

ONLINE APPENDIX

GLOBAL FINANCIAL CYCLES AND THE EXCHANGE RATE REGIME: A PERSPECTIVE FROM EMERGING MARKETS

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Table A1. List of Countries in the Sample

Advanced economies (AEs)			Emerging market economies (EMEs)			
Australia	Iceland	Singapore	Argentina	Ecuador	Kazakhstan	Russia
Austria	Ireland	Slovenia	Belarus	Egypt	Korea, Rep.	Serbia
Belgium	Italy	Spain	Brazil	El Salvador	Latvia	Slovak Rep.
Canada	Israel	Sweden	Bulgaria	Estonia	Lithuania	South Africa
Cyprus	Japan	Switzerland	Chile	Georgia	Malaysia	Sri Lanka
Denmark	Luxembourg	United Kingdom	China	Guatemala	Mexico	Thailand
Finland	Malta	United States	Colombia	Hungary	Morocco	Tunisia
France	Netherlands		Costa Rica	India	Peru	Turkey
Germany	New Zealand		Croatia	Indonesia	Philippines	Uruguay
Greece	Norway		Czech Rep.	Jamaica	Poland	Venezuela
Hong Kong SAR	Portugal		Dominican Rep.	Jordan	Romania	

Table A2. Variable Description and Data Sources

Variables	Description	Source
Capital account openness	Index (high=liberalized, low=closed)	Quinn and Toyoda (2008)
Net capital flows	In USD billions (BPM5 presentation), derived from the financial account of the Balance of Payments. Net capital flows exclude, reserve assets, financing items and other investment liabilities of general government, i.e., the difference between IFS series codes "...4995W.9" and "...4753ZB9." Liability flows also exclude other investment liabilities of the general government	IMF's IFS database
Capital flows/GDP	In percent. Capital flows scaled by (1/4)*annual GDP	Authors' calculations
Consumer price index (CPI)	Index	IMF's INS database
Domestic private sector credit	In local currency (LC)	IMF's IFS database
Exchange rate regime	De facto, de jure	Ghosh et al. (2015)
GDP current/constant prices	In billions of USD (or LC). Seasonally adjusted	IFS database and Haver analytics
Global financial crisis (GFC)	Binary variable equal to 1 for 2008Q4/2009Q1, 0 otherwise	Authors' calculations
House prices	Index (in real terms)	IMF's Macrofinancial Unit database
Loan to deposit (LTD) ratio	In percent	IMF's IFS database
Stock prices (in real terms)	Stock price index deflated by quarterly CPI	Bloomberg and authors' calculations
VXO/VIX index	Chicago Board Options Exchange Market Volatility Index	Bloomberg

Table A3. Estimation Results with Disaggregated Exchange Rate Regimes, 1986Q1–2013Q4

	Credit growth		House price growth		Stock price growth		Change in LTD ratio		Real GDP growth	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Hard peg	10.349*** (3.770)	11.979*** (3.484)	6.949 (5.573)	9.767** (3.618)	12.750 (10.332)	14.463 (9.849)	7.908*** (2.520)	8.881*** (2.488)	2.831** (1.380)	3.160** (1.401)
Conventional peg	15.660*** (5.523)	18.217*** (5.579)	29.583** (12.083)	32.956*** (10.588)	-11.387 (8.937)	-7.972 (9.839)	8.838** (3.775)	9.750*** (3.155)	1.288 (1.694)	1.905 (1.725)
Basket peg	-10.301 (8.129)	-6.828 (7.440)	-19.279* (9.647)	-9.767 (12.068)	-49.727*** (16.678)	-23.753* (13.163)	0.900 (9.650)	2.280 (8.968)	0.613 (2.202)	0.596 (2.458)
Horizontal band	-7.353 (5.177)	-6.435 (5.085)	-7.768 (6.094)	-7.622 (5.352)	-7.727 (7.516)	-7.307 (12.777)	1.438 (4.382)	2.318 (3.997)	1.018 (1.158)	1.632 (1.461)
Crawling peg	-1.355 (3.782)	1.727 (4.790)	-9.092* (4.780)	1.043 (8.250)	-18.399** (8.750)	-2.289 (8.379)	1.645 (5.927)	3.650 (6.055)	0.346 (0.940)	1.264 (0.991)
Managed float	2.110 (2.673)	4.299 (3.025)	-8.379*** (2.786)	-4.980 (4.282)	-8.314 (8.148)	-2.695 (7.822)	4.329 (2.730)	5.273* (2.834)	-0.144 (0.670)	0.571 (0.688)
Log (VXO)	-1.336* (0.724)		-1.860** (0.901)		-10.251*** (1.523)		0.398 (0.714)		-0.445*** (0.127)	
Hard peg x log (VXO)	-2.332* (1.213)	-2.819** (1.176)	-3.590* (1.827)	-4.059*** (1.108)	-2.851 (3.183)	-3.351 (3.042)	-1.850* (1.047)	-2.150** (1.021)	-0.914** (0.452)	-1.007** (0.462)
Conventional peg x log (VXO)	-3.669** (1.751)	-4.258** (1.741)	-9.288** (4.249)	-9.045** (3.622)	4.457 (3.714)	3.559 (3.898)	-1.504 (1.019)	-1.816** (0.885)	-0.263 (0.534)	-0.433 (0.551)
Basket peg x log (VXO)	4.763* (2.650)	4.009 (2.450)	7.347 (4.313)	5.121 (5.040)	15.768** (5.948)	7.860* (4.615)	0.658 (2.921)	0.367 (2.731)	-0.179 (0.641)	-0.134 (0.726)
Horizontal band x log (VXO)	3.783** (1.610)	3.331** (1.516)	2.565 (2.008)	2.416 (1.759)	2.392 (2.347)	3.490 (4.949)	0.567 (1.428)	0.080 (1.364)	-0.194 (0.325)	-0.418 (0.439)
Crawling peg x log (VXO)	1.187 (1.305)	0.470 (1.578)	2.822 (1.767)	0.253 (2.982)	5.918* (3.213)	1.274 (2.664)	0.062 (2.019)	-0.539 (2.062)	-0.158 (0.301)	-0.392 (0.329)
Managed float x log (VXO)	-0.223 (0.889)	-0.818 (0.990)	2.407** (0.909)	1.884 (1.321)	2.803 (2.704)	1.563 (2.496)	-1.162 (0.888)	-1.481 (0.944)	0.091 (0.200)	-0.119 (0.217)
Real GDP growth	0.312*** (0.109)	0.241** (0.110)	0.147 (0.287)	0.196 (0.216)	-0.173 (0.215)	0.215 (0.189)	0.232*** (0.068)	0.177** (0.077)		
Private credit/GDP									-0.026*** (0.006)	-0.025*** (0.006)
Capital account openness	0.066*** (0.024)	0.065*** (0.022)	-0.050** (0.023)	-0.024 (0.021)	0.028 (0.035)	0.008 (0.025)	0.031* (0.017)	0.038** (0.016)	0.006 (0.005)	0.005 (0.005)
Real credit growth			0.080** (0.032)	0.074*** (0.024)	0.004 (0.062)	0.030 (0.067)				
LTD ratio							-0.064*** (0.014)	-0.061*** (0.012)		
Real GDP per capita									-0.830 (0.740)	-0.908 (0.718)
Institutional quality									0.985 (1.152)	0.806 (0.960)
Linear trend	0.011 (0.013)		0.004 (0.017)		-0.051*** (0.016)		0.004 (0.009)		0.007 (0.005)	
Global financial crisis	2.294*** (0.693)		-1.722* (0.978)		-12.444*** (2.174)		1.375 (0.836)		-2.117*** (0.380)	
Country fixed effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Quarter-year effects	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes
Observations	2,592	2,592	1,119	1,119	2,049	2,049	2,602	2,602	2,524	2,524
Adjusted R2	0.122	0.159	0.128	0.228	0.061	0.320	0.0779	0.126	0.108	0.147
No. of countries	43	43	25	25	37	37	43	43	42	42

Note: Dependent variable is quarterly real domestic private sector credit growth rate (in percent) in cols. [1]-[2]; real house price growth (in percent) in cols. [3]-[4]; real equity returns (in percent) in cols. [5]-[6]; change in LTD ratio (in percentage points) in cols. [7]-[8]; real GDP growth (in percent) in cols. [9]-[10]. All domestic control variables are lagged to mitigate endogeneity concerns. Sample comprises open countries (i.e., those above the 25th sample percentile of the Quinn-Toyoda capital account openness index) and non-financial crisis years. Constant is included in all specifications. Clustered standard errors (by country) are reported in parentheses. ***, **, * indicate statistical significance at the 1, 5, and 10 percent levels, respectively.

Table A4. Real House Price Growth in AEs and EMEs, 1986Q1–2013Q4

	All AEs	All AEs	Excluding USA	Excluding USA	Excluding Eurozone	Excluding Eurozone	Eurozone Weighted Average	Eurozone Weighted Average
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Fixed regime	2.091 (1.343)	1.291 (1.548)	2.208 (1.416)	1.367 (1.616)	6.436** (2.920)	6.858** (2.585)	6.456** (2.895)	7.013** (2.566)
Intermediate regime	2.964 (2.590)	5.185** (2.164)	3.370 (2.705)	5.346** (2.255)	3.849 (2.459)	5.793*** (2.009)	3.804 (2.445)	5.881*** (1.983)
Log (VXO)	0.295 (0.359)		0.324 (0.387)		0.379 (0.380)		0.360 (0.359)	
Fixed x log (VXO)	-0.577 (0.417)	-0.430 (0.511)	-0.589 (0.440)	-0.438 (0.534)	-1.841** (0.844)	-2.158** (0.816)	-1.851** (0.837)	-2.203** (0.810)
Intermediate x log (VXO)	-0.801 (0.823)	-1.475** (0.704)	-0.897 (0.852)	-1.497* (0.731)	-1.010 (0.793)	-1.645** (0.658)	-1.001 (0.786)	-1.673** (0.648)
Real GDP growth (lagged)	0.431*** (0.106)	0.393*** (0.118)	0.431*** (0.107)	0.392*** (0.119)	0.396*** (0.137)	0.357** (0.136)	0.392*** (0.135)	0.351** (0.136)
Credit growth (lagged)	0.055** (0.026)	0.040* (0.023)	0.054** (0.025)	0.040* (0.023)	0.037* (0.019)	0.026 (0.018)	0.037* (0.019)	0.026 (0.017)
Capital acc. openness (lagged)	-0.011 (0.011)	-0.008 (0.011)	-0.011 (0.012)	-0.008 (0.011)	-0.031** (0.013)	-0.024* (0.013)	-0.030** (0.013)	-0.024* (0.013)
Linear trend	0.005 (0.006)		0.005 (0.006)		0.017*** (0.006)		0.016*** (0.006)	
Global financial crisis	-1.794*** (0.609)		-1.882*** (0.633)		-2.717*** (0.909)		-2.562*** (0.851)	
Country fixed effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Quarter-year effects	No	Yes	No	Yes	No	Yes	No	Yes
Observations	2,302	2,302	2,198	2,198	1,686	1,686	1,744	1,744
Adjusted R2	0.082	0.159	0.083	0.159	0.092	0.164	0.091	0.163
No. of countries	29	29	28	28	27	27	28	28

Note: Dependent variable is quarterly real house price growth rate (in percent). Real GDP growth (in percent), domestic credit growth (in percent), and the capital account openness index are lagged one period. See online appendix for description of variables and data sources. Sample comprises all AEs in cols. [1]-[2], excludes the United States in cols. [3]-[4], excludes the eurozone countries from year 1999 onward in cols. [5]-[6], and excludes individual eurozone countries from 1999 onward but takes their weighted average in cols. [7]-[8]. Constant is included in all specifications. Clustered standard errors (by country) are reported in parentheses. ***, **, * indicate statistical significance at the 1, 5, and 10 percent levels, respectively.

Table A5. Real Stock Returns in AEs and EMEs, 1986Q1–2013Q4

	All AEs	All AEs	Excluding USA	Excluding USA	Excluding Eurozone	Excluding Eurozone	Eurozone Weighted Average	Eurozone Weighted Average
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Fixed regime	5.884* (3.353)	6.740** (3.068)	6.190* (3.552)	6.570* (3.258)	3.350 (5.104)	6.236 (7.173)	2.312 (5.089)	5.560 (7.187)
Intermediate regime	4.603 (7.547)	2.815 (6.873)	5.643 (8.046)	2.965 (7.142)	6.673 (8.109)	3.837 (7.418)	5.615 (8.091)	3.247 (7.441)
Log (VXO)	-8.278*** (0.878)		-8.361*** (0.979)		-7.867*** (0.921)		-8.200*** (0.919)	
Fixed x log (VXO)	-2.671** (1.190)	-3.480*** (1.076)	-2.640** (1.262)	-3.440*** (1.131)	-1.073 (2.597)	-3.493 (3.087)	-0.722 (2.586)	-3.281 (3.091)
Intermediate x log (VXO)	-0.940 (2.512)	-0.892 (2.210)	-1.107 (2.666)	-0.915 (2.274)	-1.568 (2.651)	-1.194 (2.378)	-1.217 (2.643)	-1.000 (2.389)
Real GDP growth (lagged)	-0.253** (0.117)	0.242* (0.130)	-0.241* (0.118)	0.227* (0.131)	-0.067 (0.178)	0.088 (0.140)	-0.099 (0.175)	0.096 (0.134)
Credit growth (lagged)	-0.037 (0.040)	-0.078* (0.042)	-0.042 (0.041)	-0.076* (0.041)	-0.045 (0.038)	-0.070 (0.045)	-0.046 (0.038)	-0.072 (0.046)
Capital acc. openness (lagged)	-0.001 (0.028)	0.050* (0.026)	-0.001 (0.029)	0.049* (0.027)	-0.004 (0.030)	0.061** (0.027)	-0.004 (0.030)	0.062** (0.027)
Linear trend	0.011 (0.008)		0.013 (0.008)		0.020 (0.012)		0.019 (0.011)	
Global financial crisis	-5.337*** (1.264)		-4.888*** (1.250)		-7.530*** (1.440)		-7.746*** (1.353)	
Country fixed effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Quarter-year effects	No	Yes	No	Yes	No	Yes	No	Yes
Observations	2,189	2,189	2,085	2,085	1,555	1,555	1,613	1,613
Adjusted R2	0.098	0.588	0.097	0.585	0.085	0.540	0.0893	0.551
No. of countries	29	29	28	28	28	28	29	29

Note: Dependent variable is quarterly real stock price growth rate (in percent). Real GDP growth (in percent), domestic credit growth (in percent), and the capital account openness index are lagged one period. See online appendix for description of variables and data sources. Sample comprises all AEs in cols. [1]-[2], excludes the United States in cols. [3]-[4], excludes the eurozone countries from year 1999 onward in cols. [5]-[6], and excludes individual eurozone countries from 1999 onward but takes their weighted average in cols. [7]-[8]. Constant is included in all specifications. Clustered standard errors (by country) are reported in parentheses. ***, **, * indicate statistical significance at the 1, 5, and 10 percent levels, respectively.

Table A6. Change in Loan-to-Deposit (LTD) Ratio in AEs and EMEs, 1986Q1–2013Q4

	Advanced		Emerging Market		Advanced and Emerging Market							
	(1)	(2)	(3)	(4)	All	All	Excluding USA	Excluding USA	Excluding EZ	Excluding EZ	EZ Weighted Average	EZ Weighted Average
Fixed regime	-1.336 (2.041)	0.583 (2.326)	7.968*** (2.655)	8.675*** (2.421)	1.751 (1.698)	2.535 (1.745)	1.856 (1.748)	2.675 (1.794)	4.709*** (1.735)	5.566*** (1.726)	4.783*** (1.695)	5.640*** (1.682)
Intermediate regime	-2.943 (3.330)	-2.829 (3.784)	3.154 (2.794)	4.251 (2.662)	-0.066 (1.783)	0.881 (1.777)	0.024 (1.848)	1.036 (1.829)	0.055 (1.778)	0.909 (1.781)	0.117 (1.734)	0.977 (1.736)
Log (VXO)	-0.062 (0.612)		0.318 (0.721)		-0.107 (0.455)		-0.074 (0.482)		-0.108 (0.471)		-0.077 (0.455)	
Fixed x log (VXO)	0.744 (0.686)	0.090 (0.847)	-1.574* (0.878)	-1.860** (0.852)	-0.045 (0.581)	-0.254 (0.619)	-0.081 (0.601)	-0.301 (0.637)	-0.953 (0.638)	-1.118* (0.665)	-0.977 (0.624)	-1.140* (0.648)
Intermediate x log (VXO)	1.043 (1.193)	1.127 (1.376)	-0.663 (0.889)	-1.045 (0.875)	0.184 (0.622)	-0.033 (0.643)	0.154 (0.643)	-0.085 (0.658)	0.148 (0.621)	-0.037 (0.645)	0.126 (0.605)	-0.059 (0.629)
Real GDP growth	0.291 (0.190)	0.260 (0.236)	0.236*** (0.070)	0.181** (0.077)	0.258*** (0.073)	0.221*** (0.080)	0.258*** (0.074)	0.220*** (0.081)	0.269*** (0.077)	0.231*** (0.082)	0.269*** (0.076)	0.231*** (0.082)
LTD ratio	-0.020** (0.005)	-0.019*** (0.005)	-0.062** (0.014)	-0.060*** (0.012)	-0.034** (0.009)	-0.034** (0.009)	-0.034*** (0.009)	-0.034*** (0.009)	-0.037*** (0.011)	-0.036*** (0.011)	-0.037*** (0.011)	-0.036*** (0.011)
Capital acc. openness	-0.002 (0.016)	-0.006 (0.018)	0.035** (0.016)	0.043*** (0.016)	0.014 (0.012)	0.015 (0.013)	0.014 (0.012)	0.015 (0.013)	0.011 (0.013)	0.013 (0.013)	0.012 (0.013)	0.013 (0.013)
Linear trend	0.006 (0.008)		-0.005 (0.008)		0.003 (0.006)		0.003 (0.006)		0.005 (0.007)		0.004 (0.007)	
Global financial crisis	-0.535 (0.633)		1.205 (0.926)		0.200 (0.608)		0.226 (0.620)		0.388 (0.724)		0.350 (0.711)	
Country fixed effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Quarter-year effects	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	No
Observations	2,457	2,457	2,602	2,602	5,057	5,057	4,953	4,953	4,411	4,411	4,469	4,469
Adjusted R2	0.017	0.021	0.075	0.123	0.034	0.047	0.034	0.047	0.034	0.044	0.034	0.045
No. of countries	29	29	43	43	72	72	71	71	72	72	73	73

Note: Dependent variable is quarterly change in loan-to-deposit ratio (in ppt). Real GDP growth and the capital account openness index are lagged one period. LTD ratio is lagged two periods. See online appendix for description of variables and data sources. Sample comprises all AEs in cols. [1]-[2], all EMs in cols. [3]-[4], all AEs and EMs in cols. [5]-[6], excludes the United States in cols. [7]-[8], excludes the Eurozone countries from year 1999 onward in cols. [9]-[10], and excludes individual Eurozone countries from 1999 onward but takes their weighted average in cols. [11]-[12]. Constant is included in all specifications. Clustered standard errors (by country) are reported in parentheses. ***, **, * indicate statistical significance at the 1, 5, and 10 percent levels, respectively.

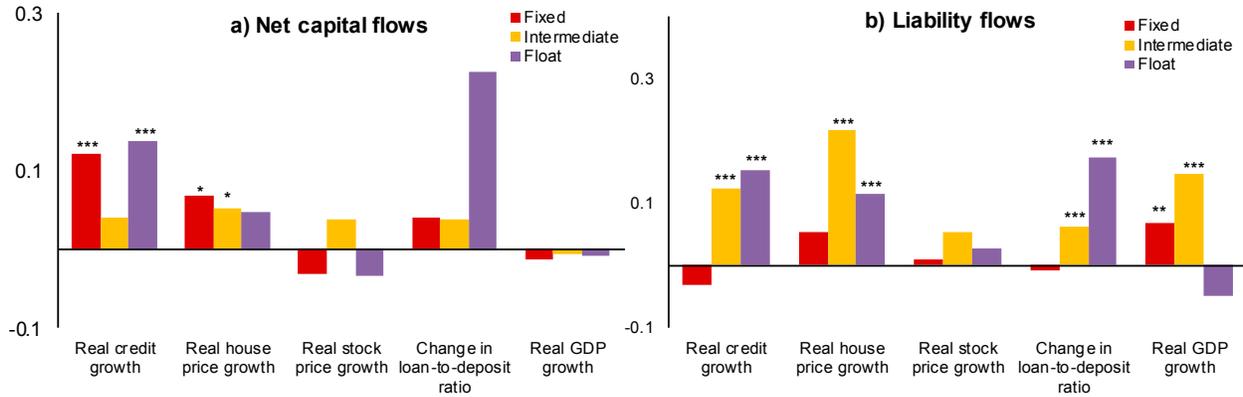
Table A7. Real GDP Growth in AEs and EMEs, 1986Q1–2013Q4

	Advanced		Emerging Market		Advanced and Emerging Market							
	(1)	(2)	(3)	(4)	All	All	Excluding USA	Excluding USA	Excluding EZ	Excluding EZ	EZ Weighted Average	EZ Weighted Average
Fixed regime	0.566 (0.455)	0.115 (0.447)	2.322* (1.184)	2.776** (1.165)	0.833 (0.521)	0.852* (0.506)	0.799 (0.528)	0.835 (0.511)	1.224 (0.803)	1.606** (0.746)	1.204 (0.801)	1.583** (0.747)
Intermediate regime	-0.162 (0.728)	0.625 (0.795)	0.129 (0.623)	0.808 (0.585)	-0.043 (0.424)	0.579 (0.387)	-0.059 (0.438)	0.575 (0.396)	0.079 (0.424)	0.737* (0.392)	0.058 (0.418)	0.714* (0.388)
Log (VXO)	-0.135 (0.098)		-0.461*** (0.122)		-0.311*** (0.091)		-0.318*** (0.096)		-0.301*** (0.088)		-0.309*** (0.086)	
Fixed x log (VXO)	-0.276* (0.146)	-0.146 (0.153)	-0.657* (0.369)	-0.782** (0.371)	-0.282* (0.164)	-0.279* (0.155)	-0.273 (0.167)	-0.274* (0.157)	-0.346 (0.249)	-0.444* (0.228)	-0.339 (0.249)	-0.438* (0.228)
Intermediate x log (VXO)	0.018 (0.253)	-0.241 (0.286)	-0.029 (0.190)	-0.214 (0.190)	-0.000 (0.137)	-0.162 (0.132)	0.003 (0.141)	-0.160 (0.134)	-0.031 (0.135)	-0.203 (0.132)	-0.024 (0.133)	-0.196 (0.131)
Domestic credit/GDP	-0.004** (0.002)	-0.004** (0.002)	-0.025*** (0.006)	-0.024*** (0.005)	-0.007*** (0.002)	-0.006*** (0.002)	-0.007*** (0.002)	-0.006*** (0.002)	-0.006** (0.003)	-0.005** (0.002)	-0.006** (0.003)	-0.005** (0.002)
Real GDP per capita	0.481 (0.624)	-0.292 (0.503)	-0.775 (0.708)	-0.845 (0.695)	-0.199 (0.381)	-0.362 (0.403)	-0.215 (0.385)	-0.376 (0.407)	-0.639 (0.426)	-0.680 (0.437)	-0.638 (0.420)	-0.699 (0.430)
Capital acc. openness	-0.002 (0.003)	-0.002 (0.003)	0.005 (0.005)	0.005 (0.005)	-0.002 (0.004)	-0.001 (0.004)	-0.002 (0.004)	-0.001 (0.004)	-0.003 (0.004)	-0.002 (0.004)	-0.003 (0.004)	-0.002 (0.004)
Linear trend	-0.003 (0.003)		0.007 (0.005)		0.001 (0.003)		0.001 (0.003)		0.004 (0.003)		0.004 (0.003)	
Global financial crisis	-2.271** (0.303)		-2.005*** (0.377)		-2.256*** (0.278)		-2.258*** (0.284)		-2.234*** (0.311)		-2.231*** (0.304)	
Country fixed effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Quarter-year effects	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes
Observations	2,531	2,531	2,524	2,524	5,147	5,147	5,043	5,043	4,499	4,499	4,558	4,558
Adjusted R2	0.133	0.216	0.107	0.147	0.113	0.160	0.112	0.160	0.093	0.137	0.097	0.140
No. of countries	29	29	42	42	72	72	71	71	72	72	73	73

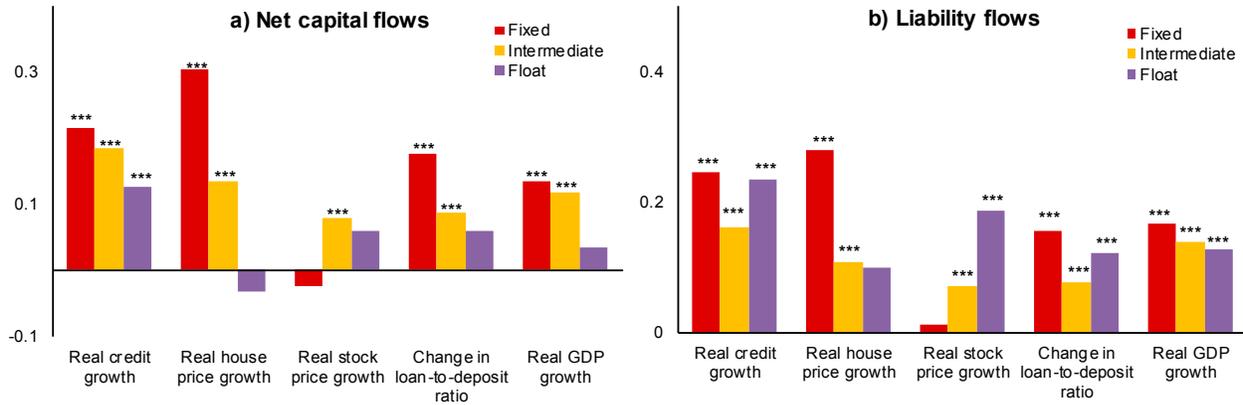
Note: Dependent variable is quarterly (seasonally adjusted) real GDP growth rate (in percent). Domestic credit to GDP, real GDP per capita, and the capital account openness index are lagged one period. See online appendix for description of variables and data sources. Sample comprises all AEs in cols. [1]-[2], all EMs in cols. [3]-[4], all AEs and EMs in cols. [5]-[6], excludes the United States in cols. [7]-[8], excludes the Eurozone countries from year 1999 onward in cols. [9]-[10], and excludes individual Eurozone countries from 1999 onward but takes their weighted average in cols. [11]-[12]. Constant is included in all specifications. Clustered standard errors (by country) are reported in parentheses. ***, **, * indicate statistical significance at the 1, 5, and 10 percent levels, respectively.

Figure A1. Correlation with Capital Flows

i) Advanced economies



ii) Emerging market economies



Source: Authors' calculations.

Note: Panel a) shows the unconditional correlation across countries between quarterly net capital flows (in percent of GDP) and real domestic private sector credit growth, real house price growth, real stock price growth, change in loan-to-deposit ratio, and real GDP growth. Panel [b] shows the unconditional correlation across countries between quarterly liability (non-resident) capital flows (in percent of GDP) and real domestic private sector credit growth, real house price growth, real stock price growth, change in loan-to-deposit ratio, and real GDP growth. *, **, *** indicate statistical significance at the 10, 5, and 1 percent levels, respectively.