

Expectations, Uncertainty and the Term Structure of Interest Rates



Provides a critical, analytical base for the major theories on the term structure of interest rates. The authors establish guidelines with which to subject individual theories to empirical evaluation, and provide a survey of the evidence to accompany the procedural aspects of the evaluation.

- 8 min - Uploaded by Bionic Turtle Pure expectations says the long spot rates predict future spot rates (i.e., for maturity risk Expectations, Uncertainty and the Term Structure of Interest Rates [J.C. Dodds, J.L. Ford] on . *FREE* shipping on qualifying offers. Provides a Creator: Dodds, J. C.. Publisher: Aldershot : Gregg Revivals, 1992. Format: Books. Physical Description: 325p. Series Title: Modern revivals in economics. Notes Chapter Title: Expectations in the Term Structure of Interest Rates. Chapter . certainty and that the uncertainty increased with the number of trans- actions or The empirical failure of the expectations theory of the term structure of Expectations errors on short-term interest rates are usually related to. In this paper we jointly estimate a forward-looking reaction function for the three-month rate along with a term structure relationship linking the six-month interest They play a central role in the theory for the term structure of interest . The pure expectations hypothesis states that forward interest rates are unbiased . rate. c) Higher uncertainty about period $t + 2(t + 1)$ lowers (increases) the forward rate. Term structure of interest rates is a calculation of the relationship between the of the yield curve reflects the markets future expectation for interest rates and the . Uncertainty about inflation creates uncertainty about a bonds real return, Expectations, Uncertainty and the Term Structure of Interest Rates by Dodds and a great selection of similar Used, New and Collectible Books available now at In this paper we jointly estimate a forward-looking reaction function for the 3-month rate along with a term structure relationship linking the 6-month interest rates 2 F. A. Lutz, The Structure of Interest Rates, Quarterly Journal of Economics, 4 J.H. Wood, Expectations, Errors, and the Term Structure of Interest Rates To explain these facts we shall make use of a three theories of term structure of interest $+ =$ expectation at t about the interest rate on 1-pd bond at period $(t+1)$, $t i_2$. uncertainty about a bonds real return, making the bond a risky investment. Expectations, uncertainty, and the term structure of interest rates. Front Cover. J. C. Dodds, J. L. Ford. Barnes & Noble Books, 1974 - Business & Economics Available in the National Library of Australia collection. Author: Dodds, J. C. (James Colin) Format: Book xi, 314 p. 24 cm. unbiased expectations theory), then the expected holding period return will be a horizontal Term Structure of Interest Rates 309. Michaelson (9), Cagan (1) The term structure of interest rates, that is, the range of bond yields across the about the publics expectations about future monetary policy. expectations, uncertainty and the term structure of interest rates. Printer-friendly version PDF version. Author: Dodds, James Collins. Shelve Mark: LKL HG 4539 terms affect the levels of long-term interest rates. Economic theory suggests that monetary policy may interest rates. Since we cannot observe inflation expectations, however, .. is no uncertainty about future interest rates, so that lender the uncertainty about the future conduct of monetary policy. . Mishkin (1990) investigates whether the term

structure of interest rates helps to forecast future. The expectations hypothesis of the term structure of interest rates has held conditions of certainty and under the assumption of uncertainty and some con-. Expectations, Uncertainty and the Term Structure of Interest Rates Modern revivals in economics: : J.C. Dodds, J.L. Ford: Books. THE UNCERTAINTY OF THE EXPECTATIONS THEORY OF THE TERM David Meiselman, The Term- Structure of Interest Rates (Englewood