

## Abstract

This thesis investigates the effectiveness of Federal Reserve's monetary policy under the zero lower bound. It estimates the impacts on interest rates due to surprising components of macroeconomic news. To obtain those surprise components, data on the actual and expected announced values of those news are used. The results support the findings in existing literature that the shorter-term interest rates were constrained by the zero lower bound, but the longer-term interest rates remained unconstrained. The conclusion is that to the extent that the Fed is able to affect those longer-term yields, its monetary policy effectiveness was essentially unaffected by the presence of the zero lower bound.

**JEL Classification** E43, E52, E58

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