

The Research Centre of the School of Economics and Business,
in cooperation with **the Bank of Slovenia,**
cordially invites you to a free research seminar
on **Wednesday, 24 April 2024, at 13:00 CEST** in room **P-119**
at the **School of Economics and Business, University of Ljubljana**

Author

Abhimanyu Gupta (University of Essex)

will present the article

Networks and Information in Credit Markets

A large theoretical literature emphasizes financial networks, but empirical studies remain scarce. We exploit the overlapping bank portfolio structure of US syndicated loans to construct a financial network and characterize its evolution over time. Using techniques from spatial econometrics, we find large spillovers in lending conditions from peers' decisions during normal times: a standard deviation increase in peer lending rates can increase a bank's lending rate by 17 basis points. However, these spillovers vanish in a large recession. We rationalize these findings through the lens of a model of syndicate lending, where banks' reliance on private signals rises during recessions.

Please sign up for the free seminar at <http://raziskave.ef.uni-lj.si/a/1709>
by 23 April 2024.

We look forward to seeing you.