

1. Record Nr.	UNINA9910960080803321
Autore	Roache Shaun
Titolo	Inflation Hedging for Long-Term Investors / / Shaun Roache, Alexander Attie
Pubbl/distr/stampa	Washington, D.C. : , : International Monetary Fund, , 2009
ISBN	9786612843105 9781462300280 1462300286 9781452797496 1452797498 9781282843103 1282843109 9781451872378 1451872372
Edizione	[1st ed.]
Descrizione fisica	1 online resource (39 p.)
Collana	IMF Working Papers
Altri autori (Persone)	AttieAlexander
Disciplina	332.152
Soggetti	Hedging (Finance) Inflation (Finance) Risk Banks and Banking Bonds Capital and Ownership Structure Currencies Deflation Financial institutions Financial Instruments Financial regulation and supervision Financial Risk and Risk Management Financial risk management Financial services law & regulation Financing Policy General Financial Markets: General (includes Measurement and Data) Goodwill Government and the Monetary System Hedging Inflation Institutional Investors Investment & securities

Investment Decisions
Investments: Bonds
Investments: Stocks
Macroeconomics
Monetary economics
Monetary Systems
Money and Monetary Policy
Money
Non-bank Financial Institutions
Payment Systems
Pension Funds
Portfolio Choice
Price Level
Prices
Regimes
Standards
Stocks
Value of Firms
United States

Lingua di pubblicazione

Inglese

Formato

Materiale a stampa

Livello bibliografico

Monografia

Note generali

"April 2009".

Nota di bibliografia

Includes bibliographical references.

Nota di contenuto

Contents; I. Introduction; Figures; 1. Long-term Consumer Price Inflation, 1950-2008 (annual percent); II. Literature Review; A. Cash; B. Bonds; C. Corporate Equity; D. Alternatives; E. Diversified Portfolios; III. Inflation Hedging Over a One-Year Horizon; A. Data; Tables; 1. Short-Run Model Variables: Summary Statistics, Jan-1927 to Nov-2008; B. Estimation Strategy; C. Results; 2. Asset Class Sensitivity to Inflation Over a 12-Month Horizon; IV. Inflation Hedging over the Long Term; 3. Breakpoint Tests and Sub-Sample Regressions; A. Data; B. Estimation Strategy
3. Long-Run Model Variables: Summary Statistics, Aug-1956 to Oct-2008C. Results; 2. Inflation Shock 20-Year Cumulative Impulse Response Functions; 3. Inflation Shock Elasticities; V. Summary and Investment Implications; Appendix; References

Sommario/riassunto

Long-term investors face a common problem-how to maintain the purchasing power of their assets over time and achieve a level of real returns consistent with their investment objectives. While inflation-linked bonds and derivatives have been developed to hedge the effects of inflation, their limited supply and liquidity lead many investors to continue to rely on the indirect hedging properties of traditional asset classes. In this paper, we assess these properties over different time horizons, in the context of a diversified portfolio. Using a vector error correction model, we find that effective short-run hedges, such as commodities, may not work over longer horizons and that tactical asset allocation could enhance investment returns following inflation surprises.

