Quantitative Easing and Financial (In)Stability

Initiative: Europe and Global Challenges

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Many central banks have introduced quantitative easing (QE) as a new policy tool where they massively buy bonds from market participants to provide liquidity to the market, reduce the cost of capital and ultimately foster economic growth. Although such monetary policy measures by the Federal Reserve and the Bank of Japan seem to have had the desired effect in the home market, there are still many open questions about the effectiveness of QE with respect to its global impact. These policies (and unwinding them later on) have an impact on the stability of financial markets and financial institutions, not only in the industrialized countries but also in emerging markets.The project proposes a new approach to address the topic from the banking and finance perspective. It aims to analyse the potential effect of QE, in particular on (i) the pricing of financial assets, (ii) the risk taking by banks, and (iii) the spillover effects to emerging markets.

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Open Access-Publikationen

Does Monetary Policy Impact International Market Co-Movements?
Central Bank - Driven Mispricing
Echo over the Great Wall: Spillover Effects of QE Announcements on Chinese Yield Curve
Lender of Last Resort, Buyer of Last Resort, and a Fear of Fire Sales in the Sovereign Bond Market

Es werden die Institutionen genannt, an denen das Vorhaben durchgeführt wurde, und nicht die aktuelle Adresse.