Tables

$$Y_{t+h} - Y_t = \alpha_h + \beta_h(i_t^A - i_t^B) + u_{t+h}$$

Table 1: Entire Sample Model Errors

	Theoretical	Empirical	AR(1)	Random Walk
Share bias	0.00	0.00	0.00	0.00
Share variance	1.00	1.00	1.00	1.00
RMSFE	0.34	0.34	0.34	0.34
MAFE	0.23	0.23	0.22	0.23

Table 2: Policy Change Sample Model Errors

	Theoretical	Empirical	AR(1)	Random Walk
Share bias	0.01	0.00	0.00	0.00
Share variance	0.99	1.00	1.00	1.00
RMSFE	0.64	0.63	0.63	0.64
MAFE	0.39	0.37	0.37	0.39

Table 3: Entire Sample Models Diebold Mariano Tests

	Theoretical	Empirical	AR(1)	Random Walk
Theoretical	NA	0.012 (0.99)	2.139 (0.03)	1.355 (0.18)
Empirical	-0.012 (0.99)	NA	0.136 (0.89)	-0.001 (1)
AR(1)	-2.139 (0.03)	-0.136 (0.89)	NA	-2.019 (0.04)
Random Walk	-1.355 (0.18)	0.001 (1)	2.019 (0.04)	NA

Notes: Positive values indicate that the column model is better than the row model. P-values in parentheses.

Table 4: Policy Change Sample Models Diebold Mariano Tests

	Theoretical	Empirical	AR(1)	Random Walk
Theoretical	NA	0.037 (0.97)	0.037 (0.97)	0.816 (0.42)
Empirical	-0.037 (0.97)	NA	0.033 (0.97)	-0.033 (0.97)
AR(1)	-0.037 (0.97)	-0.033 (0.97)	NA	-0.034 (0.97)
Random Walk	-0.816 (0.42)	0.033 (0.97)	0.034 (0.97)	NA

Notes: Positive values indicate that the column model is better than the row model. P-values in parentheses.