Accepted Manuscript

Do all oil price shocks have the same impact? Evidence from the Euro Area

Anastasios Evgenidis

PII: S1544-6123(17)30522-6
DOI: 10.1016/j.frl.2017.12.013
Reference: FRL 838

To appear in: *Finance Research Letters*

Received date: 30 August 2017
Revised date: 7 December 2017
Accepted date: 16 December 2017

Highlights

- In response to oil price shocks, output, economic sentiment and stock markets decline much more rapidly when there is heightened uncertainty.
- During high stress periods, larger oil price shocks tend to have a disproportionately bigger effect on HICP than smaller shocks.
- During periods of heightened uncertainty, negative oil price shocks have a bigger effect on HICP compared with positive shocks.
- The findings suggest that policymakers need to consider the size and direction of an oil price shock as well as the economic situation in which an oil price shock occurs.