**The Long-Run Information Effect of Central Bank Text**

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Abstract

A large literature has established that qualitative central bank communication moves the nominal yield curve. However, the channel through which learning about future policy rates remains unclear. We use the information shock from the Bank of England's Inflation Report (IR) release to address this. The IR contains detailed information on inflation and output forecasts, which according to standard theory are primary drivers of the short-run policy rate. Consistent with this view, the forecasts explain a substantial amount of the movement of the yield curve following the IR release, particularly at the short end. We then use methods from high-dimensional statistics to show that variation in text explains up to 50% of the residual variance in yield curve movements, with particularly strong effects at longer maturities. This is consistent with communication about long-term economic developments shaping future rate expectations.