**5 highlights each under 85 characters including spaces:**

* A global/regional factor model predicts sovereign CDS spreads of emerging markets. 85 characters
* Predictive accuracy falls and residuals increase during the COVID-19 pandemic. 80 characters
* Residuals are largest in March 2020. 38 characters
* March residuals driven by economic factors such as fiscal space and oil dependence. 85
* Independent positive effect of growth in cumulative mortality rate on CDS spreads. 84 characters

**Long-form highlights in the conclusion section of the paper:**

First, a model that uses global/regional factors to model spread changes traces the realized spread changes well for the period before the pandemic. This observation suggests that emerging market spreads are driven largely by global/regional factors in risk-on environments.

Second, the relationship between actual spread changes and their changes predicted by the factor model breaks down during the pandemic. This suggests that spread determinants are of time-varying nature and that investors weigh country-specific factors more heavily in their decision-making process in risk-off environments.

Third, actual spread changes experience the biggest deviations from model-implied values in March 2020, suggesting that uncertainties around ramifications of the pandemic were highest at the peak of the first wave.

Fourth, spreads at peak COVID-19 (March 2020) were primarily driven by traditional country-specific factors of sovereign solvency such as fiscal space and oil income dependence rather than epidemiological policies and dynamics. This suggests, maybe surprisingly, that the severity of the pandemic in terms of mortalities in a specific country didn’t influence investors’ behavior much, at least not during peak COVID-19.

Fifth, over the entire pandemic period, however, the growth in the cumulative mortality rate is significantly positively associated with CDS spread changes after taking the economic ramifications of lockdowns and the oil price decline into account. This suggests that investors either feared a near-term intensification of lockdowns or a longer-term continuation of lockdowns, and possibly a slower GDP growth recovery.

**Highlights of a selection of other papers that were published in Economic Modelling to show how they phrased their highlights:**

**Example Paper 1**

* We construct a dynamic-factor-based indicator of China’s monetary policy stance.
* Estimates reveal the PBoC’s novel policy measures during the COVID-19 crisis.
* The Chinese monetary policy response to the pandemic has been swift and decisive.
* The measures ensure liquidity access and credit provision by commercial banks.

**Example Paper 2**

* A feedback mechanism links credit default swaps, equities, and cross-currency basis swaps.
* Higher credit default swaps induce wider cross-currency basis swaps and equities fall.
* Tighter cross-currency basis lessens credit defaults swaps and raises equities.
* Stronger equities lower credit default swaps and tighten cross-currency basis swaps.
* Credit defaults drive the feedback mechanism as an indicator of default on obligations.

**Example Paper 3**

* High-tech firms with requisite levels of R&D enhance productivity gains from foreign investment.
* High-tech firms with appropriate R&D boost productivity gains from imported inputs and capital goods.
* Internationally active high-tech firms in India should invest in R&D for productivity improvement.

**Example Paper 4**

* Empirical evidence on the effects of IPR on innovation and growth is mixed.
* We conduct a meta-analysis of this empirical literature.
* We find that IPR have an overall positive effect on innovation and growth.
* IPR have a weaker effect in developing countries than developed countries.
* The magnitude of the IPR effect depends on studies’ methodological characteristics.

**Example Paper 5**

* We investigate the stock price – trading volume relation found in theoretical models.
* Most empirical investigations of this relation are restricted by linear models.
* We test for nonlinearities in the system of stock returns and trading volume growth.
* The dominant nonlinear information flow is from returns to trading volume growth.
* Our empirical evidence highlights the nonlinear nature of this relation.