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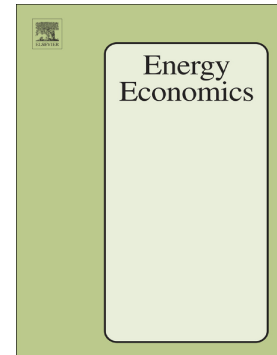
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# Green Bond and Financial Markets: Co-Movement, Diversification and Price Spillover Effects

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## Abstract

We examine co-movement between the green bond and financial markets, finding that the green bond market couples with corporate and treasury bond markets and weakly co-moves with stock and energy commodity markets. We also find that green bonds have negligible diversification benefits for investors in corporate and treasury markets, whereas diversification benefits are sizeable for investors in stock and energy markets. We further confirm that green bonds are affected by substantial price spillovers from corporate and treasury fixed-income markets and that large price swings in stock and energy markets have a negligible impact on green bond prices.

**Keywords:** Green bonds; Financial markets; Co-movements; Dependence; Price Spillovers.

**J. E. L. Classification:** C58; G10; G12; Q50

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