

**CAC (MPI) 1-168****Reference: 2014 DCAT Report****June 27, pp.49**

Preamble: "The correlation metrics from 1956-to-present and from 2004-to-present are provided below. [**Correlation between Equity Returns and Interest Rate Movements**]"

Please explain whether the correlations in this table are statistically significantly different from zero.

**RESPONSE:****Correlation between Equity Returns and Interest Rate Movements**

	<b>2004 to Present</b>	<b>1956 to Present</b>
1-Year	<b>0.28</b>	<b>-0.12</b>
2-Year	0.09	0.03
3-Year	<b>-0.23</b>	0.04
4-Year	-0.13	0.05

Correlation coefficients in **bold** are statistically significantly different from 0 with an assumed Type 1 error of 0.05. 