***Panel A: common variables***

**RET** Quarterly returns based on the EURO STOXX50 stock index

**\_VOL** Quarterly changes in implied volatilities of EURO STOXX 50 options traded at the Eurex and reflected by the Dow Jones EURO STOXX 50 Volatility Index (VSTOXX). The volatility is calculated as the average of the puts’ and the calls’ implied volatilities at a fixed time to maturity of 30 days

**\_YLD** Quarterly changes in the zero-coupon rate of the 10-year German government bond

**\_SLP** Quarterly changes in the slope of the default-free term structure defined by the German yield curve. The slope is defined as the difference between the 15-year and the 1-year spot rates

**\_CURV** Quarterly changes in the curvature of the default-free term structure defined by the German yield curve. The curvature factor is defined as the difference between the 3.5-year spot rate and a synthetic spot rate for a maturity of 3.5 years interpolated between the 15-year and the 1-year spot rates

***Panel B: country-specific variables***

**\_LIQj** Quarterly changes in the Weighted Mean Absolute Pricing Error (WMAPE). This statistic represents a proxy for the liquidity risk measured along the yield curve for each country

**\_DEBTj** Quarterly changes in the government debt, excluding debt interest payments, relative to GDP

**\_GCONSj** Quarterly changes in the Government intermediate consumption relative to GDP

**\_GINVj** Quarterly changes in the Government capital investment level relative to GDP

**\_SEXPj** Quarterly changes in the Government social expenditures and subsidies relative to GDP

**GROWj** Quarterly changes of the industrial production index

**\_TAXj** Quarterly changes of total Government receipts relative to GDP

**INFLj** Quarterly changes of the Harmonized Index of Consumer Prices (HICP)—all items

**\_DEFj** Quarterly changes in the current account deficit relative to GDP