

BROWNBAG SEMINAR

THE ROLE OF DOMESTIC VS. MULTINATIONAL FIRMS IN THE TRANSMISSION OF MONETARY POLICY.

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Abstract

This paper examines the role of domestic versus multinational firms in the transmission of monetary policy. I document that U.S.-headquartered multinationals increase investment more than domestically-focused U.S. firms following a loosening of U.S. monetary policy. This effect is stronger for U.S. multinational firms that operate in more foreign countries, have higher foreign sales, and have more years of experience operating abroad. The effects are the strongest for U.S. firms that operate in high-growth markets and when the U.S. economy is in a low growth phase. Furthermore, a decrease in the U.S. policy interest rate is also associated with an increase in foreign investment by U.S. multinationals. The results are consistent with the view that exposure to foreign markets can give rise to diverse investment opportunities. Firms' exposure to foreign markets therefore plays an important role in the transmission of monetary policy.

All are welcome!!

Date: 28 September 2021 (TUE)

Time: 12:30-13:30

Venue: WYL314

****Registration is required**

Register Here:

