

The International Banking Library (IBL)

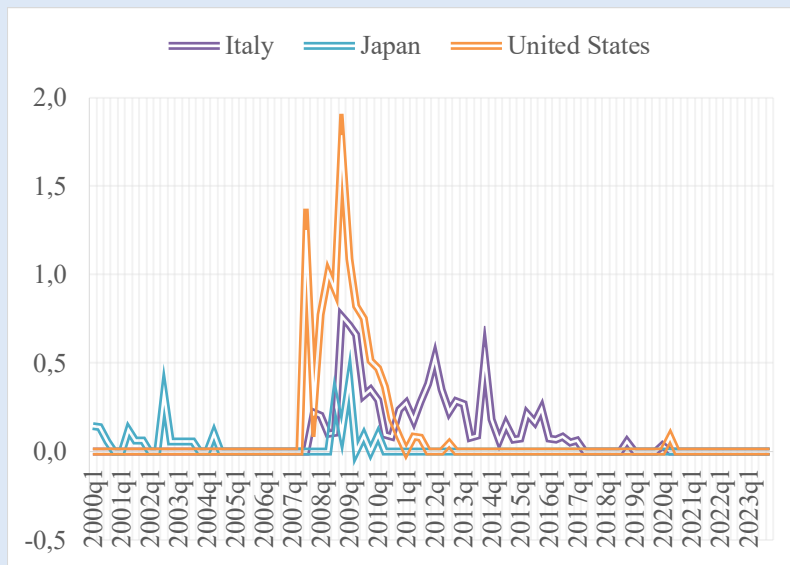
is a web-based platform for the exchange of research on cross-border banking. The IBL-Newsletter addresses researchers working on topics related to international banking and provides the latest updates on new research and conferences in the field. The third issue of 2024 presents new research on sovereign haircuts and the consequences of rising interest rates and valuation losses for central banks. A new website provides information on [access to microdata](#) within the European System of Central Banks.

Quarterly Index of Financial Stress for 110 countries

A new index of financial stress has been assembled by Hites Ahir, Davide Furceri, Giovanni Dell'Ariccia, Chris Papageorgiou and Hanbo Qi. It is constructed based on country reports by the Economist Intelligence Unit and a [VoxEU column](#) summarizes its key features. The index spans 110 countries during the period 1967-2018 and the dataset can be downloaded [here](#). The authors show in their [IMF Working Paper](#) that higher financial stress has negative effects on output, especially for developing and emerging market economies. Based on an instrumental variables approach, they find that OLS estimates have an upward bias tough.

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Financial Stress Index for Selected Countries



Source: Ahir, Hites, Giovanni Dell'Ariccia, Davide Furceri, Chris Papageorgiou and Hanbo Qi, 2023. "Financial Stress and Economic Activity: Evidence from a New Worldwide Index," IMF Working Paper.

At the Research Frontier

What's new in international banking?

Quarterly Selected Study

The Editors' Pick

- **Sovereign Haircuts: 200 Years of Creditor Losses**

Clemens M. Graf von Luckner, Josefin Meyer,
Carmen M. Reinhart, Christoph Trebesch
NBER Working Paper No. 32599

- **Risk Sharing and Amplification in the Global Banking Network**

Leslie Sheng Shen and Tony Zhang
Federal Reserve Bank of Boston Research
Department Working Papers No. 24-4

- **Fiscal Consequences of Central Bank Losses**

Stephen G. Cecchetti & Jens Hilscher
NBER Working Paper No. 32478

Non-bank lending during crises

Inaki Aldasoro, Sebastian Doerr, Haonan Zhou
CEPR Discussion Paper No. 18989

- **Research Question:** How do non-bank lenders adjust their credit supply in the syndicated loan market during crises times? Are borrowers' credit constraints affected in case they maintain credit relationships with non-bank lenders?
- **Data:** The study relies on global syndicated loan data provided by the Thomson Reuters' Dealscan database. In the syndicated loan market, around one third of lenders are non-bank financial institutions as well as the share of syndicated loans provided by non-banks has gained in importance over recent years and currently sums up to 20%.
- **Main Findings:** The main result suggests that non-banks contract syndicated lending targeted towards the non-financial sector by more than banks during times of financial crises and reveals the existence of a "lending gap". A key insight is delivered by showing that borrowers' lending relationships with non-bank lenders are not as valuable as relationships with banks when it comes to lending spreads or the maintenance of credit supply during times of distress.

- **Taking Stock: Dollar Assets, Gold, and Official Foreign Exchange Reserves**

The article by Patrick Douglass, Linda S. Goldberg, and Oliver Z. Hannaoui sheds light on dollar demand and the dollar's relevance for foreign exchange reserves in central banks' balance sheets by referring both to recent research and describing patterns in the data.

- **Closing the blinds on banks' window dressing**

This ECB blog post by Claudio Bassi, Markus Behn, Michael Grill, Massimo Libertucci, Pär Torstensson and Peter Welz (which is also available as a podcast) describes banks' practice of "window dressing", that is shrinking selected items in the balance sheet at the end of reporting quarters to, for example, improve leverage ratios.

- **Targeted consultation assessing the adequacy of macroprudential policies for non-bank financial intermediation (NBFi)**

The European Commission is seeking input regarding the vulnerabilities and risks of non-bank financial intermediation as well as consequent conclusions regarding the implementation of macroprudential policies. Responses can be submitted until November 22, 2024.

- **Women in Central Banking Workshop**

Dallas, United States | November 1, 2024
Federal Reserve Bank of Dallas
CfP deadline: August 15, 2024

- **Global Currencies**

Paris, France | December 6, 2024
Banque de France
CfP deadline: September 1, 2024

- **Global Shocks, Macroeconomic Spillovers and Geopolitical Risks: Policy Challenges**

Brussels, Belgium | April 7-8, 2025
European Commission/ CEPR/ JIE
CfP deadline: October 8, 2024