

## **Abstract**

The aim of the thesis is to examine the interaction of macroeconomic and financial factors through the lens of yield curve dynamics. The thesis consists of three essays that jointly demonstrate the complexity of information incorporated in the yield curve and the importance of attributing yield curve movements to those factors correctly. The first essay uses news-based approach to identify triggers of the U.S. Treasury yield curve movements and demonstrates shifts in the importance of various causes of the movements. The second essay further evaluates the transmission of fiscal policy shocks to the U.S. Treasury yield curve. The first and the second essay together contribute to the literature by showing that the factors beyond the U.S. economic conditions and monetary policy have been becoming an increasingly important cause of the U.S. yield curve movements. These factors include changes in portfolio allocation, cross-border flight to quality and changes in fiscal policy. The third essay proposes a novel method to apply the up-to-date yield curve models to a government bond yield curve in an economy with a relatively shallow government bond market, using the case of the Czech government bond yield curve. This enables decomposing the yield curve and interpreting its movements while accounting for possible specific components in yields at such markets.