1. Record Nr. UNINA9910788689603321

Autore Warnock Francis

Titolo How Might a Disorderly Resolution of Global Imbalances Affect Global Wealth? / / Francis Warnock

Pubbl/distr/stampa Washington, D.C. : , : International Monetary Fund, , 2006

ISBN 1-4623-0742-6
1-4527-5417-9
1-283-51900-3
1-4519-8615-7
9786613831453

Descrizione fisica 1 online resource (28 p.)

Collana IMF Working Papers

Soggetti
Asset-liability management
Portfolio management
Finance: General
Investments: General
Investments: Bonds
Investments: Stocks
Foreign Exchange
Current Account Adjustment
Short-term Capital Movements
International Lending and Debt Problems
International Finance Forecasting and Simulation
General Financial Markets: General (includes Measurement and Data)
Pension Funds
Non-bank Financial Institutions
Financial Instruments
Institutional Investors
Investment & securities
Finance
Emerging and frontier financial markets
Bonds
Securities
Stocks
Securities markets
Financial markets
Financial institutions
Financial services industry

	Financial instruments Capital market United States
Lingua di pubblicazione	Inglese
Formato	Materiale a stampa
Livello bibliografico	Monografia
Note generali	"July 2006 ".
Nota di bibliografia	Includes bibliographical references.
Nota di contenuto	""Contents""; ""I. INTRODUCTION""; ""II. EXPOSURE TO LONG- TERM U. S. SECURITIES""; ""A. Foreign Positions in U.S. Securities in 2004""; ""B. Impact of Declines in the Dollar and U.S. Asset Prices""; ""C. Evolution of Exposure: 1994 to 2004""; ""D. Exposure to Dollar Bonds Issued by Third Countries""; ""III. ANOTHER VIEW OF EXPOSURE IN 2004: U.S. LIABILITIES IMPLIED BY CPIS DATA""; ""A. CPIS Data""; ""B. CPIS Data: Implied U.S. Liabilities and Impact of U.S. Financial Market Shocks""; ""IV. CONCLUSION""; ""References""
Sommario/riassunto	Partly reflecting structural advantages such a liquidity and strong investor protection, foreigners have built up extremely large positions in U.S. (as well as other dollar-denominated) financial assets. This paper describes the impact on global wealth of an unanticipated shock to U.S. financial markets. For every 10 percent decline in the dollar, U.S. equity markets, and U.S. bond markets, total wealth losses to foreigners could amount to about 5 percentage points of foreign GDP. Four stylized facts emerge: (i) foreign countries, particularly emerging markets, are more exposed to U.S. bonds than U.S. equities; (ii) U.S. exposure has increased for most countries; (iii) on average, U.S. asset holdings of developed countries and emerging markets (scaled by GDP) are very similar; and (iv) based on their reserve positions, wealth losses of emerging market governments could, on average, amount to about 2¾ percentage points of their GDP.