Interest rate convergence across maturities: Evidence from bank data in an emerging market economy

North american journal of economics and finance
DOI:
https://doi.org/10.1016/j.najef.2019.03.008
Publicado:
Jueves, 4 Abril 2019
Authors:
Mark J. Holmes,
Ana María Iregui-Bohórquez,
Jesús Otero Cardona
Clasificación JEL:
C33, E43, G21
Descargar documento

Lo más reciente

El desarrollo económico de Colombia desde finales de la Guerra de los Mil Días hasta la Gran Depresión
Juliana Jaramillo-Echeverri, María Teresa Ramírez-Giraldo
Experimentando con los LLM para el pronóstico de la inflación en Colombia
Aarón Levi Garavito-Acosta, Wilmer Martinez-Rivera, Juan J. Ospina-Tejeiro, Edgar Caicedo-García
Evaluando el seguro de desempleo en una economía en desarrollo: evidencia para Colombia
Leonardo Fabio Morales, Diego Astorga-Rojas, Nicolas Guida-Johnson
Otras Publicaciones

Against a background of financial liberalisation reforms, we assess the extent of market integration and competition in Colombian retail deposits and loans markets. We employ a dataset comprising bank-level interest rate data for different financial products across a range of banks. We utilise and further develop the Phillips and Sul convergence club approach by estimating the drivers of club formation. We find integration of the deposits market, but not loans where portfolio riskiness and loan maturity explain why there is not a fully integrated market. Also, the degree of loan market convergence responds asymmetrically to changes in monetary policy.