

Zróźnicowanie globalnej plynności w krajach rozwinionych i rozwijajacych się

Global Liquidity Determinants Across Emerging and Advanced Countries

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Abstract

The paper explores the concept of global liquidity and its determinants, focusing on banking system in advanced and emerging markets. We explore the implications of the interaction between liquidity and its local, global and financial markets determinants. We also analyze the global liquidity channel, whether foreign banks play a significant role in the country's financial system. The object of the study is investigation of bank's liquidity determinates in 42 countries (advanced and emerging/developing countries) over 12-years analysis period (2000-2012). The results show the significance of differences in global liquidity due to country level development. We find support to the conjecture that globalization and global banks leverage may convey some useful information on global liquidity. We also provides an important insight that banks lending in advanced countries is shielded from monetary policy because of their ability to freely access alternative sources of funds.

Keywords: global liquidity, banking, emerging countries, credit supply, financial instability