

Liquidity and the International Allocation of Economic Activity

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Section 6 in the paper performs an empirical analysis for the relationships between acceptability and both yields and economic activity. Here I describe the files used to obtain Figures 6 and 7, and Tables 2, 3, 4, and 5.

These figures and tables use TRACE and Compustat data from Wharton Research Data Services (WRDS). This is proprietary data and thus has been removed from the public folder.

The “Data Supplement” file contains three main folders: “data”, “do”, and “out”.

The “data” folder: Contains 7 subfolders

“cme” subfolder

- 1) CME_acceptability_list_April2019.xlsx: Excel file with the list of acceptable stock and bonds from the April 2019 CME list.
- 2) Fidelity_CME.dta: Stata file containing the list of 6,489 investment-grade bonds (includes cusip id, Moody’s ratings, and CME acceptability indicator)
- 3) Fidelity_CME_balanced.dta: Subset of Fidelity_CME.dta containing the list of 1,789 investment-grade bonds that provide yields for every month between April 2014 and March 2019.
- 4) gvkey_CME_acceptability.dta: Stata file containing the 415 firms (identified by gvkey) that issue CME acceptable stock and/or bonds.

“Compustat” subfolder

- 5) Compustat_NAandGLOBAL_selectedvars.dta: Contains the raw Compustat data from both the North America and Global databases from January 2011 to May 2018. Important variables: gvkey, fyear, loc, sic, curcd, datadate, sale, cogs, xsga, oibdp, emp, seq, prcc_c, csho, mkvalt, xrd. (Excluded from public Data Supplement)

“Compustat_xr” subfolder

- 6) Monthly_xr_USD.dta: Contains monthly exchange rates data from Compustat. The raw data is available up to April 2018. Thus, I used April 2018 xr data for May 2018 to be able to use the full 2017 fiscal year (which ends in May 2018). Used to convert all variables into nominal USD. (Excluded from public Data Supplement)

“pcpi” subfolder

- 7) pcepi_monthly.dta: Contains the monthly Personal Consumption Price Index (PCEPI) of the U.S. Bureau of Economic Analysis. Used to convert all nominal USD variables into 2012 dollars. Downloaded from FRED.

“TRACE” subfolder

- 8) TRACE_invgrade_cusip.dta: Obtained from TRACE in WRDS. Contains the raw daily close yields for the 6,489 bonds from April 1 2014 to March 29 2019. Includes cusip id, company symbol, transaction date, and close yields. Stata days and months were added. (Excluded from public Data Supplement)

“firmlevel” subfolder

- 9) firmlevel.dta: Final dataset for firm-level analysis in section 6.3. Obtained from files 4, 5, 6, and 7 above. (Excluded from public Data Supplement)

“yields” subfolder --- Final datasets for bonds yield analysis in section 6.2

- 10) yields.dta: Unbalanced monthly yields data from April 2014 to March 2019. Obtained from files 2 and 8 above. (Excluded from public Data Supplement)
- 11) yields_balanced.dta: Balanced monthly yields data from April 2014 to March 2019. Obtained from files 3 and 8 above. (Excluded from public Data Supplement)
- 12) yields_march19: Yields data for March 2019. Subset of yields.dta that only includes the last month. (Excluded from public Data Supplement)

The “do” folder: Contains 2 subfolders

“build” subfolder

- 13) yields_build.do: Stata do file that combines data files 2, 3, and 8 to obtain data files 10, 11, and 12.
- 14) firmlevel_build.do: Stata do file that combines data files 4, 5, 6, and 7 to obtain data file 9.

“estimate” subfolder

- 15) tab2.do: do file that uses data file 2 to obtain Table 2.
- 16) fig6.do: do file that uses data file 12 to obtain Figure 6.
- 17) fig7.do: do file that uses data files 10 and 11 to obtain Figure 7.
- 18) tab3.do: do file that uses data files 10, 11, and 12 to perform the regressions presented in Table 3.
- 19) tab4_5.do: do file that uses data file 9 to perform the regressions presented in Tables 4 and 5.

The “out” folder

Output from do files 15 to 19. Contains all figures and tables presented in section 6.