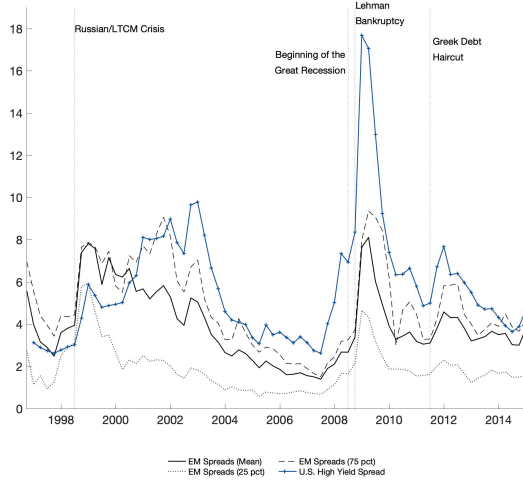


Figure 3. Aggregate Patterns in the Global Debt Market

(A) Comovement of Bond Spreads



(B) EM Spreads and U.S. Banks' Net Worth

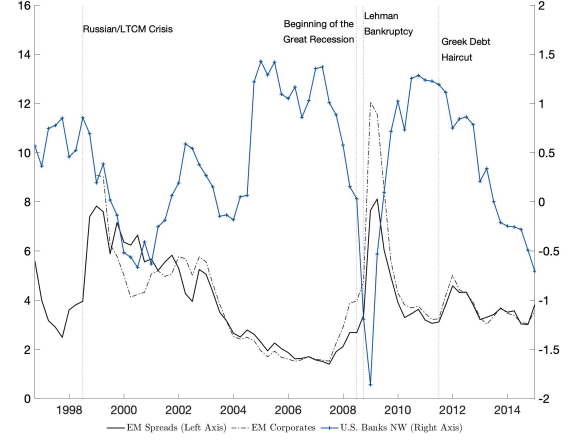


Table 1. Intermediaries' Net Worth During the 2008 Crisis: Summary Statistics

	Bank coverage per bond	$\Delta$ Stock price bank level	$\Delta$ Stock price bond level	$\Delta$ Stock price residualized
Mean	50%	-12%	-13%	0%
Median	48%	-6%	-10%	0%
Std Deviation	29%	30%	18%	7%
5th percentile	0%	-50%	-33%	-8%
95th percentile	100%	13%	3%	8%
Num. Obs.	615	64	579	531

Figure 4. The Dynamic Effect of Intermediaries' Net Worth on EM-Bond Yields

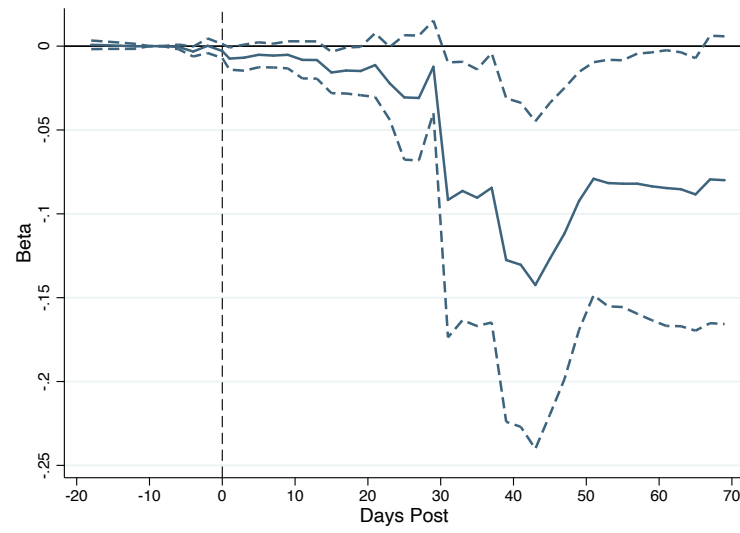


Table 2. Effect of Intermediaries' Net Worth on EM-Bond Yields: Summary

		Impact	Peak	Average	Obs.
A. Baseline		-0.006 (0.004)	-0.142** (0.059)	-0.056	531
B. Robustness	No Controls	-0.012*** (0.004)	-0.172*** (0.059)	-0.078	615
	Only Sovereign	0.0014 (0.005)	-0.039 (0.052)	-0.015	287
	Same Maturity	-0.009 (0.008)	-0.325*** (0.080)	-0.125	128
	Contemporaneous	-0.006 (0.004)	-0.070** (0.029)	-0.022	531
C. By currency	Only Foreign	-0.006 (0.004)	-0.139** (0.060)	-0.054	481
	Only Local	-0.022 (0.023)	-0.147 (0.115)	-0.059	50
D. By institution	Banks	-0.003 (0.008)	-0.163 (0.107)	-0.062	465
	Banks (ex. AMD)	-0.002 (0.008)	-0.187* (0.108)	-0.072	466
	Asset Managers	-0.025 (0.069)	-0.357 (0.435)	-0.190	394
	Other	-0.012*** (0.004)	-0.163** (0.067)	-0.063	466
E. IV Strategy		0.0061 (0.006)	-0.211*** (0.057)	-0.089	115
F. Russian Crisis		-0.059 (0.105)	-0.502** (0.201)	-0.177	95

Table B1. Descriptive Statistics by Country

Country	N Bonds	YTM	Residual Maturity	Bid-Ask Spread
Argentina	44	15.0%	10.6	0.65%
Brazil	94	8.0%	11.4	0.38%
Colombia	20	6.9%	8.55	0.36%
Costa Rica	5	5.9%	5.52	0.44%
Greece	13	6.3%	6.28	0.18%
Croatia	11	6.1%	4.76	0.33%
Hungary	21	5.4%	6.40	0.29%
Indonesia	20	7.0%	13.3	0.29%
India	24	6.4%	8.51	0.45%
Jamaica	9	8.3%	10.9	0.66%
Kazakhstan	34	11.9%	6.17	0.52%
Lebanon	7	8.0%	5.71	0.42%
Mexico	92	7.5%	8.55	0.32%
Panama	14	6.5%	13.2	0.45%
Peru	9	7.1%	11.6	0.39%
Philippines	35	6.7%	10.1	0.36%
Pakistan	8	13.3%	7.16	0.56%
Poland	18	4.5%	5.60	0.21%
Russia	8	6.8%	8.15	0.17%
El Salvador	5	6.4%	18.7	0.44%
Thailand	14	10.1%	17.6	0.45%
Turkey	23	6.4%	9.33	0.32%
Ukraine	14	9.2%	4.81	0.27%
Uruguay	10	6.3%	14.9	0.55%
Venezuela	21	11.4%	11.9	0.44%
South Africa	27	8.4%	8.01	0.36%
Average	23	7.9%	9.54	0.49%

Table B2. Descriptive Statistics by Sector and Other Characteristics

		Share	YTM	Residual Maturity	Bid-Ask Spread
A. Sector	Government	49.4%	7.2%	9.75	0.40%
	Industrial	4.6%	11.4%	6.15	0.73%
	Financial	21.5%	9.5%	9.74	0.50%
	Utilities	4.2%	8.6%	6.91	0.32%
	Communications	7.0%	9.0%	7.57	0.44%
	Energy	5.4%	8.0%	9.60	0.46%
	Other	8.0%	9.0%	11.5	0.62%
	Average	14.3%	9.0%	9.25	0.49%
B. CAC	Yes	39.8%	7.9%	11.7	0.46%
	No	48.5%	8.6%	8.09	0.45%
	NA	11.7%	7.8%	7.35	0.35%
	Average	33.3%	8.1%	9.05	0.42%
C. Seniority	1st Lien	2.4%	9.4%	8.94	0.13%
	2nd Lien	0.5%	9.0%	5.70	0.66%
	Secured	3.6%	8.6%	3.97	0.49%
	Senior Unsecured	76.4%	8.4%	9.34	0.46%
	Unsecured	10.1%	7.0%	3.65	0.32%
	Senior Subordinated	0.5%	8.8%	34.4	0.46%
	Subordinated	3.9%	7.9%	7.59	0.40%
	Junior Subordinated	2.6%	8.2%	42.0	0.60%
	Average	12.5%	8.4%	14.4	0.44%

Table B3. Bond Yields to Maturity Before and After the Lehman Episode

	All Bonds			Only Sovereign		
	Pre-Lehman	Post-Lehman	Diff.	Pre-Lehman	Post-Lehman	Diff.
Average	7.01%	9.01%	0.000	6.73%	8.65%	0.000
Cross-Sec. Std. Deviation	13.64%	15.49%	0.000	8.41%	10.23%	0.000
R <sup>2</sup> from Yield Regressions						
(1): Country-Sector FE	55.6%	61.6%	0.000	48.0%	56.8%	0.000
(2): (1) + Currency FE	62.0%	64.8%	0.002	52.5%	58.6%	0.000
(3): (2) + Add. Controls	65.5%	68.2%	0.000	56.0%	62.1%	0.000
(4): (3) + Initial Yield	99.1%	85.9%	0.000	98.2%	87.0%	0.000

Table B4. Financial Institutions Included in the Empirical Analysis

Aegon NV	GE Capital	Prudential Financial
Allianz SE	Genworth Financial	Raiffeisen Bank International AG
Allstate	Goldman Sachs	Regions
American International Group	HSBC	Royal Bank of Canada
Ameriprise Financial	Hartford	Royal Bank of Scotland
BNP Paribas	Intesa Sanpaolo	SEI Investments Co
BNYM	Invesco	Schroders
Banca Mediolanum	JPMorgan	Societe Generale
Banco Bilbao Vizcaya Argentaria	Janus Henderson Group	Standard Life Aberdeen
Banco Santander	KBC Group NV	State Street
Bank of America	Legg Mason	Sumitomo Mitsui Financial Group.
Bank of Nova Scotia	Loomis Sayles	Sun Life Financial
Barclays Bank	MetLife	T Rowe Price Group
BlackRock	Mitsubishi UFJ	U.S. Bancorp
CIBC	Morgan Stanley	UBS
Citigroup	NN Group NV	UniCredit
Commonwealth Bank of Australia	Natixis	Virtus Investment Partners
Credit Suisse	Nikko Asset Management Co	Wells Fargo
Daiwa Securities Group	Nomura Holdings	
Deutsche Bank	Nordea Bank Abp	
Fidelity National Financial	Northern Trust	
Franklin Resources	PNC	
GAM Holding AG	Principal Financial Group	

Figure B1. Sorting of Financial Institutions into Countries

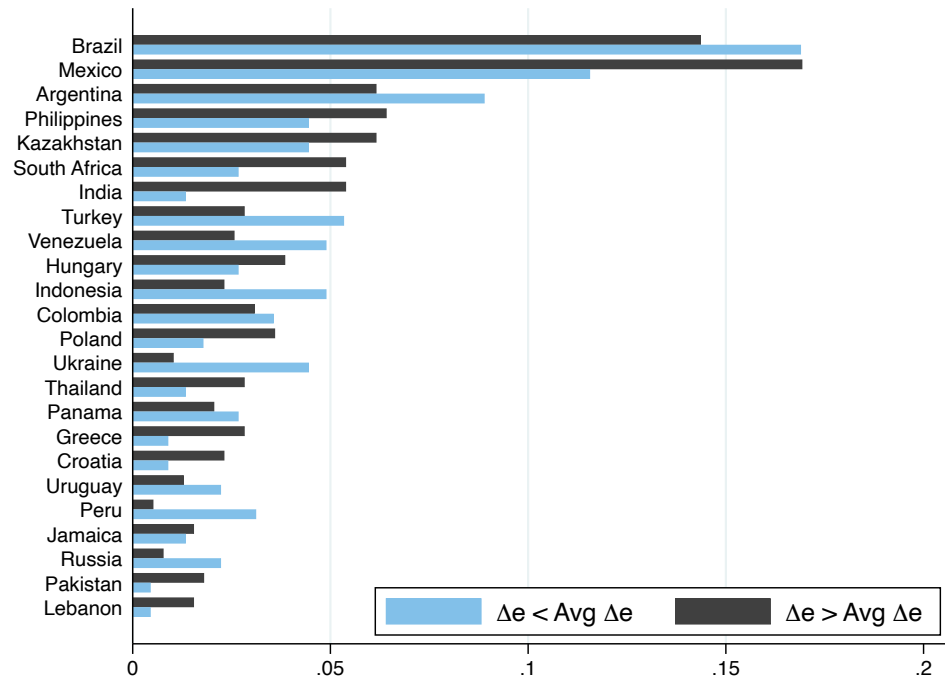


Table B5. Descriptive Statistics by Financial Institution

Financial Institution	N Bonds	N Countries	Avg Share	$\Delta e_i$
Allianz SE	420	35	43.5%	-0.12
Aegon NV	380	26	16.9%	-0.23
Hartford	331	29	13.4%	-0.08
UBS	316	33	38.6%	-0.33
BNP Paribas	282	35	18.4%	-0.03
Deutsche Bank	278	34	24.5%	-0.07
BNYM	244	31	14.8%	-0.14
Raiffeisen Bank International AG	239	35	16.3%	-0.23
SEI Investments Co	216	29	14.5%	-0.17
NN Group NV	200	30	38.1%	-0.03
HSBC	188	32	12.8%	-0.02
JPMorgan	184	26	15.4%	0.02
GAM Holding AG	167	32	33.2%	-0.03
Mitsubishi UFJ	154	23	25.9%	0.05
Credit Suisse	149	25	39.8%	-0.03
American International Group	145	25	18.4%	-2.12
Goldman Sachs	143	27	14.9%	-0.41
KBC Group NV	125	26	21.7%	-0.06
Morgan Stanley	112	26	24.6%	-0.61
Royal Bank of Canada	104	23	33.9%	-0.01
Average	219	29	24.0%	-0.23



Table B6. Sorting of Financial Institutions into Sectors

		All bonds	$\Delta e_i < \Delta \bar{e}_i$	$\Delta e_i > \Delta \bar{e}_i$
A. Sector	Government	49.4%	65.3%	40.3%
	Industrial	4.6%	4.0%	4.9%
	Financial	21.5%	14.7%	25.4%
	Utilities	4.2%	3.1%	4.9%
	Communications	7.0%	4.9%	8.2%
	Energy	5.4%	3.1%	6.7%
	Other	8.0%	4.9%	9.7%
B. CAC	Yes	39.8%	52.4%	32.6%
	No	48.5%	40.4%	53.1%
	NA	11.7%	7.1%	14.4%
C. Seniority	1st Lien	2.4%	2.2%	2.6%
	2nd Lien	0.5%	0.9%	0.3%
	Secured	3.6%	1.3%	4.9%
	Senior Unsecured	76.4%	87.1%	70.3%
	Unsecured	10.1%	7.1%	11.8%
	Senior Subordinated	0.5%	0.0%	0.8%
	Subordinated	3.9%	0.9%	5.6%
	Junior Subordinated	2.6%	0.4%	3.8%

Table B7. EM Bonds' Characteristics by Holders' Change in Net Worth

	No Fixed Effects		Country by Sector FE	
	$\Delta e_i < \Delta \bar{e}_i$	$\Delta e_i > \Delta \bar{e}_i$	$\Delta e_i < \Delta \bar{e}_i$	$\Delta e_i > \Delta \bar{e}_i$
Residual maturity	3420	3469	-262.3	151.3
	[193]	[260]	[178.4]	[219.5]
Bid-ask spread	0.46%	0.44%	-0.01%	0.00%
	[0.02%]	[0.02%]	[0.02%]	[0.01%]
Yield (pre-Lehman)	8.6%	7.9%	0.18%	-0.10%
	[0.34%]	[0.20%]	[0.23%]	[0.13%]

Table B8. Regressions of Bond Covariates on Change in Holders' Net Worth

	With FE	Without FE
Residual maturity	0.028 [0.909]	-0.35 [0.962]
BA Spread	-0.00 [0.002]	-0.00 [0.004]
YTM	-0.01 [0.019]	-0.05 [0.046]

Table B9. Stickiness of Lender's Share of Holdings

	(1)	(2)	(3)	(4)
Previous Share	0.8449*** (0.005)	0.8253*** (0.005)	0.8362*** (0.005)	0.7796*** (0.006)
Lender FE	No	Yes	No	No
Country FE	No	No	Yes	No
Country-lender FE	No	No	No	Yes
R-squared	0.6988	0.7035	0.7006	0.7159
Observations	158298	158298	158298	158298

Table B10. Effect of Intermediaries' Net Worth on EM-Bond Yields: Robustness

		Impact	Peak	Average	Obs.
A. Baseline		-0.006 (0.004)	-0.142** (0.059)	-0.056	531
B. Alternative Windows	Tighter	-0.004 (0.007)	-0.241** (0.100)	-0.091	531
	Wider	-0.003 (0.011)	-0.201*** (0.072)	-0.075	531
	10d Post	-0.015** (0.007)	-0.157** (0.069)	-0.068	531
	30d Post	-0.058* (0.033)	-0.098** (0.044)	-0.059	531
	45d Post	-0.044* (0.024)	-0.044* (0.024)	-0.032	530
C. Excluding Market Makers		-0.014*** (0.004)	-0.164** (0.064)	-0.064	512

Table B11: Interactive Effects with Intermediaries' Change in Net Worth

	(1)	(2)	(3)
Share held by GFIs Interaction	0.0072 (0.037)	-	-
Leverage Interaction	-	-0.040 (0.048)	-
Liquidity Interaction	-	-	0.0898** (0.035)
Peak Day	19	53	35
N Observations	531	511	507

Figure B2. The Effect of Intermediaries' Net Worth on EM-Bond Yields: Russian Crisis 1998

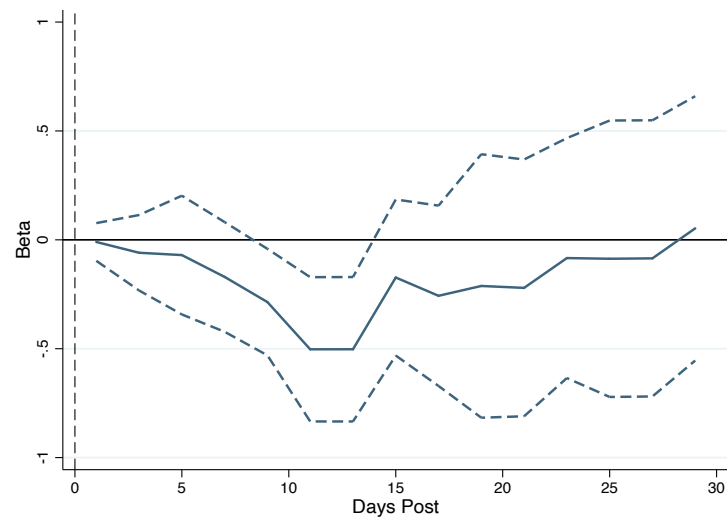


Figure C1. EM-Bond Yields Following the Lehman Episode

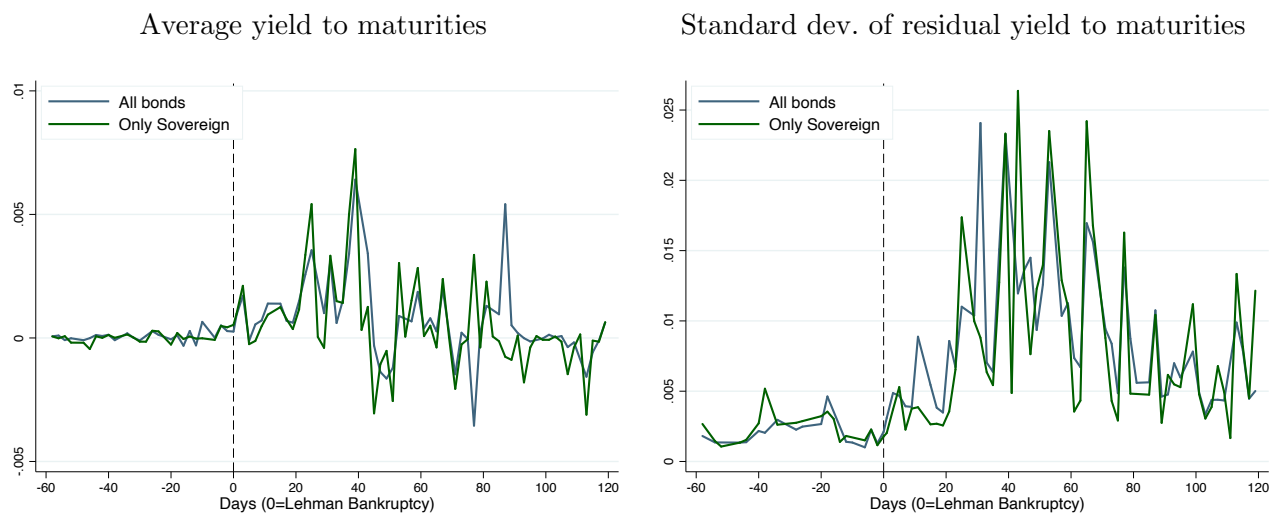


Table C1. Estimated Exposure to Emerging Markets

Lender	Estimated Exp.	Lender	Estimated Exp.
AIG	13.1%	HSBC	21.8%
Aegon NV	1.0%	Hartford	4.5%
Allianz SE	19.0%	Intesa Sanpaolo	29.3%
Ameriprise	8.0%	JP Morgan Chase	10.4%
BNP Paribas	22.3%	Merrill Lynch	14.6%
Banco Santander	23.2%	MetLife Inc	1.3%
Bank of America	2.8%	Mitsubishi UFJ	3.6%
Barclays Bank	8.8%	Morgan Stanley	10.8%
CIBC	3.4%	Principal Financial	2.0%
Citigroup	17.2%	U.S. Bancorp	5.1%
Credit Suisse	28.8%	UBS	26.4%
Deutsche Bank	4.0%	Wells Fargo Co	0.6%
Goldman Sachs	8.0%		
<i>Average</i>			
Positive exposure	11.6%		
All lenders	10.0%		

Table C2. Book and AUM Adjusted Leverage

Lender	Leverage		Lender	Leverage	
	Book Value	AUM Adjusted		Book Value	AUM Adjusted
AIG	9.6	5.6	Goldman Sachs	23.4	2.1
Aegon NV	13.6	13.0	HSBC	16.2	3.2
Allianz SE	18.5	2.2	Hartford	31.5	1.6
Ameriprise	13.1	1.3	Intesa Sanpaolo	16.1	4.6
BNP Paribas	26.3	4.8	JP Morgan Chase	11.7	2.1
BNYM	8.9	7.5	Merrill Lynch	21.6	2.3
Banco Santander	17.7	4.7	Mitsubishi UFJ	19.3	2.2
Bank of America	10.8	3.0	Morgan Stanley	31.7	2.5
Barclays Bank	36.4	2.0	PNC	9.4	1.6
BlackRock Inc	1.9	1.0	Principal Financial	18.3	1.5
CIBC	24.7	4.3	T Rowe Price	1.1	1.0
Citigroup	15.7	12.1	U.S. Bancorp	10.3	2.8
Credit Suisse	28.8	1.8	UBS	48.2	2.6
Deutsche Bank	34.3	8.1	Wells Fargo Co	10.5	3.7
<i>Average</i>					
All lenders	18.9	3.8			
Banks	21.1	3.9			
Other	13.5	3.4			