

|                         |   |
|-------------------------|---|
| 1. Record Nr.           | UNINA9910463622203321   |
| Autore                  | Tong Hui  |
| Titolo                  | Real effects of the subprime mortgage crisis : is it a demand or finance shock? // Hui Tong and Shang-Jin Wei   |
| Pubbl/distr/stampa      | [Washington, District of Columbia] : , : International Monetary Fund, , 2008<br>©2008   |
| ISBN                    | 1-4623-3258-7<br>1-4527-6219-8<br>9786612841378<br>1-4518-7044-2<br>1-282-84137-8   |
| Descrizione fisica      | 1 online resource (39 p.)   |
| Collana                 | IMF Working Papers<br>IMF working paper ; ; WP/08/186   |
| Altri autori (Persone)  | WeiShang-Jin  |
| Disciplina              | 338.542   |
| Soggetti                | Financial crises - Economic aspects<br>Liquidity (Economics)<br>Subprime mortgage loans - Economic aspects - United States<br>Electronic books.   |
| Lingua di pubblicazione | Inglese   |
| Formato                 | Materiale a stampa  |
| Livello bibliografico   | Monografia  |
| Note generali           | Description based upon print version of record.   |
| Nota di bibliografia    | Includes bibliographical references.  |
| Nota di contenuto       | Contents; I. Introduction; II. Specification and Key Variables; A. Basic Specification; B. Key Data; III. Empirical Analysis; A. Basic Results; B. Evolving Roles of Liquidity Constraint and Demand Contractions; C. Alternative Measure of Financial Dependence; D. Placebo Tests; E. Exposures to Exchange Rate and Commodity Price Movement; F. Additional Robustness Checks and Extensions; IV. Conclusion; References; Tables; 1a. Summary Statistics; 1b. Correlation Among Variables; 2. Change in Stock Price during the Subprime Crisis; 3. Alternative Measure of Financial Dependence<br>4. Does Liquidity Constraint Explain Changes in Stock Prices During September 10-28, 2001?5. Placebo Tests: Stock Price Changes Before the Subprime Crises; 6. Adding Exposures to Exchange Rate and Commodity Price Movement; Figures; 1. The Log of Stock Index during |

Subprime Crisis; 2. News Count of "Subprime" and "Crisis"; 3. Consensus Forecast of U.S. Real GDP Growth; 4. Consumer Confidence around Sept. 11th and Subprime Crisis; 5. TED (Euro-dollar bond over Treasury Bond) spread around September 11th and Subprime Crisis; 6. Cumulative Stock Returns Since August 2007  
7. Key Regression Coefficients from Successively Expanding Samples

---

Sommario/riassunto

We develop a methodology to study how the subprime crisis spills over to the real economy. Does it manifest itself primarily through reducing consumer demand or through tightening liquidity constraint on non-financial firms? Since most non-financial firms have much larger cash holding than before, they appear unlikely to face significant liquidity constraint. We propose a methodology to estimate these two channels of spillovers. We first propose an index of a firm's sensitivity to consumer demand, based on its response to the 9/11 shock in 2001. We then construct a separate firm-level index on

---