

**Undertaking #39**

MPI to explain why it chose to use the zero point one (0.1) significance level as compared to the more conventional point zero-five (0.5) significance level

**RESPONSE:**

The following table shows the correlations between equity returns and interest rate movements. The bolded figures are statistically different from 0 at the 0.05 significance level.

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

	<b>2005 to Present</b>	<b>1956 to Present</b>
1-Year	<b>0.26</b>	<b>-0.12</b>
2-Year	0.15	0.03
3-Year	<b>-0.21</b>	0.04
4-Year	-0.03	0.05