

Research Seminar "Quantitative Economics"

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Abstract

Global Equity Yields

(Jens Kvaerner & Jan Sandoval)

Abstract

We construct a panel of global equity yields by modifying the model of Giglio et al. (2021) so it works internationally. We revisit stylized facts about equity yields, primarily based on US data, and provide several new results. On old facts, we study the dynamics of global equity yields, their slopes, and the relative contribution of risk premium and growth expectations in explaining variation in yields. On new facts, we study comovements in risk premia and growth expectations across markets and Fama French portfolios, estimate the term-structure of the global equity risk premium, and link yields to changes in exchange rates and future macroeconomic outcomes.