How **monetary policy** affect firms’ **equity financing**?

Coding: Python (pandas, numpy, statsmodel)

Empirical exercise:

1. Local projection and Romer & Romer regression of **financing flows on monetary policy shock**
   1. Simple linear regression with Python-statsmodel
   2. Other shocks
2. Measuring the **equity financing cost** based on event study
   1. Intensive data manipulation that combines simple factor model regression and data merging
3. Regression of measured equity financing cost on its exposure to monetary policy shock
   1. Knowledge about Compustat and how firms in Compustat is linked with the financial data
   2. Simple regression with some special treatment for the se calculation
4. Further exploration for the mechanism

Target output

1. Benchmark result and get familiar with the code
2. New exploration (Pablo and Xing have to plan first)