

“Fiscal Policy and Financial Markets”

(in English)

Presenter: Ms. HO Thuy-Ai (PhD Student)

Date: 10 April 2017 (Monday)

Time: 9:00 – 9:30 am

Venue: WYL314, Dorothy Y. L. Wong Building

Chief Supervisor: Prof. Jimmy RAN (Associate Professor)

Co-supervisor: Prof. Jesús SEADE (Chair Professor)

Abstract:

Impact of public policies on the economy is considered as a never-ending story in economics. A vast literature has developed for the role of monetary policy on the financial markets. Enormous studies have also investigated the relationship between monetary and fiscal policy on investment, consumption and output. Surprisingly, a very small number of research sheds light on the behavior of asset prices, especially financial assets, under changes in fiscal balance, government spending and revenue, and public debt. My study is to fill this gap by empirically investigating the relationship between fiscal policy and the financial markets in advanced economies and emerging market countries. A sample of more than 100 countries spreading over geographic regions and levels of economic development since the 1990s is used for this analysis. As its major contribution to literature, by using an intensive database covering almost the whole world financial markets, this study attempts to provide empirical results on impacts of fiscal policy on stock and government bond markets with a contrast between developed versus emerging economies.

ALL ARE WELCOME