

# **Uncertain Talking at Central Bank's Press Conference: News or Noise?**

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## **Summary**

We show that the uncertain talking at the European Central Bank's press conference raises stock returns of the Eurozone. By decomposing the uncertain talking into two types, we find that the positive returns are driven by one type, the average meaning of which is represented by words "risk", "uncertainty", "volatility", and "turbulence". This type is related to uncertain and unfavorable environments, which is negative news that lowers returns. However, an increase in this type also signals expansionary monetary policies in the future, which is positive news that raises returns. We find further evidence to imply that the latter channel dominates.