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Ce bulletin mensuel présente les publications les plus récentes des économistes de la Banque. Le rapport inclut des études parues dans des publications externes et les documents de travail du personnel publiés sur le site Web de la Banque du Canada.

PUBLICATIONS

À paraître

Goldman, Elena & Shen, Xiangjin, “[Procyclicality Mitigation for Initial Margin Models with Asymmetric Volatility](#)”, *Journal of Risk*

DOCUMENTS DE TRAVAIL DU PERSONNEL

Fontaine, Jean-Sébastien & Walton, Adrian, “[Contagion in Dealer Networks](#)”, Document de travail du personnel de la Banque du Canada 2020-1

Arifovic, Jasmina & Grimaud, Alex & Salle, Isabelle & Vermandel, Gauthier, “[Social Learning and Monetary Policy at the Effective Lower Bound](#)”, Document de travail du personnel de la Banque du Canada 2020-2

Duprey, Thibaut & Ueberfeldt, Alexander, “[Managing GDP Tail Risk](#)”, Document de travail du personnel de la Banque du Canada 2020-3

RÉSUMÉS

Procyclicality Mitigation for Initial Margin Models with Asymmetric Volatility

Nous étudions les propriétés de modèles asymétriques d'hétéroscédasticité conditionnelle autorégressive généralisée (GARCH) de la famille des modèles GARCH à seuil (TGARCH) et proposons un modèle TGARCH à fonction spline plus général où les termes de l'hétéroscédasticité conditionnelle autorégressive (ARCH) et généralisée rendent compte de la volatilité des rendements de variables à forte fréquence, de la volatilité des variables macroéconomiques à faible fréquence et de la réaction asymétrique aux nouvelles défavorables passées. Une estimation des rendements des indices S&P 500 et S&P/TSX par la méthode du maximum de vraisemblance ainsi qu'une simulation numérique de Monte-Carlo permettent d'arriver à plusieurs constats : le modèle de volatilité asymétrique plus général que nous proposons est mieux adapté, les effets des nouvelles défavorables persistent plus longtemps, le degré d'aversion au risque est plus élevé et les variables macroéconomiques ont une incidence significative sur la composante à faible fréquence de la volatilité. Nous recourons ensuite à divers modèles de volatilité pour établir les marges initiales exigées par une contrepartie centrale. Enfin, nous montrons comment atténuer la procyclicité des marges initiales en faisant appel à un modèle autorégressif à seuil à trois régimes.

Contagion in Dealer Networks

Dealer networks provide essential intermediation services in over-the-counter markets. We document the response of dealer networks to the arrival of new public information. We find that after public news releases, dealer networks become more complex and channel larger flows of securities between buyers and sellers. These effects are concentrated in bonds that were more actively traded and had more-complex dealer networks. One natural interpretation is that dealer networks become more complex after the news releases to accommodate shifts of intermediation demand. For these bonds, following the news releases, we also document more frequent and larger contagion of settlement fails over the network. The evidence points to a trade-off. Settlement fails allow for contagion of counterparty risk in dealer networks; yet, allowing for fails provides dealers greater flexibility to accommodate shifts in demand for intermediation.

Social Learning and Monetary Policy at the Effective Lower Bound

The first contribution of this paper is to develop a model that jointly accounts for the missing disinflation in the wake of the Great Recession and the subsequently observed inflation-less recovery. The key mechanism works through heterogeneous expectations that may durably lose their anchorage to the central bank (CB)'s target and coordinate on particularly persistent below-target paths. We jointly estimate the structural and the learning parameters of the model by matching moments from both macroeconomic and Survey of Professional Forecasters data. The welfare cost associated with those dynamics may be reduced if the CB communicates to the agents its target or its own inflation forecasts, as communication helps anchor expectations at the target. However, the CB may lose its credibility whenever its announcements become decoupled from actual inflation, for instance in the face of large and unexpected shocks.

Managing GDP Tail Risk

We propose a novel framework to analyze how policy-makers can manage risks to the median projection and risks specific to the tail of gross domestic product (GDP) growth. By combining a quantile regression of GDP growth with a vector autoregression, we show that monetary and macroprudential policy shocks can reduce credit growth and thus GDP tail risk. So policymakers concerned about GDP tail risk would choose a tighter policy stance at the expense of macroeconomic stability. Using Canadian data, we show how our framework can add tail event information to projection models that ignore them and give policy-makers a tool to communicate the trade-offs they face.

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