net flows are negatively related to current government bond returns across all government bond categories. The negative relation, which indicates a reversal pattern is consistent with the notion

Our paper focuses on daily

investigate the contemporaneous and dynamic relation between flows and government bond returns, respectively.

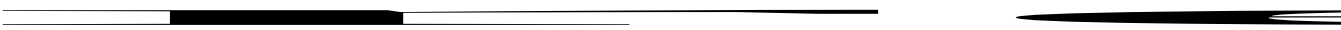
Similarly to common practice

Lastly, we note that mutual fundsô government bond holdings in Israel are of the same order of magnitude as those of other developed countries.

We find 1,420 mutual funds that belonged to one of the three abovementioned classifications for at least one month during the sample period (per day, the average number of funds in the sample is 656). The mutual funds in th

where $RET\_NOMINAL_{i,t-k}$ ($RET\_REAL_{i,t-k}$) is the nominal (real) return of government bond category i

Table 3 presents the estimation results. Panel A (Panel B) shows the results for

real 

in each regression, there is at least one significant coefficient. This is a clear indication of the reversal pattern.

To estimate

quick in the nominal bonds category. There is a partial reversal in the CPI-linked bonds category (between 67%

relations between the BEI rate and normalized flows exist. Then, we study the dynamics of this relation and

negative (positive)

In conclusion, Tables 7 and 8

References

Abudy, M., & Wohl, A. (2018). Corporate bond trading on a limit order book exchange. *Review of Finance*, 22(4), 1413ï 1440.

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Table 1: Summary statistics

The table presents summary statistics of flows to government0.000008871 0 595.32 841.92 reW* nBT/F1 9.96 Tf1 0 0 1 262.25 7

Table 2: Correlation of daily normalized net flows

The table presents the cross-correlation between the daily normalized

Panel B: Normalized net CPI-linked flows

Table 4: Contemporaneous regressions of returns on flows

Table 6: Cumulative returns on lagged scaled unexpected flows

This t

Table 7: Contemporaneous

Table 8: Cumulative changes in the break-even inflation rate

Figure 1B: OCED countriesô national debt (in USD trillions) in 2020, excluding US and Japan

Note: The figure shows the national debt of OECD members in 2020 in USD trillions. Figure 1A shows it for all OECD countries, while Figure

Figure 1C: Trading volume (in USD billions) of OECD members in 2020

Appendix 2

Table A1: Explaining nominal (CPI-

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Appendix 3

Table A2: Granger causality

Panel B: CPI-

Appendix 4: Variable definitions

Variable	Definition

The daily normalized net flow of nominal government bonds, in percent. It is obtained by dividing the aggregate

The change in the return