11
		(11.9590)	(21.4981)	(12.8528)	(2.3946)	0.1022
Japan	2.9699					0.04
	(2.1549)					0.1727
		7.0736	−25.5159	13.4536	7.5022^{**}	0.12
		(18.4701)	(31.8250)	(18.5072)	(3.5777)	0.0817
Switzerland	3.6891^{***}					0.16
	(0.9683)					0.0002
		−2.0968	−18.6160	17.0463	5.9963	0.21
		(15.4990)	(28.0120)	(16.4512)	(3.8896)	0.0001
U.K.	1.1135					0.02
	(1.1741)					0.3473
		−4.6081	0.8253	2.9387	1.2962	0.03
		(15.8677)	(27.9833)	(14.2724)	(2.1843)	0.7505
U.S.	0.4296					0.00
	(1.4793)					0.7733
		-37.1463^{**}	25.8866	13.5151	−2.2935	0.16
		(18.4342)	(29.0366)	(14.4456)	(2.3207)	0.0050
EW avg.	1.9945^{**}					
	(0.8859)					
Spread: p($\delta = 0$)						0.0046
Yields: p($\boldsymbol{\delta} = \mathbf{0}$)						0.0000

Note: ***, ** and * denote significance at the 1%, 5% respectively 10% level. The reported p-values correspond to F-tests on the joint significance of slopes across equations. Newey-West standard errors with 4 lags. SUR system for Spread and Yield regressions estimated from 162 observations over sample from September 1987 to April 2005. Spread is the difference in log-yields of Bonds (10Y) and Libor (3M). See section 4.3.1 for construction of data.

Table A.10: 10-year Bonds – Survey Error Predictability over 6 months

Survey Error Predictability

$$q_{t+6}^{126} - E_t^s q_{t+6}^{126} = \gamma + \boldsymbol{\delta} \boldsymbol{X}_t + v_{t+6}$$

Countries	Spread	Libor (3M)	Libor (6M)	Libor (12M)	Bonds (10Y)	R^2 $p(\boldsymbol{\delta} = 0)$
Australia	1.7601					0.04
	(1.2683)					0.1698
		-23.9117^{*}	35.2268	-14.5257	4.5399^{***}	0.11
		(13.3868)	(23.3754)	(11.0669)	(1.6065)	0.0012
Canada	2.5439^{**}					0.09
	(1.2464)					0.0442
		-3.9281	-13.6666	16.9607^{**}	0.6861	0.21
		(9.2299)	(14.4433)	(7.0938)	(2.2085)	0.0008
France	2.4022					0.08
	(1.5139)					0.1169
		21.9579^{***}	-36.4998^{***}	9.4922	7.3718^{***}	0.18
		(6.6758)	(13.8530)	(9.4457)	(2.0004)	0.0010
Germany	2.6236^{**}					0.12
	(1.0346)					0.0127
		7.5078	-28.4988^{**}	19.4349^{*}	2.3674	0.20
		(8.6351)	(13.8194)	(10.2372)	(2.1506)	0.0211
Japan	4.0883^{**}					0.12
	(1.8401)					0.0287
		0.4344	-11.9452	4.9793	9.1246^{***}	0.26
		(13.2579)	(26.7761)	(16.4232)	(3.2107)	0.0037
Switzerland	3.3968^{***}					0.20
	(0.8727)					0.0002
		8.1376	-37.9534^{**}	26.0514^{**}	7.4398^{**}	0.33
		(11.9867)	(19.3570)	(12.0751)	(3.7149)	0.0000
U.K.	2.0209^{*}					0.09
	(1.0767)					0.0640
		0.0406	-7.5366	5.7487	2.2845	0.11
		(9.9975)	(20.7619)	(12.8206)	(2.1374)	0.2453
U.S.	1.0397					0.01
	(1.3431)					0.4429
		-17.5473	-2.8593	21.5698^{**}	-1.0952	0.24
		(12.4901)	(20.1799)	(10.7890)	(2.1218)	0.0014
EW avg.	2.4844^{***}					
	(0.7393)					
Spread: p($\delta = 0$)						0.0011
Yields: p($\boldsymbol{\delta} = \mathbf{0}$)						0.0000

Note: ***, ** and * denote significance at the 1%, 5% respectively 10% level. The reported p-values correspond to F-tests on the joint significance of slopes across equations. Newey-West standard errors with 7 lags. SUR system for Spread and Yield regressions estimated from 159 observations over sample from September 1987 to January 2005. Spread is the difference in log-yields of Bonds (10Y) and Libor (6M). See section 4.3.1 for construction of data.

Table A.11: Libor (12M) – Return Predictability over 6 months

Excess Return Predictability (survey sample)

$$q_{t+6}^{12} = \alpha + \boldsymbol{\beta} \boldsymbol{X}_t + u_{t+6}$$

Countries	Spread	Libor (3M)	Libor (6M)	Libor (12M)	Bonds (10Y)	R^2 $p(\boldsymbol{\delta} = 0)$
Australia	0.5382					0.01
	(0.6010)					0.3748
		1.2826	−1.8429	0.3330	0.4158**	0.14
		(1.9929)	(3.2265)	(1.4172)	(0.1702)	0.0038
Canada	0.4197					0.01
	(0.7136)					0.5597
		1.3610	−2.7106**	1.3497**	0.0622	0.03
		(0.8387)	(1.2311)	(0.6601)	(0.2849)	0.1871
France	0.1649					0.00
	(0.3704)					0.6588
		1.1431	−1.8337	0.5084	0.2699	0.05
		(0.7073)	(1.3517)	(0.8042)	(0.2053)	0.2653
Germany	0.5333					0.02
	(0.4329)					0.2226
		2.6307*	−5.0901**	2.5675**	−0.1209	0.11
		(1.4419)	(2.5361)	(1.1913)	(0.1720)	0.2012
Japan	0.7760					0.02
	(1.0988)					0.4838
		1.5210***	−2.3800*	0.5367	0.4726***	0.23
		(0.5816)	(1.2202)	(0.8794)	(0.1692)	0.0006
Switzerland	1.4575*					0.07
	(0.8039)					0.0734
		1.0594	−2.8686	1.4880	0.7066**	0.17
		(1.2999)	(2.1365)	(1.1038)	(0.3591)	0.0405
U.K.	0.3337					0.01
	(0.6989)					0.6357
		1.4303	−2.7174	1.2943	0.0015	0.02
		(1.0752)	(1.8390)	(0.9356)	(0.1552)	0.5855
U.S.	0.5499					0.01
	(0.7501)					0.4673
		2.1756*	−4.3854**	2.4128**	−0.1784	0.08
		(1.3160)	(2.0147)	(0.9587)	(0.3293)	0.0293
EW avg.	0.5966					
	(0.4072)					
Spread: p($\delta = 0$)						0.2631
Yields: p($\boldsymbol{\delta} = \mathbf{0}$)						0.0000

Note: ***, ** and * denote significance at the 1%, 5% respectively 10% level. The reported p-values correspond to F-tests on the joint significance of slopes across equations. Newey-West standard errors with 7 lags. SUR system for Spread and Yield regressions estimated from 163 observations over sample from September 1987 to January 2005. Spread is the difference in log-yields of Libor (12M) and Libor (6M). See section 4.4.1 for construction of data.

Table A.12: Libor (9M) – Survey Error Predictability over 6 Months

Survey Error Predictability

$$q^9_{t+6} - E^s_t q^9_{t+6} = \gamma + \boldsymbol{\delta} \boldsymbol{X}_t + v_{t+6}$$

Countries	Spread	Libor (3M)	Libor (6M)	Libor (12M)	Bonds (10Y)	R^2 $p(\boldsymbol{\delta} = 0)$
Australia	-0.5807^{*}					0.06
	(0.3495)					0.1007
		1.2010	-1.0719	-0.2444	0.1588^{*}	0.15
		(1.0248)	(1.6164)	(0.7161)	(0.0913)	0.1554
Canada	-0.1957					0.01
	(0.3913)					0.6198
		0.0843	0.2811	-0.4548	0.1037	0.03
		(0.3750)	(0.5850)	(0.3248)	(0.1376)	0.4734
France	-0.4871^{***}					0.12
	(0.1858)					0.0101
		0.7215^{*}	-0.6946	-0.0832	0.0647	0.17
		(0.4273)	(0.8115)	(0.4528)	(0.1106)	0.0155
Germany	-0.0462					0.00
	(0.2130)					0.8295
		1.0466^{**}	-1.7460^{*}	0.7352	-0.0294	0.07
		(0.5266)	(0.9636)	(0.4761)	(0.0739)	0.3210
Japan	0.0306					0.00
	(0.5017)					0.9518
		0.4240	-0.2891	-0.3010	0.2374^{***}	0.21
		(0.3035)	(0.5726)	(0.3904)	(0.0782)	0.0264
Switzerland	0.1778					0.00
	(0.4075)					0.6652
		0.7944	-1.2990	0.3471	0.3459^{**}	0.12
		(0.6920)	(1.0824)	(0.5237)	(0.1632)	0.1950
U.K.	-0.2232					0.01
	(0.3440)					0.5200
		0.1463	0.1138	-0.2834	-0.0133	0.05
		(0.4700)	(0.7343)	(0.3823)	(0.0672)	0.8142
U.S.	-0.1795					0.01
	(0.3236)					0.5822
		0.3380	-0.5508	0.2938	-0.1010	0.04
		(0.4964)	(0.7745)	(0.4138)	(0.1359)	0.7884
EW avg.	-0.1880					
	(0.2128)					
Spread: p($\delta = 0$)						0.0546
Yields: p($\boldsymbol{\delta} = \mathbf{0}$)						0.0000

Note: ***, ** and * denote significance at the 1%, 5% respectively 10% level. The reported p-values correspond to F-tests on the joint significance of slopes across equations. Newey-West standard errors with 7 lags. SUR system for Spread and Yield regressions estimated from 160 observations over sample from September 1987 to January 2005. Spread is the difference in log-yields of Libor (12M) and Libor (6M). See section 4.4.1 for construction of data.

Table A.13: Libor (15M) – Survey Error Predictability over 12 Months

Survey Error Predictability

$$q^{15}_{t+12} - E^s_t q^{15}_{t+12} = \gamma + \boldsymbol{\delta} \boldsymbol{X}_t + v_{t+12}$$

Countries	Spread	Libor (3M)	Libor (6M)	Libor (12M)	Bonds (10Y)	R^2 $p(\boldsymbol{\delta} = 0)$
Australia	-0.7063^{**}					0.13
	(0.3426)					0.0423
		1.0107	-0.6276	-0.4847	0.1718^{**}	0.25
		(0.7866)	(1.2706)	(0.6541)	(0.0780)	0.0132
Canada	-0.4034^{*}					0.05
	(0.2401)					0.0971
		0.2247	0.1352	-0.4017	0.0580	0.06
		(0.2675)	(0.4575)	(0.3272)	(0.1400)	0.2610
France	-0.2118					0.03
	(0.1624)					0.1970
		0.9293^{***}	-1.3758^{***}	0.4041	0.0370	0.15
		(0.2622)	(0.4472)	(0.2677)	(0.0980)	0.0001
Germany	0.0054					0.00
	(0.2839)					0.9850
		1.6250^{***}	-2.7976^{***}	1.2296^{***}	-0.0637	0.18
		(0.4239)	(0.8000)	(0.4126)	(0.0810)	0.0005
Japan	-0.0918					0.00
	(0.5782)					0.8749
		0.8550^{***}	-0.8092	-0.2194	0.2382^{***}	0.32
		(0.2275)	(0.5717)	(0.4566)	(0.0713)	0.0001
Switzerland	0.0755					0.00
	(0.4463)					0.8667
		0.9226^{**}	-1.3497^{**}	0.2493	0.3890^{**}	0.19
		(0.4127)	(0.6662)	(0.4803)	(0.1912)	0.0696
U.K.	-0.1176					0.01
	(0.2689)					0.6646
		0.5797	-0.8271	0.2664	-0.0460	0.04
		(0.4832)	(0.7980)	(0.4075)	(0.0785)	0.7889
U.S.	-0.2512					0.02
	(0.2925)					0.3949
		0.5970	-0.9088	0.4079	-0.1083	0.08
		(0.5212)	(0.8681)	(0.4364)	(0.1529)	0.5291
EW avg.	-0.2126					
	(0.2455)					
Spread: p($\delta = 0$)						0.0001
Yields: p($\boldsymbol{\delta} = \mathbf{0}$)						0.0000

Note: ***, ** and * denote significance at the 1%, 5% respectively 10% level. The reported p-values correspond to F-tests on the joint significance of slopes across equations. Newey-West standard errors with 13 lags. SUR system for Spread and Yield regressions estimated from 154 observations over sample from September 1987 to July 2004. Spread is the difference in log-yields of Libor (12M) and Libor (6M). See section 4.4.1 for construction of data.

Table A.14: Libor (15M) – Survey Error Predictability over 3 Months

Survey Error Predictability

$$q^{15}_{t+3} - E^s_t q^{15}_{t+3} = \gamma + \boldsymbol{\delta} \boldsymbol{X}_t + v_{t+3}$$

Countries	Spread	Libor (3M)	Libor (6M)	Libor (12M)	Bonds (10Y)	R^2 $p(\boldsymbol{\delta} = 0)$
Australia	−0.5778					0.01
	(1.3578)					0.6729
		1.5804	−0.8767	−1.2450	0.6037	0.05
		(5.5695)	(9.4160)	(4.3928)	(0.4656)	0.5454
Canada	0.2047					0.00
	(1.0584)					0.8478
		−1.2100	0.4885	1.2871	−0.5827	0.03
		(2.4604)	(4.2329)	(2.4659)	(0.6909)	0.5496
France	−1.9986***					0.16
	(0.6560)					0.0029
		3.4024	−2.1441	−1.3955	0.3823	0.19
		(2.7592)	(4.8131)	(2.4559)	(0.4875)	0.0148
Germany	−0.2185					0.00
	(0.5943)					0.7153
		−0.3047	0.8225	−0.3970	0.0180	0.03
		(2.6451)	(4.9213)	(2.5348)	(0.4023)	0.6168
Japan	0.6577					0.01
	(1.1592)					0.5736
		−1.1403	1.6120	−0.9808	0.8141*	0.07
		(2.2074)	(3.8912)	(2.3173)	(0.4265)	0.1483
Switzerland	0.3542					0.00
	(0.7169)					0.6241
		−1.4204	2.1653	−1.1944	1.0068	0.04
		(2.1355)	(4.2468)	(2.5626)	(0.6972)	0.5658
U.K.	−0.7029					0.01
	(0.8279)					0.4000
		−2.3620	5.2471	−2.8677	−0.0594	0.02
		(3.6560)	(6.1523)	(2.8841)	(0.3941)	0.7141
U.S.	0.8127					0.01
	(1.0543)					0.4447
		−3.1713	2.7009	1.0773	−0.7347	0.07
		(2.8820)	(4.3775)	(2.1535)	(0.5002)	0.1805
EW avg.	−0.1836					
	(0.5408)					
Spread: p($\delta = 0$)						0.0206
Yields: p($\boldsymbol{\delta} = \mathbf{0}$)						0.0023

Note: ***, ** and * denote significance at the 1%, 5% respectively 10% level. The reported p-values correspond to F-tests on the joint significance of slopes across equations. Newey-West standard errors with 4 lags. SUR system for Spread and Yield regressions estimated from 164 observations over sample from September 1987 to April 2005. Spread is the difference in log-yields of Libor (12M) and Libor (3M). See section 4.4.1 for construction of data.

Table A.15: Libor (18M) – Survey Error Predictability over 6 months

Survey Error Predictability

$$q^{18}_{t+6} - E^s_t q^{18}_{t+6} = \gamma + \boldsymbol{\delta} \boldsymbol{X}_t + v_{t+6}$$

Countries	Spread	Libor (3M)	Libor (6M)	Libor (12M)	Bonds (10Y)	R^2 $p(\boldsymbol{\delta} = 0)$
Australia	−0.6335					0.00
	(1.6388)					0.7014
		0.8037	0.5183	−1.8103	0.6678*	0.05
		(4.5164)	(7.2261)	(3.2241)	(0.3758)	0.3962
Canada	0.7031					0.00
	(1.2952)					0.5903
		−0.2843	−0.4293	0.7795	0.0071	0.01
		(1.8055)	(2.8037)	(1.3958)	(0.5685)	0.8619
France	−1.6763					0.08
	(1.1489)					0.1491
		4.0841***	−5.2010**	0.9475	0.3401	0.13
		(1.3521)	(2.3194)	(1.4089)	(0.3919)	0.0477
Germany	0.5773					0.01
	(1.2390)					0.6440
		3.6925	−6.9571	3.4241	−0.0704	0.05
		(2.4409)	(4.4488)	(2.2447)	(0.3686)	0.6382
Japan	1.7052					0.02
	(2.2080)					0.4439
		1.0880	−1.7535	−0.0539	1.0845***	0.22
		(1.3728)	(2.8939)	(1.9340)	(0.3698)	0.0074
Switzerland	1.2487					0.01
	(1.6124)					0.4427
		1.7483	−3.9358	1.6168	1.3847**	0.13
		(2.2778)	(3.6270)	(1.9993)	(0.6464)	0.0767
U.K.	−0.2355					0.00
	(1.3607)					0.8637
		−1.0948	2.2126	−1.1560	−0.0111	0.00
		(1.9909)	(3.2583)	(1.6615)	(0.3185)	0.9379
U.S.	1.5598					0.03
	(1.4366)					0.2822
		0.4517	−3.5024	3.5693*	−0.6011	0.09
		(2.4169)	(3.7651)	(1.8892)	(0.5627)	0.1717
EW avg.	0.4061					
	(0.9596)					
Spread: p($\delta = 0$)						0.0545
Yields: p($\boldsymbol{\delta} = \mathbf{0}$)						0.0000

Note: ***, ** and * denote significance at the 1%, 5% respectively 10% level. The reported p-values correspond to F-tests on the joint significance of slopes across equations. Newey-West standard errors with 7 lags. SUR system for Spread and Yield regressions estimated from 161 observations over sample from September 1987 to January 2005. Spread is the difference in log-yields of Libor (12M) and Libor (6M). See section 4.4.1 for construction of data.

Table A.16: Libor (24M) – Survey Error Predictability over 12 Months

Survey Error Predictability

$$q^{24}_{t+12} - E^s_t q^{24}_{t+12} = \gamma + \boldsymbol{\delta} \boldsymbol{X}_t + v_{t+12}$$

Countries	Spread	Libor (3M)	Libor (6M)	Libor (12M)	Bonds (10Y)	R^2 $p(\boldsymbol{\delta} = 0)$
Australia	−1.8535					0.06
	(1.5650)					0.2411
		3.2454	−2.3339	−1.2308	0.5974*	0.15
		(3.2724)	(5.3658)	(2.8466)	(0.3151)	0.0079
Canada	−0.8848					0.02
	(0.9266)					0.3442
		−0.0206	0.8913	−0.8729	0.0972	0.03
		(1.0100)	(1.8207)	(1.3689)	(0.5221)	0.7332
France	−0.3857					0.01
	(0.9680)					0.6927
		4.0792***	−6.6640***	2.4813*	0.1614	0.08
		(1.3169)	(2.5319)	(1.4157)	(0.4129)	0.0023
Germany	0.6728					0.01
	(1.4568)					0.6470
		6.9846***	−12.6932***	5.9804***	−0.2080	0.17
		(1.8032)	(3.3718)	(1.8031)	(0.3436)	0.0011
Japan	0.7400					0.01
	(2.4052)					0.7603
		3.5024***	−4.5316**	0.3251	1.0074***	0.33
		(0.8254)	(2.2922)	(1.8554)	(0.2823)	0.0000
Switzerland	0.8181					0.01
	(1.8051)					0.6532
		3.0554**	−5.2336**	1.4743	1.6467**	0.22
		(1.5192)	(2.6369)	(1.9409)	(0.7033)	0.0236
U.K.	0.2307					0.00
	(1.1175)					0.8378
		1.9951	−3.8254	1.9804	−0.1815	0.01
		(1.9741)	(3.3326)	(1.7745)	(0.3202)	0.7957
U.S.	0.1801					0.00
	(1.2080)					0.8824
		2.3351	−4.8764	3.0040	−0.4873	0.09
		(2.2732)	(3.9282)	(2.0395)	(0.6048)	0.4111
EW avg.	−0.0603					
	(1.1162)					
Spread: p($\delta = 0$)						0.0395
Yields: p($\boldsymbol{\delta} = \mathbf{0}$)						0.0000

Note: ***, ** and * denote significance at the 1%, 5% respectively 10% level. The reported p-values correspond to F-tests on the joint significance of slopes across equations. Newey-West standard errors with 13 lags. SUR system for Spread and Yield regressions estimated from 155 observations over sample from September 1987 to July 2004. Spread is the difference in log-yields of Libor (12M) and Libor (6M). See section 4.4.1 for construction of data.

Table B.1: Foreign Exchange Market – Survey Errors

PANEL A: 3 Months

	AU	CN	FR	GE	JP	CH	UK
mean	−0.29	0.08	−0.66*	−0.48	−1.07**	−0.51	−0.89**
median	−0.38	0.01	−0.63	−0.41	−0.81	0.17	−0.86
autocorr.	0.69	0.69	0.65	0.66	0.73	0.67	0.62
obs	219	219	218	220	220	219	220
Correlations (Std. on Diagonal)							
AU	5.43						
CN	0.57	2.76					
FR	0.25	0.22	5.71				
GE	0.21	0.20	0.98	5.93			
JP	0.12	0.11	0.44	0.47	6.25		
CH	0.15	0.14	0.94	0.95	0.51	6.38	
UK	0.26	0.21	0.77	0.77	0.46	0.76	5.44

Note: All in log-percentage points (log * 100).Correlations with standard deviations on diagonal. ***, ** and * denote significance at the 1%, 5% respectively 10% level. (Computed only for the mean's.)

PANEL B: 12 Months

	AU	CN	FR	GE	JP	CH	UK
mean	0.92	0.31	−2.08**	−1.40	−4.64***	−1.87**	−3.46***
median	0.16	0.53	−2.20	−1.67	−5.68	−2.39	−3.61
autocorr.	0.95	0.95	0.91	0.92	0.92	0.91	0.89
obs	210	210	209	211	211	210	211
Correlations (Std. on Diagonal)							
AU	12.43						
CN	0.74	6.18					
FR	0.40	0.10	12.58				
GE	0.39	0.09	0.99	12.54			
JP	0.27	0.11	0.27	0.34	11.97		
CH	0.28	−0.03	0.95	0.96	0.37	12.93	
UK	0.43	0.14	0.70	0.70	0.35	0.71	10.33

Note: All in log-percentage points (log * 100).Correlations with standard deviations on diagonal. ***, ** and * denote significance at the 1%, 5% respectively 10% level. (Computed only for the mean's.)

Table B.2: Libor (3M) – Survey Errors

PANEL A: 3 Months

	AU	CN	FR	GE	JP	CH	UK	US
mean	−0.05	−0.07	−0.04	−0.02	−0.11***	−0.08	0.00	−0.10***
median	−0.05	−0.06	−0.00	−0.04	−0.08	−0.07	−0.03	−0.08
autocorr.	0.78	0.68	0.58	0.60	0.53	0.73	0.65	0.67
obs	164	176	165	176	176	176	176	176
Correlations (Std. on Diagonal)								
AU	0.79							
CN	0.37	0.79						
FR	0.09	0.14	0.71					
GE	0.36	0.08	0.29	0.41				
JP	0.18	0.32	−0.05	0.31	0.35			
CH	0.36	0.12	0.07	0.56	0.16	0.63		
UK	0.26	−0.04	0.10	0.59	0.14	0.32	0.72	
US	0.46	0.52	0.01	0.27	0.33	0.31	0.13	0.45

Note: All in log-percentage points (log * 100).Correlations with standard deviations on diagonal. ***, ** and * denote significance at the 1%, 5% respectively 10% level. (Computed only for the mean's.)

PANEL B: 12 Months

	AU	CN	FR	GE	JP	CH	UK	US
mean	−0.42**	−0.48***	−0.18*	−0.17*	−0.47***	−0.30**	−0.12	−0.58***
median	−0.59	−0.33	−0.23	−0.25	−0.37	−0.44	−0.13	−0.57
autocorr.	0.97	0.91	0.86	0.98	0.88	0.99	0.94	0.90
obs	155	167	156	167	167	167	167	167
Correlations (Std. on Diagonal)								
AU	2.12							
CN	0.60	1.72						
FR	0.29	0.58	1.25					
GE	0.35	0.53	0.74	1.18				
JP	0.16	0.38	0.23	0.49	1.04			
CH	0.47	0.51	0.59	0.85	0.42	1.65		
UK	0.59	0.61	0.47	0.74	0.34	0.75	1.61	
US	0.61	0.69	0.25	0.33	0.17	0.36	0.52	1.33

Note: All in log-percentage points (log * 100).Correlations with standard deviations on diagonal. ***, ** and * denote significance at the 1%, 5% respectively 10% level. (Computed only for the mean's.)

Table B.3: 10-year Bonds – Survey Errors

PANEL A: 3 Months

	AU	CN	FR	GE	JP	CH	UK	US
mean	-0.18^{***}	-0.15^{***}	-0.06^{*}	-0.04	-0.08^{**}	-0.09^{***}	-0.11^{***}	-0.17^{***}
median	-0.23	-0.21	-0.14	-0.11	-0.10	-0.11	-0.19	-0.20
autocorr.	0.70	0.72	0.67	0.64	0.64	0.78	0.63	0.67
obs	164	176	165	176	175	176	176	176
Correlations (Std. on Diagonal)								
AU	0.62							
CN	0.66	0.59						
FR	0.53	0.59	0.45					
GE	0.58	0.69	0.80	0.42				
JP	0.42	0.59	0.52	0.67	0.46			
CH	0.34	0.37	0.61	0.66	0.38	0.41		
UK	0.55	0.63	0.60	0.65	0.55	0.46	0.53	
US	0.65	0.76	0.57	0.65	0.51	0.35	0.45	0.54

Note: All in log-percentage points (log * 100).Correlations with standard deviations on diagonal. ***, ** and * denote significance at the 1%, 5% respectively 10% level. (Computed only for the mean's.)

PANEL B: 12 Months

	AU	CN	FR	GE	JP	CH	UK	US
mean	-0.63^{***}	-0.56^{***}	-0.52^{***}	-0.33^{***}	-0.46^{***}	-0.29^{***}	-0.42^{***}	-0.60^{***}
median	-0.84	-0.69	-0.68	-0.38	-0.48	-0.40	-0.49	-0.72
autocorr.	0.94	0.80	0.87	0.87	0.84	0.91	0.86	0.87
obs	155	167	156	167	166	167	167	167
Correlations (Std. on Diagonal)								
AU	1.31							
CN	0.71	1.00						
FR	0.72	0.77	1.05					
GE	0.68	0.83	0.89	0.99				
JP	0.53	0.66	0.71	0.78	0.88			
CH	0.65	0.63	0.80	0.79	0.67	1.00		
UK	0.74	0.74	0.76	0.79	0.75	0.77	0.96	
US	0.65	0.73	0.68	0.70	0.55	0.49	0.54	0.96

Note: All in log-percentage points (log * 100).Correlations with standard deviations on diagonal. ***, ** and * denote significance at the 1%, 5% respectively 10% level. (Computed only for the mean's.)

Table C.1: Foreign Exchange Market – Survey-Expected Depreciation over 12 months

Survey-Expected Depreciation

$$E_t^s s_{t+12} - s_t = \alpha + \beta(i_t - i_t^*) + u_t$$

Currencies	β	$\sigma(\beta)$	R^2
Australia	1.8353***	0.1767	0.61
Canada	1.0513***	0.2038	0.42
France	1.5105***	0.4896	0.23
Germany	1.1832**	0.4704	0.16
Japan	0.0509	0.3340	0.00
Switzerland	1.2351**	0.4935	0.14
U.K.	1.5072***	0.4843	0.21
EW avg.	1.1962***	0.2729	
p($\boldsymbol{\beta} = 0$)	0.0000		

Note: ***, ** and * denote significance at the 1%, 5% respectively 10% level. p($\boldsymbol{\beta} = 0$) tests for joint significance of slopes across equations. Newey-West standard errors with 13 lags. SUR system estimated from 210 observations over sample from October 1986 to July 2004. See section 4.1.1 for construction of data.

Table C.2: U.S. Stock Market – Expected Returns from UBS/Gallup Survey

$$E_t^s r_{t+12} = \alpha + \boldsymbol{\beta} \boldsymbol{X}_t + u_t^s$$

i	$\ln(D/P)$	cay	R^2 $p(\boldsymbol{\beta}=0)$
1.4276^{***}			0.75
(0.1721)			0.0000
	-0.1365^{***}		0.61
	(0.0202)		0.0000
		-1.5726^{***}	0.74
		(0.1319)	0.0000
1.3323^{***}	-0.0114		0.75
(0.3158)	(0.0356)		0.0000
0.7718^{**}	-0.0003	-0.7988^{**}	0.78
(0.3746)	(0.0274)	(0.3405)	0.0000

Note: ***, ** and * denote significance at the 1%, 5% respectively 10% level. Newey West standard errors reported in brackets (computed with 13 lags). Sample with 53 observations from May 1998 to April 2003. See Section 4.2.1 for construction of data.

Table C.3: Stock Markets – Expected Returns from ICF/Yale Survey

Survey-Expected Price Change

$$\tilde{E}_t^s \tilde{r}_{t+12} = \alpha + \boldsymbol{\beta} \boldsymbol{X}_t + u_t^s$$

i	$\ln(D/P)$	R^2 $p(\boldsymbol{\delta}=0)$	obs NW lags
Dow Jones (Individuals) Sep/96 – Nov/03			
-0.6127^{***}		0.02	1174
(0.2308)		0.0081	196
	-0.0067	0.00	1174
	(0.0236)	0.7765	196
-0.8325^{***}	-0.0420^{***}	0.02	1174
(0.1304)	(0.0115)	0.0000	196
Dow Jones (Institutions) Jun/89 – Nov/03			
-0.9360^{***}		0.02	2547
(0.2322)		0.0001	170
	-0.0141	0.00	2547
	(0.0173)	0.4163	170
-1.0183^{***}	0.0094	0.02	2547
(0.3128)	(0.0165)	0.0002	170
Nikkei (Institutions) Jun/89 – Nov/03			
-1.8639^{***}		0.12	1424
(0.2204)		0.0000	95
	0.1657^{***}	0.08	1424
	(0.0321)	0.0000	95
-1.5256^{***}	0.0657^{**}	0.13	1424
(0.2347)	(0.0277)	0.0000	95

Note: ***, ** and * denote significance at the 1%, 5% respectively 10% level. Newey West standard errors reported in brackets (lags as indicated above, corresponding to the number of observations per year). See Section 4.2.1 for construction of data. 12 months forecast horizon.

Table C.4: Libor (3M) Survey – Expected Yield Change over 3 Months

Survey-Expected Yield Change

$$E_t^s i_{t+3} - i_t = \alpha + \boldsymbol{\beta} \boldsymbol{X}_t + u_t^s$$

Countries	Spread	Libor (3M)	Libor (6M)	Libor (12M)	Bonds (10Y)	R^2 $p(\boldsymbol{\delta} = 0)$
Australia	0.5051^{**}					0.07
	(0.2190)					0.0232
		0.1118	-0.7259	0.6690	-0.0996^{***}	0.13
		(0.5865)	(1.0185)	(0.4667)	(0.0293)	0.0000
Canada	1.0027^{***}					0.22
	(0.2020)					0.0000
		-1.1571^{***}	1.2715^{**}	-0.0953	-0.0256	0.22
		(0.3490)	(0.5354)	(0.2252)	(0.0460)	0.0001
France	0.7135^{***}					0.31
	(0.1106)					0.0000
		-0.6517^{**}	0.3852	0.3809	-0.1474^{***}	0.38
		(0.2718)	(0.4921)	(0.2434)	(0.0470)	0.0000
Germany	1.0403^{***}					0.42
	(0.1278)					0.0000
		-0.7281^{**}	0.4518	0.3114	-0.0174	0.46
		(0.3694)	(0.6359)	(0.2903)	(0.0328)	0.0000
Japan	1.3564^{***}					0.41
	(0.2371)					0.0000
		-1.2572^{***}	1.0760^{**}	0.2401	-0.0613	0.45
		(0.2720)	(0.4410)	(0.2306)	(0.0386)	0.0000
Switzerland	0.5554^{***}					0.13
	(0.1109)					0.0000
		-0.0784	-0.5283^{*}	0.6596^{***}	-0.0528	0.21
		(0.1625)	(0.3138)	(0.1749)	(0.0347)	0.0000
U.K.	0.9272^{***}					0.23
	(0.1705)					0.0000
		-0.8334^{**}	0.7167	0.1734	-0.0989^{**}	0.28
		(0.3480)	(0.6321)	(0.3199)	(0.0405)	0.0000
U.S.	1.4488^{***}					0.43
	(0.1656)					0.0000
		-1.6656^{***}	1.7474^{***}	-0.0544	-0.0620	0.46
		(0.3276)	(0.5447)	(0.2463)	(0.0431)	0.0000
EW avg.	0.9437^{***}					
	(0.0825)					
Spread: p($\delta = 0$)						0.0000
Yields: p($\boldsymbol{\delta} = \mathbf{0}$)						0.0000

Note: ***, ** and * denote significance at the 1%, 5% respectively 10% level. The reported p-values correspond to F-tests on the joint significance of slopes across equations. Newey-West standard errors with 4 lags. SUR system for Spread and Yield regressions estimated from 163 observations over sample from September 1987 to April 2005. Spread is the difference in log-yields of Libor (6M) and Libor (3M). See section 4.4.1 for construction of data.

Table C.5: 10-year Bonds Survey – Expected Yield Change over 12 Months

Survey-Expected Yield Change

$$E_t^s i_{t+12} - i_t = \alpha + \boldsymbol{\beta} \boldsymbol{X}_t + u_t^s$$

Countries	Spread	Libor (3M)	Libor (6M)	Libor (12M)	Bonds (10Y)	R^2 $p(\boldsymbol{\delta} = 0)$
Australia	0.1157^{***}					0.11
	(0.0251)					0.0000
		−0.1603	0.0567	0.0819	−0.0808	0.28
		(0.5472)	(0.9657)	(0.4845)	(0.0800)	0.0000
Canada	0.2178^{***}					0.27
	(0.0462)					0.0000
		-0.9122^{***}	0.9367^{**}	−0.0822	−0.0635	0.40
		(0.2400)	(0.4582)	(0.2629)	(0.0647)	0.0000
France	0.2527^{***}					0.34
	(0.0422)					0.0000
		0.5649^{**}	-1.3092^{**}	0.5464	0.1860^{**}	0.37
		(0.2863)	(0.5436)	(0.3402)	(0.0733)	0.0000
Germany	0.2212^{***}					0.34
	(0.0467)					0.0000
		0.4486	-1.6307^{***}	1.0569^{***}	0.0891	0.46
		(0.3729)	(0.6210)	(0.3135)	(0.0699)	0.0000
Japan	0.2548^{***}					0.32
	(0.0729)					0.0007
		0.2187	−0.6700	0.1938	0.2789^{***}	0.34
		(0.5858)	(0.9238)	(0.4687)	(0.0719)	0.0000
Switzerland	0.2083^{***}					0.39
	(0.0377)					0.0000
		0.1214	-1.2331^{**}	1.0609^{***}	−0.0524	0.53
		(0.2781)	(0.4811)	(0.3011)	(0.0666)	0.0000
U.K.	0.2231^{***}					0.40
	(0.0359)					0.0000
		0.0529	−0.1031	−0.1177	0.0902	0.49
		(0.4862)	(0.9186)	(0.4948)	(0.0590)	0.0000
U.S.	0.1501^{***}					0.18
	(0.0244)					0.0000
		−0.1125	−0.3532	0.4006	−0.0033	0.25
		(0.3578)	(0.5529)	(0.2929)	(0.0596)	0.0000
EW avg.	0.2055^{***}					
	(0.0273)					
Spread: p($\delta = 0$)						0.0000
Yields: p($\boldsymbol{\delta} = \mathbf{0}$)						0.0000

Note: ***, ** and * denote significance at the 1%, 5% respectively 10% level. The reported p-values correspond to F-tests on the joint significance of slopes across equations. Newey-West standard errors with 13 lags. SUR system for Spread and Yield regressions estimated from 162 observations over sample from September 1987 to April 2005. Spread is the difference in log-yields of Bonds (10Y) and Libor (12M). See section 4.3.1 for construction of data.