

&RUUXSWLRQ DQG )RUHLJQ 'L  
0(1\$ 5HJLRQ +RZ WKH \$UDE 6  
7KLQJV

\$EGHOJDIDU -DVPLQH (&2

7KLV ~~WRXQ~~ DW WKH HIIHFWV RI FRUUXSWLRQ RQ IRUH  
0LGGOH (DVW DQG 1RUWK \$IULFD 0(1\$ UHJLRQ ,W XWLOL]  
-RUGDQ 2PDQ 6DXGL \$UDELD \$OJHULD DQG7KZDQWH[RUHU  
(FRQRPLF )UHHGRP SURYLGHG E\ 7KH +HULWDJH )RXQGDWL  
ZLWK HDFK FRXQWU\ UHFHLYLQJ D VFRUH IURP WR KLJ  
IUHHGRP DQG OHVV FRUUXSWLRQ 2WKHU LQGSHHQGHQW Y  
LQIODWLRQ UDWK WKH UHDO LQWHUHVW UDWK WKH XQHP  
WKH \$UDE 6SULQJ WKDW WDNHV RQ D YDOXH RI IRU \HDUV  
7KH PRGHOTV GHSHQQGHQW YDULDEOH LV )', QHW L  
GDWD LV REWDLQHG IURP WKH :RUOG 'DWGL%~~DO~~WLV(QJHOMK  
QHJDWLYH UHODWLRQVKLS EHWZHHQ )', DQG FRUUXSWLRQ  
UHJLRQ KDYHQW EHHQ IXOO\ HYDOXDWHG GXH WR D ODFN  
D PDLQ GHWHUPLQDQW RI DQ HFRQRPI\TV SURVSHULW\ DQG  
UHODWLYHO\ XQVWDEOH UHJLRQ DQG ZLWK WKH UHFHQW \$U  
GHFUHDVHG LQ WKHVH FRXQWULHV EXW WKH FKDQJH LQ )',  
GHWHUPLQHG 7KLV SDSHU XVHV 2/6 PRGHOV WR DVVHV V  
0(1\$ UHJLRQ EHIRUH DQG DIWHU WKH \$UDE 6SULQJ DQG UH  
FRUUXSWLRQ KDG D SRVLWLYH HIIHFW RQ )', EXW WKLV UH  
DWHU WKH \$UDE 6SULQJ DV LQGLFDWHG E\ D EUHDNSRLQW  
7KLV PD\ EH FDXVHG E\ LQLWLDO EXLOW LQ LQVWLWXWLRQ  
KHOSLQJ KDQG' EXW DIWHU WKH HFRQRPI\WLVHQV PGXWIKD  
6SULQJ LQVWLWXWLRQDO FRQVWUDLQWV DQG ODZV ZHUH I  
E\ LQFUHDVLQJ WKH FRVWV E\ PRUH WKDQ WKH SHUFHLYHG