

Accepted Manuscript

Financial Development and Long-Run Volatility Trends

Pengfei Wang, Yi Wen, Zhiwei Xu

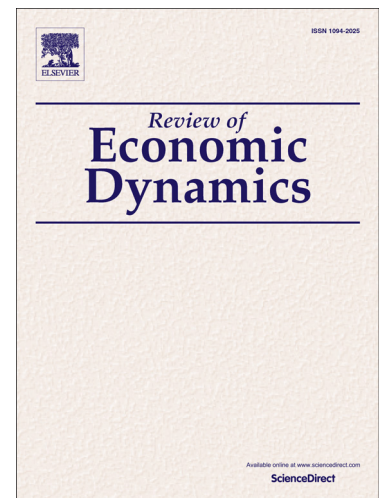
PII: S1094-2025(17)30070-4
DOI: <https://doi.org/10.1016/j.red.2017.08.005>
Reference: YREDY 837

To appear in: *Review of Economic Dynamics*

Received date: 14 June 2015
Revised date: 30 August 2017

Please cite this article in press as: Wang, P., et al. Financial Development and Long-Run Volatility Trends. *Review of Economic Dynamics* (2017), <https://doi.org/10.1016/j.red.2017.08.005>

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.



Highlights

- Countries with more developed financial markets tend to have significantly lower aggregate volatility.
- This relationship is also highly non-linear and L-shaped.
- We build a DSGE model with endogenous financial market of credit arrangements and private debt to rationalize these stylized facts.
- Our model also sheds light on a number of other important issues.

Download English Version:

<https://daneshyari.com/en/article/7388186>

Download Persian Version:

<https://daneshyari.com/article/7388186>

[Daneshyari.com](https://daneshyari.com)