

Yan Bai Seigniorage v6

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Monday, December 15, 2014

Introduction

Yan calculated the interest earnings of major central banks on the assets that back currency liabilities, S_i .

$$S_i = iC$$

... where i is the interest rate on sovereign assets earned by the central bank, and C is the currency liability of the central bank. By statute central banks hold sovereign debt assets against the currency liability. The currency liability has zero nominal return, but the sovereign debt has a positive return.

Table 1: Summary of Yan Bai's data.

Statistic	N	Mean	St. Dev.	Min	Max
interest.ifs	34	3.9	2.9	0.7	15.3
Coupon_Bloomberg	59	5.3	3.7	0.5	15.2
Interests.applied	59	5.5	3.8	0.7	15.3
Mbase	40	35,569,989.0	143,852,807.0	2,652	891,612,465
CurrIC	34	23,440,103.0	86,837,755.0	87	500,020,357
M0	7	12,397,156.0	27,000,898.0	82,359	73,259,000
seign1	37	2,414,272.0	12,266,817.0	146	74,672,544
Exchange	70	671.5	2,740.6	0.2	18,612.9
seign2	37	8,932.1	16,137.7	242	87,302

Regions are represented as described in Table 2.

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Table 2: Regions covered in the seigniorage dataset

Region	Seigniorage observed	Incomplete
Australia and New Zealand	1	2
Caribbean		2
Central America	1	1
Central Asia		1
Eastern Asia	4	4
Eastern Europe	5	8
Middle Africa	1	1
Northern Africa	2	4
Northern America	2	2
Northern Europe	1	6
South America	7	7
South-Eastern Asia	4	6
Southern Africa	1	1
Southern Asia	1	5
Southern Europe		4
Western Africa	1	1
Western Asia	5	9
Western Europe	1	6