Description for the Online Data set for Liu and Zhang (2008, RFS):

"Momentum Profits, Factor Pricing, and Macroeconomic Risk"

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In the Excel spreadsheet posted online, the left panel (from column B to column F) contains the data used in our paper "Momentum profits, factor pricing, and macroeconomic risk." The sample is from January1960 to December 2004. The right panel (from column I to column M) contains the expanded data series from March 1947 to August 2019. Please note that the data series in the common sample period are not exactly the same due to updates of the data series performed by the public resources. The sources of the updated data are described as follows:
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- MP_t is **the growth rate of industrial production** for month t, defined as $logIP_t - logIP_{t-1}$, where IP_t is the industry production index (INDPRO series) in month t from FRED database at Federal Reserve Bank of St. Louis.

- UI_t is **unexpected inflation** for month t, defined as $I_t - E[I_t | t-1]$ and $I_t = logCPISA_t - logCPISA_{t-1}$, in which $CPISA_t$ is seasonal adjusted Consumer Price Index (CUSR0000SA0 series) from Labor Bureau of Statistics.

- $DEI_t \equiv E[I_{t+1} | t] - E[I_t | t-1]$ is **the change in expected inflation**. The expected inflation is $E[I_t | t-1] = r_{ft} - E[RHO_t | t-1]$, where r_{ft} is the one-month Treasury bill rate from CRSP (crsp.mcti,variable t30ret), and $RHO_t \equiv r_{ft} - I_t$ is the ex post real return on Treasury bills in month t. We use Fama and Gibbons's (1984) method to measure the ex ante real rate, $E[RHO_t | t-1]$. The difference between RHO_t and RHO_{t-1} is modeled as $RHO_t - RHO_{t-1} = u_t + \theta u_{t-1}$. As such, $E[RHO_t | t-1] = (r_{ft-1} - I_{t-1}) - \hat{u}_t - \hat{\theta}\hat{u}_{t-1}$.

- UTS is **the term premium**, defined as the yield difference between 20-year and 1-year Treasury bonds from FRED database at Federal Reserve Bank of St. Louis.

- UPR is **the default premium**, defined as the yield difference between BAA-rated and AAA-rated corporate bonds from FRED database at Federal Reserve Bank of St. Louis.