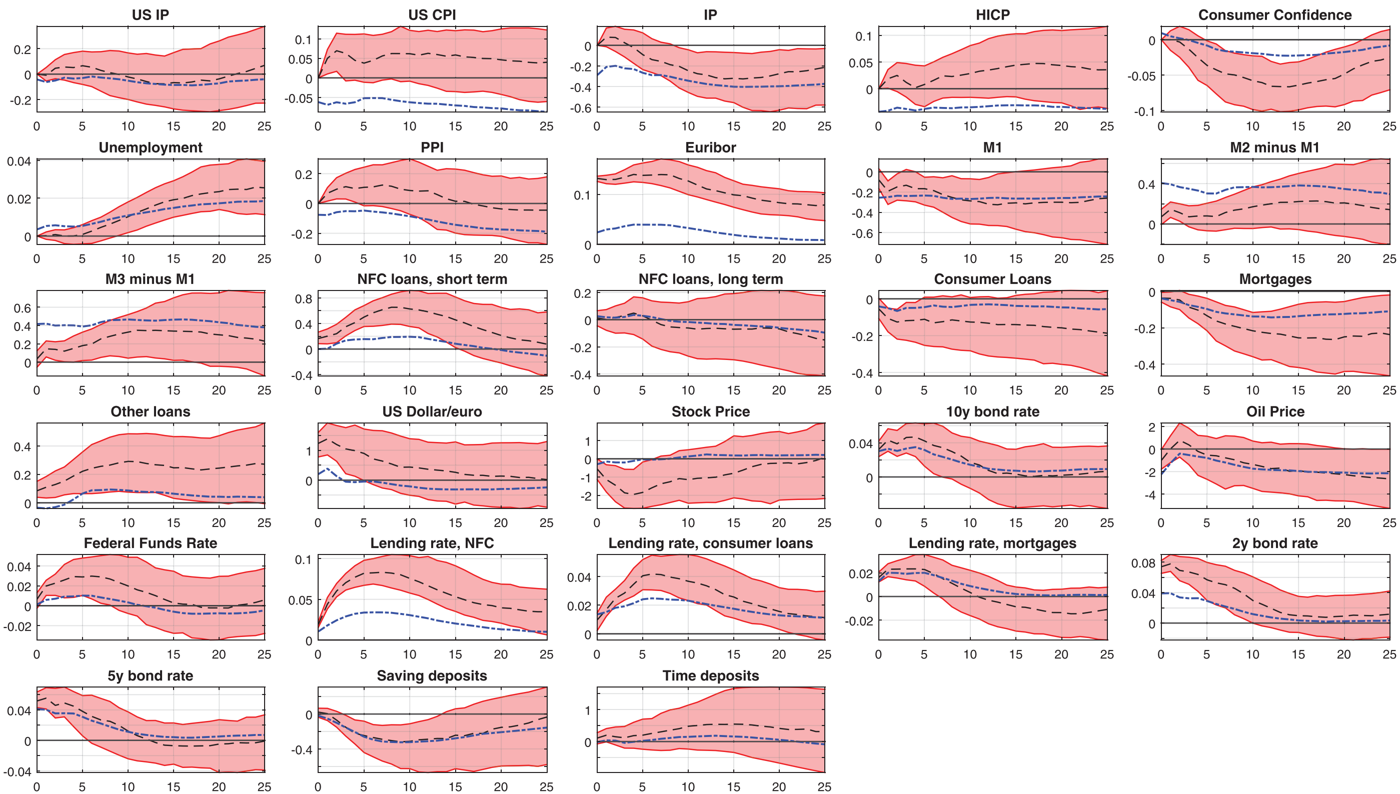
Online Appendix to Money, Credit, Monetary Policy, and the Business Cycle in the Euro Area: What Has Changed Since the Crisis?

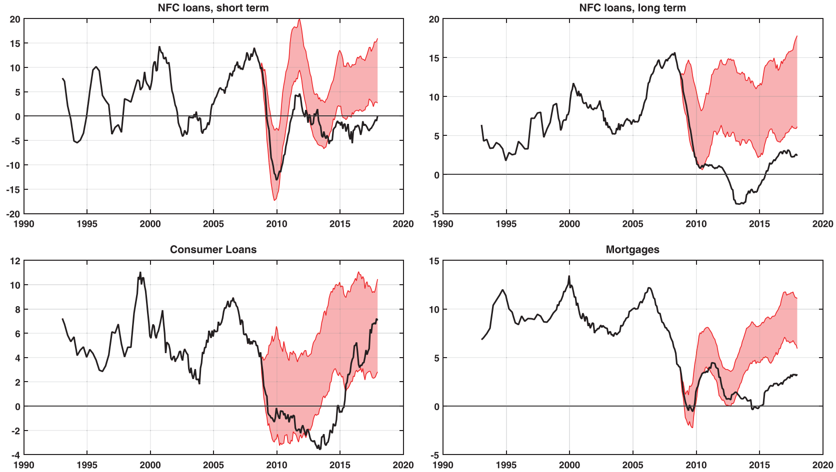
Domenico Giannone,[a] Michele Lenza,[b] and Lucrezia Reichlin[c]
[a]Federal Reserve Bank of New York and CEPR
[b]European Central Bank and ECARES-ULB
[c]London Business School and CEPR

Figure A1. Impulse Responses to a Monetary Policy Shock Identified with Recursive and Sign Restrictions



Notes: One-standard-deviation monetary policy shock. The red shaded area reports the range between the 16th and 84th quantiles (monetary policy shock identified with recursive methods), while the blue dashed line with dots refers to the median impulse responses to a monetary policy shock identified with sign restrictions. The sign restrictions are imposed for three months and entail a negative correlation of the EURIBOR with M1, industrial production, and the harmonized index of consumer prices and a positive correlation of the EURIBOR with the unemployment, bond, and lending rates.

Figure A2. Actual and Counterfactual Year-on-Year Growth Rates of Retail Loans—Robustness



Notes: Solid line: actual year-on-year growth rates; red shaded areas: counterfactual distribution, 16th to 84th quantile range. NFC stands for non-financial corporations. These conditional forecasts are also based on the actual value of interpolated house prices and the budget-to-GDP ratio.