Discussion of
Unconventional Monetary Policy in Emerging Markets
and Frontier Countries

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The Paper

Goal
▶ Asses the effects of COVID-19 related conventional and unconventional monetary policy measures in small open AEs and EMDEs
▶ Analyze determinants of the effectiveness of these measures using cross country differences

Contribution
▶ Novel, detailed and extensive database of APP announcements in EMDEs
▶ Using event study and panel regressions the paper provides complementary and extensive additional evidence to literature on UMP in EMDEs

Findings
▶ UMP measures in EMDEs on average significantly helped easing financial conditions during COVID-19 crisis.
▶ Large cross country heterogeneity in estimated sign and magnitude
  ▶ Significantly less effective when jointly announced with other governmental interventions
  ▶ Larger announcement (as share of GDP) significantly less effective
Smaller and exclusive CB announcements have larger impacts?

The less the merrier? Three possible interpretations:

- **Outliers**
  - Truncate the distribution or use robust regression methods (also show $R^2$ and $n$)

- **Scaling** by GDP potentially inappropriate
  - Potentially scale by market depth or liquidity (data constraints?)

- Larger programs or joint announcements as a signal of worse than expected future
  (information effects)
  - Purge announcements using HF movements of equity prices (Jarocinski & Karadi, 2020)
  - Jointly identify information effects and monetary policy effects (Jarocinski & Karadi, 2020)
Summary

- Extensive summary and well crafted analysis of COVID-19 related UMP in EMDEs
- Complementary and further evidence on effectiveness of APP programs for EMDEs
- Most notably: Large cross country heterogeneity $\rightarrow$ not all APPs are alike
- Smaller, more frequent announcements more effective than big, one time interventions?
- Database possibly offers insights into information effects of UMP (hot topic).
- APP possibly conventional policy in the future as many EMDEs not at ZLB?