

VOLATILITY FINANCIAL CONDITIONS INDEX (VFCI) AND THE BUSINESS CYCLE

Tobias Adrian¹, Matthew DeHaven², Fernando Duarte²

September 20, 2023

¹International Monetary Fund. ²Brown University.

The views expressed here are the authors' and are not necessarily representative of the views of the International Monetary Fund, its Management, or its Executive Directors.

OUTLINE

- Replication of “Business Cycle Anatomy”
- Volatility Financial Conditions Index
- Result 1 - Varying VFCI target frequency
- Result 2 - Varying Unemployment and VFCI target frequency
- Result 3

REPLICATION OF “BUSINESS CYCLE ANATOMY”

DATA

RESULTS 1

RESULTS 2

RESULTS 3

APPENDIX

APPENDIX SLIDE 1