Figure 1. Response of Cetes Flows to Target and Path Surprises

(a) Target Surprise

(b) Path Surprise

Notes: This figure plots the coefficient estimates and 95% confidence intervals for 1 basis point target and path tightening surprises for cetes flows from day $t-1$ to day $t+h$, where t is a day with a monetary policy announcement and $h = 0, 1, \ldots, 30$. An arrow indicates the contemporaneous effect (when $h = 0$). The surprises are identified using intraday data around monetary policy announcements, as explained in the main text. The sample includes all regular monetary policy announcements from January 2011 to December 2019. The 95% confidence bands are based on robust standard errors.