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Significance of the Libor-OIS Spread Response to Policy Announcements (Pooled Sample); 3. Statistical Tests on a Pooled Sample for Alternative Event Windows and Measures of Surprise
4. Statistical Tests on a Pooled Sample for Alternative Measures of Financial Risk
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9. Magnitude and Statistical Significance of the Libor-OIS Spread Response to Domestic and Foreign Policy Inaction and Ad Hoc Bank Bailouts (by Country)
6. Statistical Significance of Foreign Policy Announcements on the Libor-OIS Spreads; V. Conclusion; Appendix I. Statistical Tests; References; Footnotes

Sommario/riassunto

This paper examines the impact of macroeconomic and financial sector policy announcements in the United States, the United Kingdom, the euro area, and Japan during the recent crisis on interbank credit and liquidity risk premia. Announcements of interest rate cuts, liquidity support, liability guarantees, and recapitalization were associated with a reduction of interbank risk premia, albeit to a different degree during the subprime and global phases of the crisis. Decisions not to reduce interest rates and bail out individual banks in an ad hoc manner had adverse repercussions, both domestic
