Return predictability reveals economic variables that drive expected returns. Alternative economic theories relate fluctuations in predictive variables to different sources of risk. I develop an empirical approach that exploits these observations and measures how economically interpretable shocks propagate in the term structure of expected buy-and-hold returns. Shock propagation patterns constitute term structure of risk in expected returns whose shape and level serve as informative moments to test competing equilibrium theories of return predictability. As an application, I examine sources of stock return predictability. I find support for an equilibrium model with aggregate volatility shocks, in contrast to models with consumption disasters or long-run risk.