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PCED

Philippine Center for
Economic Development

present a seminar on

“Global Liquidity and Financial Vulnerability”

By

Maria Socorro Gochoco- Bautista, PhD

Professor

5 August, Friday

4:00-5:00 p.m. – Room 303

Abstract:

Rey (2015) finds that the global financial cycle has a strong common component among global asset prices, gross capital flows, credit flows, and the leverage of the financial sector, and that it co-moves with VIX, a measure of uncertainty and risk aversion in markets. This study attempts to make a modest contribution to the literature on the relationship between global liquidity and financial vulnerability. It conducts a dynamic conditional correlation analysis to examine the relationship between global credit and risk, and regression analysis to examine how global liquidity, as seen in cross-border claims to the Asia-Pacific region or capital flows to the Philippines as a share of GDP interacts with the global factor, VIX, and affects stock market returns, bank leverage, and the growth of domestic credit to the private sector in the Philippines.

About the speaker:

Maria Socorro Gochoco-Bautista is Professor of Economics at the University of the Philippines School of Economics. She obtained her PhD in Economics from Columbia University. Her main fields of interest are monetary theory and open economy macroeconomics.



Free and open to the public

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