



# KRN UPDATE NEWSLETTER

## BANGKO SENTRAL NG PILIPINAS KNOWLEDGE RESOURCE NETWORK

ISSUE 2

FEBRUARY 2022

### BSP PUBLICATIONS

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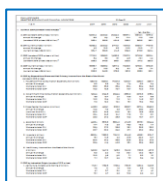
**ARMAS, JEAN CHRISTINE. SPILLOVER RISKS FROM EMERGING ECONOMIES' LOSS OF CONFIDENCE: INSIGHTS FROM THE G-CUBED MODEL SIMULATIONS. BSP WORKING PAPER, NO. 2021-03. MANILA, PHILIPPINES: BANGKO SENTRAL NG PILIPINAS, 2021.**

*In the run-up to the Global Financial Crisis (GFC), the emerging economies largely benefited from a confluence of tailwinds – low interest rates in the United States (US), rising commodity prices that favored commodity-exporting emerging economies, and substantial capital inflows. However, after a decade (2000-2010) of remarkable economic growth in the emerging economies, the risks have shifted from advanced economies to emerging markets following the Fed's taper tantrum. Using the multi-sector-multi-country intertemporal G-Cubed model, this paper quantifies and examines the spillover effects of a 200-basis point increase in risk premia shock in emerging economies to the domestic and global economies. The spillover risks of loss of confidence are discussed via the financial and trade channels where the shocked emerging economies experienced negative financial flow-on and positive trade flow effects while the non-shocked advanced economies experienced the opposite. This research also shows that trade and capital markets are important stabilizers for both shocked and non-shocked economies. The adjustment stabilizing process in these markets are necessary to circumvent prolonged adverse impacts of the risk premia shock.*



**BANGKO SENTRAL NG PILIPINAS. FAQs ON BASEL III NET STABLE FUNDING RATIO (NSFR). MANILA, PHILIPPINES: BANGKO SENTRAL NG PILIPINAS, 2021.**

*A compilation of frequently asked questions about Basel III Net Stable Funding Ratio (NSFR) under Circular No. 1007 dated 06 June 2018, as amended by Circular No. 1034 dated 15 March 2019. The NSFR aims to promote long-term resilience against liquidity risk by requiring a bank/quasi-bank (QB) to maintain a stable funding profile in relation to the composition of its assets and off-balance sheet activities. The NSFR seeks to limit the overreliance on short-term wholesale funding and promoting enhanced assessment of funding risk across all on- and off-balance sheet accounts. It complements the Liquidity Coverage Ratio (LCR), which promotes short term resilience of a bank's/QB's liquidity profile. The NSFR applies to all universal and commercial banks (UBs/KBs) and their subsidiary banks and QBs on both solo and consolidated bases. Latest version this FAQs was released on 10 December 2021.*



**BANGKO SENTRAL NG PILIPINAS. SELECTED ECONOMIC AND FINANCIAL INDICATORS, 7 JANUARY 2022. MANILA, PHILIPPINES: BANGKO SENTRAL NG PILIPINAS, 2022.**

*This report presents the latest data on various economic indicators on output, employment and wages, prices, money and interest rates, external indicators, and public finance. Latest issue released on 7 January 2022.*



**BANGKO SENTRAL NG PILIPINAS. WITHIN REACH WEEKLY, ISSUE NO. 01, 2022. MANILA, PHILIPPINES: BANGKO SENTRAL NG PILIPINAS, 2022.**

*In this maiden issue of the Within Reach Weekly, it features the following articles: (1) BSP Readies Calibrated, Data-driven Pandemic Exit Plan; (2) Government Statement on the Surge of COVID-19 Cases; (3) Central Banking Made Easy: What is Accommodative Monetary Policy?; (4) BSP Boosts Accountability of Bank Directors; and (5) Governor Diokno Named Global Central Banker of the Year. Within Reach Weekly is published electronically to bring BSP closer to the Filipino people.*



**FINANCIAL INCLUSION STEERING COMMITTEE. THE NATIONAL STRATEGY FOR FINANCIAL INCLUSION 2022-2028. MANILA, PHILIPPINES: FINANCIAL INCLUSION STEERING COMMITTEE, 2022.**

*This document will serve as a blueprint to achieve the vision of driving financial inclusion toward inclusive growth and financial resilience. Building on the principles-based approach of the original strategy launched in 2015, the updated NSFI contains specific interventions, outcome measures, and targets to guide all stakeholders working together to accelerate financial inclusion in the country.*

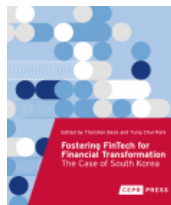


**LOMIBAO, NEIL FIDELLE G. HETEROGENEITY IN RESPONSES OF INFLATION TO MONETARY POLICY IN THE PHILIPPINES. BRAC RESEARCH NOTE SERIES, NO. 002. MANILA, PHILIPPINES: BANGKO SENTRAL NG PILIPINAS, 2021.**

*Central banks are among the institutions at the forefront of addressing the impact of the Coronavirus Disease 2019 (COVID-19) pandemic on certain aspects of the economy. With inequality seen to rise due to the ongoing crisis, it is important to understand how monetary authorities can create sound policies to aid in tackling this issue. Using a Vector Autoregression (VAR) and Bayesian Regression models, this paper shows that monetary policy affects inequality through its influence on headline inflation and the bottom 30% percent income household inflation. Aside from different structural policies that are needed to address this issue, maintaining low and stable inflation, and implementing equitable "non-monetary" policies across different income households can help mitigate the inflation aspect of inequality in the Philippines.*

## BOOKS

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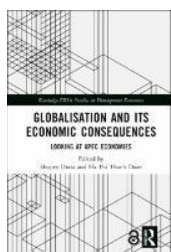
**BECK, THORSTEN & PARK, YUNG CHUL. FOSTERING FINTECH FOR FINANCIAL TRANSFORMATION: THE CASE OF SOUTH KOREA. LONDON, UNITED KINGDOM: CEPR PRESS, 2021.**

The recent wave of financial innovation related to digitalization has the potential to change the landscape of financial service providers quite dramatically, including with the emergence of FinTech and BigTech companies as major players in the financial system. The chapters in this eBook analyze the pattern and progress of financial digitalization across the globe and across a number of different dimensions and draw conclusions for regulatory policies.



**DOERR, SEBASTIAN, GAMBACORTA, LEONARDO & SERENA, JOSE MARIA. HOW DO CENTRAL BANKS USE BIG DATA AND MACHINE LEARNING? SUERF POLICY BRIEFS NO. 67. VIENNA, AUSTRIA: SUERF, 2021.**

Big data and machine learning tools are making rapid inroads in the central bank toolkit. This policy brief examines how central banks define and use big data, leveraging on a survey conducted in 2020 among the members of the Irving Fischer Committee. A majority of central banks use structured and unstructured big data to support their economic analyses and policy decisions, including in the areas of economic research, financial stability, and monetary policy. Major challenges include setting up the necessary IT infrastructure and training existing or hiring new staff to work on big data related issues. Further issues include data quality and legal aspects around privacy and confidentiality. Cooperation among public authorities could relax some of these constraints.



**URATA, SHUJIRO & DOAN, HA THI THANH (EDS.). GLOBALISATION AND ITS ECONOMIC CONSEQUENCES: LOOKING AT APEC ECONOMIES. UNITED KINGDOM: ROUTLEDGE, 2022.**

Given the rising criticisms of and growing doubts about globalization, this volume looks at globalization and its economic impact on eight countries in Asia and the Pacific region, namely Australia, China, Indonesia, Japan, Malaysia, Thailand, the United States (US), and Vietnam. The eight selected countries are members of the Asia-Pacific Economic Cooperation (APEC) forum and yet the economies of these member countries have benefited differently from globalization. This book summarizes findings from existing academic literature in a coherent framework and reviews them critically to provide a balanced analysis. It also identifies the mechanisms through which globalization impacts economies and explains how understanding of such mechanisms can be useful for formulating policies, which would benefit from globalization while achieving inclusive economic growth in the context of rising nationalism and protectionism.

## JOURNAL PUBLICATIONS

[To download the full text of the publication, please click the title of the article]



**INTERNATIONAL JOURNAL OF ECONOMICS AND FINANCIAL ISSUES | VOLUME 12, NO. 1 (JANUARY 2022)**

- Analyzing the Impact of Foreign Remittances upon Poverty: A Case of Uzbekistan from Central Asia
- Is Home-Host Cultural Distance a Risk? Evidence from Outward Foreign Direct Investment by Chinese Enterprises
- Investment Risk Tolerance amongst South African University Students in the Vaal Triangle Area
- The Quality Effect of Auditing on Tax Compliance: Evidence from Tunisian Context
- Does Economic Policy Uncertainty Affect Exchange Rate in China and Japan? Evidence from Threshold Cointegration with Asymmetric Adjustment
- Determining the Impact of Economic Factors to the Gross Domestic Product in Bangladesh



**INTERNATIONAL JOURNAL OF FINANCIAL STUDIES | VOLUME 9, NO. 4 (NOVEMBER-DECEMBER 2021) - VOLUME 10, NO. 1, (JANUARY 2022)**

- A Transmission of Beta Herding during Subprime Crisis in Taiwan's Market: DCC-MIDAS Approach
- Impact of MiFID II on Romanian Stock Market Liquidity—Comparative Analysis with a Developed Stock Market
- Consequences of COVID-19 on Banking Sector Index: Artificial Neural Network Model
- Reliability and Accuracy of Alternative Default Prediction Models: Evidence from Slovakia
- Board Gender Diversity and Cash Holdings: Empirical Evidence from the European Sport and Leisure Sector
- Validation of Corporate Probability of Default Models Considering Alternative Use Cases
- The COVID-19 Outbreak and Risk–Return Spillovers between Main and SME Stock Markets in the MENA Region
- Moderating Effects of Financial Cognitive Abilities and Considerations on the Attitude–Intentions Nexus of Stock Market Participation
- Consequences of Social and Environmental Corporate Responsibility Practices: Managers' Perception in Mozambique
- Expiration-Day Effects of Index Futures in a Frontier Market: The Case of Ho Chi Minh Stock Exchange
- FinTech Companies: A Bibliometric Analysis
- Effect of Financial Clusters on Startup Mergers and Acquisitions

The links to the full text of the publications were checked/confirmed as of 17 January 2022. In case some links are broken or do not work, please let us know via e-mail at [library@bsp.gov.ph](mailto:library@bsp.gov.ph).