

Nabil Bouamara, Kris Boudt, Sébastien Laurent and Christopher J. Neely, “Sluggish news reactions: A combinatorial approach for synchronizing stock jumps”

Federal Reserve Bank of St. Louis, Working paper n° 2024-006B

26/02/2026 11:45:22



Abstract: Stock prices often react sluggishly to news, producing gradual and delayed jumps. Econometricians typically treat these sluggish reactions as microstructure effects and settle for a coarse sampling grid to guard against them. We introduce new methods to synchronize mistimed stock returns on a fine sampling grid that allow us to better approximate the true common jumps in the efficient prices of related stocks in an application to Dow 30 data. The synchronized jumps produce better jump covariance estimates and estimates of the realized jump betas with better forecasting power, and superior trading rule performance.

<https://fedinprint.org/item/fedlwp/97969/102021>

Sami Alpanda and Serdar Kabaca, “Portfolio Rebalancing Channel and the Effects of Large-Scale Stock and Bond Purchases”

Bank of Canada, Working paper n° 2025-38

26/02/2026 11:43:13



Abstract: We quantify the effects of large-scale stock purchases by a central bank and compare these to bond purchases, using an estimated dynamic stochastic general equilibrium macro-finance model with nominal and real rigidities and portfolio rebalancing effects. The latter arise from imperfect substitutability between stocks and short- and long-term government bonds in mutual funds' portfolios. Since households' consumption-savings decisions are tied to expected portfolio returns, the required

returns on all three assets affect overall demand in the economy. The model shows that the central bank's equity purchases would lower the risk and term premiums on stocks and long-term bonds, respectively, and thereby stimulate economic activity. Since stocks comprise a larger share in asset portfolios and are less substitutable for short-term securities than long-term bonds are, the effects of stock purchases on aggregate demand are larger than those of similar-sized bond purchases.

<https://www.bankofcanada.ca/2025/12/staff-working-paper-2025-38>

Gerardo Ferrara and Helene Hall, “The value of trading relationships in FX derivatives: evidence from Credit Suisse's collapse”

Bank of England, Working paper n° 1154

26/02/2026 11:41:39



Abstract: Using granular transaction-level data, this paper investigates the characteristics and implications of dealer-client trading relationships in the over-the-counter FX derivatives market. We first document that dealer-client trading relationships are persistent over time. Then, to shed light on the role of relationship strength for client access to these instruments during times of dealer stress, we examine the collapse of Credit Suisse in March 2023. Our analysis reveals that clients with greater exposure to Credit Suisse experienced a larger increase in spreads at the client level relative to unexposed clients by about 16 basis points per notional dollar

traded on average across maturities, although their trading activity remained unchanged. The greater spread increases paid by clients who relied more heavily on Credit Suisse occurred through their trades with non-Credit Suisse dealers. While more exposed clients continued to trade with Credit Suisse in the post-period, less exposed clients reduced their trading activity with Credit Suisse, but increased their trading activity elsewhere, indicating an ability to substitute counterparties. These findings underscore the critical role of search and bargaining frictions in this market, particularly when a relationship dealer encounters adverse shocks.

<https://www.bankofengland.co.uk/working-paper/2025/the-value-of-trading-relationships-in-fx-derivatives-credit-suisse-collapse>

Sandra Batten and Stephen Millard, “Productivity implications of the move to net zero”

Bank of England, Working Paper n° 1171

26/02/2026 11:40:05



Abstract: In this paper, we use a dynamic general equilibrium model to examine the effect of the move to net zero in the United Kingdom on productivity. One argument is that the transition is likely to be productivity-reducing, as it will involve a move from more to less efficient means of producing. Alternatively, it could be argued that the transition will be productivity-enhancing, as the capital investment required to bring about this move leads to a rise in productivity, both within the specific ‘greening’ industries and more generally via productivity spillovers to the rest of the economy. Our model enables us to examine how this potential trade-off varies depending on whether we look at the short, medium or long run. We find that the introduction of a carbon tax, applied to encourage the move towards net zero, reduced GDP and total hours worked, but since total hours fell by more than GDP, increased productivity. As electricity becomes more substitutable for petrol and gas, the effect on productivity

becomes more positive as GDP recovers while total hours remain permanently lower than initially. Finally, our results suggest that unless investment in green technology leads to significant technological gains elsewhere, it is unlikely that the move to net zero will have a large effect on productivity growth above and beyond the direct effect resulting from the capital deepening that will be associated with it.

<https://www.bankofengland.co.uk/working-paper/2026/productivity-implications-of-the-move-to-net-zero>

Danish Us-Salam, “Mitigating Vulnerability: The Role of Risk Warnings, Information Order & Salience in Crypto Assets”

Central Bank of Ireland, Working paper n° 9

26/02/2026 11:35:33



Abstract: The growing popularity of crypto assets has driven increased engagement, often fuelled by promotional content that highlights past returns while downplaying risks. This paper evaluates the effectiveness of behaviourally informed risk warnings in such a setting. Using an online randomized controlled trial, participants viewed simulated investment promotions for two financial products: stocks and crypto assets. Treatments combined behaviourally informed risk warnings with past return information, the same information but with returns shown before warnings, or risk warnings paired with price volatility cues. The first treatment significantly improved risk comprehension and perception by 5% and 4%. These effects are further magnified by the order in which information is presented and by increasing the salience of risk information. Showing risk warnings after potential returns increases risk comprehension by 12% and risk perception by 6%, suggesting evidence in favor of recency bias. Similarly, showing risk warnings and price volatility cues improves risk comprehension by 10% and risk perception by 7%, reflecting the effect of heightened risk salience. These effects are driven by at-risk investors, defined as individuals who follow crypto market updates on social media but have not yet invested in crypto assets. In line with prior evidence, we find no effect among those who have previously invested in crypto assets, likely because their decisions are shaped more by past investment outcomes than by ex-ante warnings.

https://www.centralbank.ie/docs/default-source/publications/research-technical-papers/mitigating-vulnerability-role-of-risk-warnings-information-order-salience-in-crypto-assets.pdf?sfvrsn=f70e691a_9

Giulio Mazzolini, Dilyara Salakhova, Margherita Giuzio and Sujit Kapadia, “Sustainability labels vs. reality:

how climate-friendly are green and ESG funds?"

European Central Bank, Working Paper n° 3121

26/02/2026 11:32:22



Abstract: This paper assesses the environmental performance of sustainability-related investment funds compared to conventional ones across three dimensions: financed activities, portfolio carbon footprint, and investment in firms with ambitious science-based targets. We identify ESG funds using Morningstar (MS) strategies, the Sustainable Finance Disclosure Regulation's Article 8/9 classification, and funds' self-naming. We find that the greenest funds invest more in low-carbon sectors, but their carbon footprints are comparable to conventional funds. Also, MS Low-Carbon and Art.8 funds tend to invest in the same sectors as conventional funds but target less polluting firms. Overall, results reveal inconsistencies between ESG labels and outcomes, highlighting the limited role these funds currently play in financing the transition to a net-zero economy.

<https://www.ecb.europa.eu/pub/pdf/scpwps/ecb.wp3121~47d80e073f.en.pdf?53a152af12ffd4ab5716b22a57b9b98f>

Fabio Fornari, Daniele Pianeselli
and Andrea Zaghini,
"Environmental score and bond
pricing: it better be good, it
better be green"

European Central Bank, Working Paper n° 3176

26/02/2026 11:30:11



Abstract: We provide empirical evidence that the pricing of green bonds tends to be highly sophisticated and based on a two-tiered approach. When buying a green bond, investors do not look only at the presence of a green label, but also consider additional characteristics of the bond that involve the environmental score of the issuer and the soundness of the underlying project. By comparing the yields at issuance of green bonds to those of a matched control sample of conventional bonds, our baseline specification identifies a premium of 16 basis points for the green label alone. Furthermore, when the environmental score of the issuer is in the top tercile of the cross-sectional distribution of such an indicator across the analyzed issuers, the greenium nearly doubles. Green certification and periods of heightened climate uncertainty also significantly affect the size of the greenium.

<https://www.ecb.europa.eu/pub/pdf/scpwps/ecb.wp3176~6ae90c2a2c.en.pdf?04dc26b26fd28e94129eaf83c88af1d7>

Anna Amirdjanova, David Lynch
and Anni Zheng, "Initial Margin
for Crypto Currencies Risks in
Uncleared Markets"

Federal Reserve Board, Washington, D.C.,
Working n° 2026-009

26/02/2026 11:27:32



Abstract: We examine prospective classification of crypto currencies risks within the ISDA Standardized Initial Margin Model (SIMM) framework for calculation of initial margin on trades sensitive to cryptocurrencies’ risk factors in the uncleared market. Consistent with the view that cryptocurrencies are digital assets that fundamentally rely on distributed ledger technology (DLT) and induce financial risks that are significantly different from those in traditional risk classes like commodities or FX, we find that cryptocurrencies are best classified into a distinct risk class within SIMM that is split into two buckets - pegged and floating (unpegged) crypto currencies as risk factors - and suggest risk weights’ calibration methodology within the cryptocurrencies risk class that is consistent with the existing approaches adopted in SIMM.

<https://www.federalreserve.gov/econres/feds/initial-margin-for-crypto-currencies-risks-in-uncleared-markets.htm>

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Simone Di Paolo, Danilo Liberati
and Lorenzo Rubeo,
“(Green)washing the trust:
climate information and banking
policies”

Banca d’Italia, Working paper n° 1514

26/02/2026 11:24:46

Abstract: The paper proposes a methodology to identify firms engaged in greenwashing, that is, firms that claim to be more sustainable than they actually are. It then assesses the potential impact of this practice on the price and volume of bank loans, also following changes in the stance of monetary policy. Firms are defined as potential greenwashers if they report low emissions while providing low-reliability environmental disclosures; this identification is complemented by textual information extracted from corporate websites and press articles. Over the period 2019-21, greenwashing firms are estimated to have benefited on average from lower bank lending rates, with no significant effects on the quantity of credit. Following the 2022-23 monetary tightening, this advantage diminished and eventually disappeared.

<https://www.bancaditalia.it/pubblicazioni/temi-discussione/2026/2026-1514/index.html?com.dotmarketing.htmlpage.language=1>

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