

Table A1. Details of stock indices and data source

Economy	Full name	Bloomberg ticker	Source
Argentina	MERVAL	S&P MERVAL TR ARS	Bloomberg
Australia	ASX200	S&P/ASX 200 INDEX	Bloomberg
Belgium	BEL20	BEL 20 INDEX	Bloomberg
Brazil	IBOVESPA	BRAZIL IBOVESPA INDEX	Bloomberg
Canada	S&P/TSX	S&P/TSX COMPOSITE INDEX	Bloomberg
Chile	IGPA	S&P/CLX IPSA (CLP)	Bloomberg
China	Shanghai Composite Stock Market Index	SHANGHAI SE COMPOSITE	Bloomberg
France	CAC40	CAC 40 INDEX	Bloomberg
Germany	DAX30	DAX INDEX	Bloomberg
Hong Kong	Hang Seng Index	HANG SENG INDEX	Bloomberg
India	BSE SENSEX	S&P BSE SENSEX INDEX	Bloomberg
Indonesia	Jakarta Stock Exchange Composite Index	JAKARTA COMPOSITE INDEX	Bloomberg
Ireland	Ireland Stock Exchange Overall Index	ISEQAll-Share	Bloomberg
Italy	FTSE MIB	FTSE MIB INDEX	Bloomberg
Japan	NIKKEI 225	NIKKEI 225	Bloomberg
Korea	KOSPI	KOSPI INDEX	Bloomberg
Mexico	MEXICO IPC	S&P/BMV IPC	Bloomberg
Netherlands	AEX Index	AEX-Index	Bloomberg
Russia	MOEX Russia Index	MOEX Russia Index	Bloomberg
Saudi Arabia	Tadawul All Share Index	TADAWUL ALL SHARE INDEX	Bloomberg
Singapore	Straits Times Index	Straits Times Index STI	Bloomberg
South Africa	FTSE/JSE	FTSE/JSE AFRICA TOP40 IX	Bloomberg
Spain	IBEX 35 Index	IBEX 35 INDEX	Bloomberg
Switzerland	Swiss Market Index	SWISS MARKET INDEX	Bloomberg
Turkey	Istanbul Stock Exchange National 100 Index	BIST 100 INDEX	Bloomberg
United Kingdom	UK FTSE 100	FTSE 100 INDEX	Bloomberg
United States	S&P500	S&P 500 INDEX	Bloomberg

Table A2. Robustness check for estimated coefficient matrices by OFIs growth by economy group in Equation (1)

	k = 0.50	k = 0.70	k = 0.75	k = 0.80	k = 0.90
<u>VIX</u>					
α	0.10***	0.09***	0.09***	0.10***	0.09***
β	0.11***	0.11***	0.11***	0.12***	0.14***
$\alpha + \alpha'$	0.05***	0.00***	0.00***	-0.08***	-0.16***
$\beta + \beta'$	0.34***	0.44***	0.69***	0.10***	-0.14***
α''	-0.03***	-0.01	-0.01	0.02***	-0.01***
β''	0.11***	0.06***	0.06***	0.06***	0.10***
φ	0.09***	0.10***	0.10***	0.11***	0.12***
<u>LIBOR-OIS</u>					
$\underline{\alpha}$	0.15***	0.12***	0.12***	0.09***	0.09***
$\underline{\beta}$	0.03***	0.05***	0.05***	0.11***	0.11***
$\underline{\alpha} + \underline{\alpha}'$	0.02***	-0.01***	-0.01***	0.00***	0.03***
$\underline{\beta} + \underline{\beta}'$	0.41***	0.44***	0.44***	0.44***	0.46***
$\underline{\alpha}''$	-0.02***	-0.01	-0.01	-0.01	-0.03***
$\underline{\beta}''$	0.04***	0.06***	0.02	0.06***	0.12***
$\underline{\varphi}$	0.08***	0.10***	0.10***	0.10***	0.10***
<u>Financial Condition Index</u>					
$\underline{\alpha}$	0.15***	0.09***	0.09***	0.10***	0.10***
$\underline{\beta}$	0.04***	0.11***	0.11***	0.12***	0.12***
$\underline{\alpha} + \underline{\alpha}'$	0.02***	0.00***	0.00***	-0.08***	-0.09***
$\underline{\beta} + \underline{\beta}'$	0.34***	0.44***	0.44***	0.10***	0.10***
$\underline{\alpha}''$	-0.02***	-0.01	-0.01	0.02***	0.02***
$\underline{\beta}''$	0.07***	0.06***	0.06***	0.06***	0.06***
$\underline{\varphi}$	0.10***	0.10***	0.10***	0.10***	0.11***

This table reports the results of Equation (1) using OFIs growth. Coefficients α and β are the constant term and slopes of a specification respectively for an economy during periods of normal market liquidity. $\alpha + \alpha'$ and $\beta + \beta'$ are those during periods of liquidity shocks defined by Financial Condition Index exceeding its k^{th} percentile during the sample period. α'' and β'' are the additional average growth and responsiveness of the OFIs given stronger cross-economy linkage. φ is the coefficient of lagged OFI asset growth. ***, **, and * represent statistical significance at levels of 1%, 5% and 10% respectively.

Table A3. Major estimated coefficients of Equation (1) based on **VIX** as the global liquidity measure ($k = 0.75$)

(Equation (1):

$$\Delta OFI_{i,t}^N = \alpha_{NM} + \beta_{NM} \Delta OFI_{j,t}^M + (\alpha'_{NM} + \beta'_{NM} \Delta OFI_{j,t}^M) \times V_t + (\alpha''_{NM} + \beta''_{NM} \Delta OFI_{j,t}^M) \times W_t + \varphi_{NM} \Delta OFI_{i,t-1}^N + \pi_{NM,j} + \dots$$

	Developed Asia	Emerging Asia	EMEA	Developed Europe	Latin America	North America	Row Average
$\underline{\alpha}$							
Developed Asia	0.13***	0.10***	0.10***	0.10***	0.11***	0.08***	0.12***
Emerging Asia	0.25***	0.15	0.26***	0.18***	0.23***	0.18**	0.23***
EMEA	0.16***	0.16***	0.14***	0.16***	0.15***	0.08***	0.16***
Developed Europe	0.04***	-0.02	0.05***	0.01	0.04***	0.0	0.04***
Latin America	0.10***	0.07*	0.09***	0.09***	0.10***	0.05*	0.11***
North America	0.06***	0.03	0.06***	0.04***	0.04***	0.03	0.06***
Column Average	0.10***	0.05	0.09***	0.08***	0.09***	0.06***	0.09***
$\underline{\beta}$							
Developed Asia	0.01	0.11**	0.08***	0.40***	0.11***	0.61***	0.09***
Emerging Asia	-0.03	0.34**	0.02	1.19***	0.00	0.80*	0.11***
EMEA	0.17***	0.07	0.09*	0.47***	0.11**	0.84***	0.12***
Developed Europe	0.01	0.20***	0.02	0.58***	0.01	0.73***	0.05***
Latin America	0.20***	0.20***	0.10**	0.66***	0.14***	0.99***	0.16***
North America	0.02	0.08*	0.03	0.45***	0.03	0.29	0.05***
Column Average	0.05***	0.19***	0.06***	0.55***	0.05***	0.75***	0.11***
$\underline{\alpha + \alpha'}$							
Developed Asia	0.02	-0.03	0.02	-0.04*	0.03	0.03	0.01
Emerging Asia	0.04	-0.04	0.06	-0.01	0.00	0.13	0.01
EMEA	-0.02	-0.12**	-0.04	-0.07*	0.00	-0.04	-0.03
Developed Europe	0.01	-0.04	0.04*	-0.01	0.02	0.03	0.02**
Latin America	-0.05	-0.11*	0.00	-0.12***	-0.05	0.00	-0.05***
North America	-0.07***	-0.12***	-0.05	-0.09***	-0.09***	-0.09	-0.07***
Column Average	0.01	-0.05	0.02	-0.03**	0.02	0.04*	0.00***
$\underline{\beta + \beta'}$							
Developed Asia	0.50***	0.32***	0.50***	1.07***	0.61***	1.34***	0.54***
Emerging Asia	0.79***	0.49*	0.62***	1.15***	0.89***	1.58*	0.68***
EMEA	0.84***	0.45***	0.62***	1.21***	0.87***	1.86***	0.65***
Developed Europe	0.29***	0.20***	0.24***	0.53***	0.32***	0.78***	0.66***
Latin America	0.61***	0.33***	0.33***	1.15***	0.67***	1.22***	0.67***
North America	0.47***	0.25***	0.35***	0.76***	0.55***	1.07*	0.68***
Column Average	0.51***	0.30***	0.42***	0.86***	0.53***	1.19***	0.69***
$\underline{\alpha''}$							
Developed Asia	-0.01	-0.03	0.01	0.04**	-0.03	0.05*	0.01
Emerging Asia	-0.06	0.07	-0.06	0.02	0.03	-0.03	-0.02
EMEA	-0.01	-0.01	0.04	-0.02	-0.01	0.10**	-0.02
Developed Europe	-0.02	0.01	-0.06***	0.00	-0.02	-0.02	-0.02***
Latin America	0.05	0.08	-0.02	0.09***	0.05	0.06	0.04**
North America	-0.02	-0.01	-0.04	0.01	0.01	0.04	-0.02*
Column Average	-0.01	0.01	-0.02	0.02**	-0.01	0.03**	-0.01

β'							
Developed Asia	0.01	0.10	-0.02	-0.53***	0.10	-0.54**	-0.05
Emerging Asia	0.40	-0.41**	0.09	-0.66**	0.12	0.74	0.02
EMEA	-0.03	0.04	-0.08	-0.38**	0.20**	-0.47	0.08*
Developed Europe	0.04	0.01	-0.03	-0.2***	0.03	-0.49***	0.01
Latin America	-0.01	-0.03	0.32***	-0.73***	-0.02	-0.02	0.02
North America	0.11	0.09	0.03	-0.62***	0.07	-0.39	0.04
Column Average	0.09**	0.03	0.01	-0.25***	0.16***	-0.25**	0.06***
ϕ							
Developed Asia	-0.06**	-0.08**	-0.08***	-0.10***	-0.04	-0.04	-0.07***
Emerging Asia	0.30***	0.27**	0.28***	0.28***	0.29***	0.27**	0.30***
EMEA	-0.04	-0.03	-0.06	-0.03	-0.04	0.02	-0.04**
Developed Europe	0.33***	0.28***	0.32***	0.21***	0.35***	0.19***	0.32***
Latin America	0.09***	0.05	0.09***	0.03	0.09**	0.05	0.08***
North America	0.30***	0.28***	0.22**	0.16***	0.34***	0.32**	0.25***
Column Average	0.12***	0.08***	0.10***	0.08***	0.12***	0.09***	0.10***

This table reports the estimation results of Equation (1) using the OFI growths. Coefficients α and β are the constant term and slope respectively in the specification for one economy's OFI growth given another economy's OFI growths and a lower level of global liquidity measure. For instance, the estimated α and β in the first row "Developed Asia" and third column "EMEA" are found to be 0.10 and 0.08 respectively. They represent, on average, a constant annual growth of 10 percentage points in the OFIs of an Asian developed economy, with an associated increase of 8 percentage points in OFI assets when the OFIs of an EMEA economy increases by 100 percentage points. $\alpha + \alpha'$ and $\beta + \beta'$ are those given a higher level of global liquidity measure defined by VIX exceeding its third quartile during the sample period. α'' and β'' are the additional average growth and responsiveness of the OFIs given stronger cross-economy linkage. ϕ is the coefficient of lagged OFI asset growth. ***, **, and * represent statistical significance at levels of 1%, 5% and 10% respectively.

Table A4. Major estimated coefficients of Equation (1) based on **LIBOR-OIS** as the global liquidity measure ($k = 0.75$) (Equation (1):

$$\Delta OFI_{i,t}^N = \alpha_{NM} + \beta_{NM} \Delta OFI_{j,t}^M + (\alpha'_{NM} + \beta'_{NM} \Delta OFI_{j,t}^M) \times V_t + (\alpha''_{NM} + \beta''_{NM} \Delta OFI_{j,t}^M) \times W_t + \varphi_{NM} \Delta OFI_{i,t-1}^N + \pi_{NM,j} + u_{i,t}$$

	Developed Asia	Emerging Asia	EMEA	Developed Europe	Latin America	North America	Row Average
$\underline{\alpha}$							
Developed Asia	0.16***	0.12***	0.13***	0.14***	0.14***	0.1***	0.14***
Emerging Asia	0.29***	0.19*	0.32***	0.20***	0.29***	0.19**	0.27***
EMEA	0.19***	0.20***	0.19***	0.20***	0.19***	0.15***	0.20***
Developed Europe	0.06***	0.00	0.07***	0.02**	0.06***	0.00	0.05***
Latin America	0.13***	0.12***	0.14***	0.14***	0.15***	0.08**	0.15***
North America	0.08***	0.05*	0.09***	0.07***	0.08***	0.10**	0.08***
Column Average	0.13***	0.08**	0.12***	0.12***	0.12***	0.08***	0.12***
$\underline{\beta}$							
Developed Asia	-0.01	0.08*	0.05*	0.27***	0.05*	0.49**	0.04***
Emerging Asia	-0.09	0.28*	-0.05	1.11***	-0.09	0.77	0.05
EMEA	0.08**	0.01	0.01	0.20**	0.03	0.39	0.04*
Developed Europe	-0.01	0.18***	-0.01	0.55***	0.00	0.77***	0.03***
Latin America	0.15***	0.12**	0.04	0.43***	0.08**	0.76***	0.09***
North America	0.01	0.07*	0.00	0.35***	0.01	-0.06	0.03**
Column Average	0.02*	0.14***	0.02*	0.41***	0.01	0.55***	0.05***
$\underline{\alpha + \alpha'}$							
Developed Asia	0.03	-0.03	0.04	0.04***	0.06**	0.05	0.02
Emerging Asia	0.05	-0.03	0.08	0.03	0.07	0.14	0.04
EMEA	-0.05	-0.13**	-0.04	-0.05**	0.01	0.01	-0.04***
Developed Europe	-0.01	-0.05	0.01	-0.01	0.01	0.02	-0.01
Latin America	-0.08**	-0.12**	-0.03	-0.07***	-0.03	0.00	-0.06***
North America	-0.07***	-0.12***	-0.04*	-0.06***	-0.04*	-0.01	-0.06***
Column Average	-0.01	-0.07**	0.00	-0.01	0.02	0.03	-0.01***
$\underline{\beta + \beta'}$							
Developed Asia	0.48***	0.31***	0.46***	0.74***	0.5***	1.19***	0.45***
Emerging Asia	0.79***	0.48*	0.58***	0.99***	0.69***	1.44	0.57***
EMEA	0.82***	0.43***	0.59***	1.03***	0.73***	1.49***	0.6***
Developed Europe	0.33***	0.22***	0.30***	0.55***	0.35***	0.77***	0.27***
Latin America	0.67***	0.32***	0.41***	0.90***	0.57***	1.13***	0.48***
North America	0.48***	0.24***	0.33***	0.67***	0.44***	0.64	0.38***
Column Average	0.54***	0.31***	0.45***	0.69***	0.49***	1.07***	0.44***
$\underline{\alpha''}$							
Developed Asia	-0.02	-0.01	-0.01	-0.01	-0.05**	0.03	-0.02*
Emerging Asia	-0.06	0.07	-0.08	0.03	-0.04	-0.02	-0.02
EMEA	-0.02	-0.02	0.00	-0.02	-0.04	0.04	-0.03**
Developed Europe	-0.01	0.02	-0.03**	0.01	-0.02	-0.01	-0.01**
Latin America	0.05*	0.06	-0.01	0.05**	0.02	0.05	0.03**
North America	-0.02	0.02	-0.06**	0.00	-0.04*	-0.04	-0.03***
Column Average	-0.01	0.02	-0.01	0.01	-0.03**	0.02	-0.01

β'							
Developed Asia	-0.01	0.02	-0.01	-0.29**	0.17*	-0.44**	-0.01
Emerging Asia	0.34	-0.42**	0.07	-0.71**	0.23*	0.66	0.03
EMEA	-0.01	0.01	-0.06	-0.56***	0.27***	-0.10	0.07*
Developed Europe	-0.01	-0.01	-0.1**	-0.22***	-0.02	-0.53***	-0.03
Latin America	-0.09	-0.02	0.19*	-0.51***	-0.01	0.05	0.01
North America	0.07	0.02	0.04	-0.68***	0.13	0.03	0.03
Column Average	0.03	-0.01	-0.04	-0.32***	0.16***	-0.22**	0.02
ϕ							
Developed Asia	-0.06**	-0.07**	-0.09***	-0.11***	-0.05*	-0.06*	-0.08***
Emerging Asia	0.29***	0.26**	0.28***	0.27***	0.27***	0.25**	0.29***
EMEA	0.00	0.01	0.01	0.01	0.01	0.04	0.00
Developed Europe	0.31***	0.27***	0.32***	0.21***	0.31***	0.21***	0.3***
Latin America	0.08***	0.05	0.08***	0.03	0.07*	0.05	0.07***
North America	0.26***	0.24***	0.21***	0.10**	0.23***	0.23	0.19***
Column Average	0.11***	0.08***	0.11***	0.07***	0.11***	0.09***	0.10***

This table reports the estimation results of Equation (1) using the OFI growths. Coefficients α and β are the constant term and slope respectively in the specification for one economy's OFI growth given another economy's OFI growths and a lower level of global liquidity measure. For instance, the estimated α and β in the first row "Developed Asia" and third column "EMEA" are found to be 0.10 and 0.08 respectively. They represent, on average, a constant annual growth of 10 percentage points in the OFIs of an Asian developed economy, with an associated increase of 8 percentage points in OFI assets when the OFIs of an EMEA economy increases by 100 percentage points. $\alpha + \alpha'$ and $\beta + \beta'$ are those given a higher level of global liquidity measure defined by LIBOR-OIS exceeding its third quartile during the sample period. α' and β' are the additional average growth and responsiveness of the OFIs given stronger cross-economy linkage. ϕ is the coefficient of lagged OFI asset growth. ***, **, and * represent statistical significance at levels of 1%, 5% and 10% respectively.

Table A5. Major estimated coefficients of Equation (1) based on **Financial Condition Index** as the global liquidity measure ($k = 0.75$) (Equation (1): $\Delta OFI_{i,t}^N = \alpha_{NM} + \beta_{NM}\Delta OFI_{j,t}^M + (\alpha'_{NM} + \beta'_{NM}\Delta OFI_{j,t}^M) \times V_t + (\alpha''_{NM} + \beta''_{NM}\Delta OFI_{j,t}^M) \times W_t + \varphi_{NM}\Delta OFI_{i,t-1}^N + \pi_{NM,j} + u_{i,t}$)

	Developed Asia	Emerging Asia	EMEA	Developed Europe	Latin America	North America	Row Average
$\underline{\alpha}$							
Developed Asia	0.13***	0.10***	0.10***	0.10***	0.11***	0.08***	0.12***
Emerging Asia	0.25***	0.15	0.26***	0.18***	0.23***	0.18**	0.23***
EMEA	0.16***	0.16***	0.14***	0.16***	0.15***	0.08***	0.16***
Developed Europe	0.04***	-0.02	0.05***	0.01	0.04***	0.00	0.04***
Latin America	0.10***	0.07*	0.09***	0.09***	0.10***	0.05*	0.11***
North America	0.06***	0.03	0.06***	0.04***	0.04***	0.03	0.06***
Column Average	0.10***	0.05	0.09***	0.08***	0.09***	0.06***	0.09***
$\underline{\beta}$							
Developed Asia	0.01	0.11**	0.08***	0.4***	0.11***	0.61***	0.09***
Emerging Asia	-0.03	0.34**	0.02	1.19***	0.00	0.80*	0.11***
EMEA	0.17***	0.07	0.09*	0.47***	0.11**	0.84***	0.12***
Developed Europe	0.01	0.20***	0.02	0.58***	0.01	0.73***	0.05***
Latin America	0.20***	0.20***	0.10**	0.66***	0.14***	0.99***	0.16***
North America	0.02	0.08*	0.03	0.45***	0.03	0.29	0.05***
Column Average	0.05***	0.19***	0.06***	0.55***	0.05***	0.75***	0.11***
$\underline{\alpha + \alpha'}$							
Developed Asia	0.02	-0.03	0.02	-0.04*	0.03	0.03	0.01
Emerging Asia	0.04	-0.04	0.06	-0.01	0.00	0.13	0.01
EMEA	-0.02	-0.12**	-0.04	-0.07*	0.00	-0.04	-0.03
Developed Europe	0.01	-0.04	0.04*	-0.01	0.02	0.03	0.02**
Latin America	-0.05	-0.11*	0.00	-0.12***	-0.05	0.00	-0.05***
North America	-0.07***	-0.12***	-0.05	-0.09***	-0.09***	-0.09	-0.07***
Column Average	0.01	-0.05	0.02	-0.03**	0.02	0.04*	0.00***
$\underline{\beta + \beta'}$							
Developed Asia	0.50***	0.32***	0.50***	1.07***	0.61***	1.34***	0.54***
Emerging Asia	0.79***	0.49*	0.62***	1.15***	0.89***	1.58*	0.68***
EMEA	0.84***	0.45***	0.62***	1.21***	0.87***	1.86***	0.65***
Developed Europe	0.29***	0.20***	0.24***	0.53***	0.32***	0.78***	0.24***
Latin America	0.61***	0.33***	0.33***	1.15***	0.67***	1.22***	0.49***
North America	0.47***	0.25***	0.35***	0.76***	0.55***	1.07*	0.41***
Column Average	0.51***	0.30***	0.42***	0.86***	0.53***	1.19***	0.44***
$\underline{\alpha''}$							
Developed Asia	-0.01	-0.03	0.01	0.04**	-0.03	0.05*	0.01
Emerging Asia	-0.06	0.07	-0.06	0.02	0.03	-0.03	-0.02
EMEA	-0.01	-0.01	0.04	-0.02	-0.01	0.10**	-0.02
Developed Europe	-0.02	0.01	-0.06***	0.00	-0.02	-0.02	-0.02***
Latin America	0.05	0.08	-0.02	0.09***	0.05	0.06	0.04**
North America	-0.02	-0.01	-0.04	0.01	0.01	0.04	-0.02*
Column Average	-0.01	0.01	-0.02	0.02**	-0.01	0.03**	-0.01

β''							
Developed Asia	0.01	0.10	-0.02	-0.53***	0.10	-0.54**	-0.05
Emerging Asia	0.40	-0.41**	0.09	-0.66**	0.12	0.74	0.02
EMEA	-0.03	0.04	-0.08	-0.38**	0.20**	-0.47	0.08*
Developed Europe	0.04	0.01	-0.03	-0.20***	0.03	-0.49***	0.01
Latin America	-0.01	-0.03	0.32***	-0.73***	-0.02	-0.02	0.02
North America	0.11	0.09	0.03	-0.62***	0.07	-0.39	0.04
Column Average	0.09**	0.03	0.01	-0.25***	0.16***	-0.25**	0.06***
ϕ							
Developed Asia	-0.06**	-0.08**	-0.08***	-0.10***	-0.04	-0.04	-0.07***
Emerging Asia	0.30***	0.27**	0.28***	0.28***	0.29***	0.27**	0.30***
EMEA	-0.04	-0.03	-0.06	-0.03	-0.04	0.02	-0.04**
Developed Europe	0.33***	0.28***	0.32***	0.21***	0.35***	0.19***	0.32***
Latin America	0.09***	0.05	0.09***	0.03	0.09**	0.05	0.08***
North America	0.30***	0.28***	0.22**	0.16***	0.34***	0.32**	0.25***
Column Average	0.12***	0.08***	0.10***	0.08***	0.12***	0.09***	0.10***

This table reports the estimation results of Equation (1) using the OFI growths. Coefficients α and β are the constant term and slope respectively in the specification for one economy's OFI growth given another economy's OFI growths and a lower level of global liquidity measure. For instance, the estimated α and β in the first row "Developed Asia" and third column "EMEA" are found to be 0.10 and 0.08 respectively. They represent, on average, a constant annual growth of 10 percentage points in the OFIs of an Asian developed economy, with an associated increase of 8 percentage points in OFI assets when the OFIs of an EMEA economy increases by 100 percentage points. $\alpha + \alpha'$ and $\beta + \beta'$ are those given a higher level of global liquidity measure defined by Financial Condition Index exceeding its third quartile during the sample period. α'' and β'' are the additional average growth and responsiveness of the OFIs given stronger cross-economy linkage. ϕ is the coefficient of lagged OFI asset growth. ***, **, and * represent statistical significance at levels of 1%, 5% and 10% respectively.

Table A6. Estimated response of OFIs to changes in driving factors (i.e., θ_k) specified in Equation (5): $OFI_{j,t}^* = \theta_0 + \sum_{k=1}^K \theta_k MV_{j,t}^k + \gamma OFI_{j,t-1}^* + \epsilon_{j,t}$									
	<u>All economies</u>			<u>EMEs</u>			<u>AEs</u>		
Independent variable (in log)	VIX	LIBOR-OIS	FCI	VIX	LIBOR-OIS	FCI	VIX	LIBOR-OIS	FCI
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Banks' concentration	0.363 ^{nsd}	0.399 ^{nsd}	0.317 ^{nsd}	0.396 ^{nsd}	0.742 ^{nsd}	0.645 ^{nsd}	0.365 ^{nsd}	-0.015 ^d	-0.046 ^d
Bank size	0.341 ^{ns}	0.370 ^{ns}	0.533 ^{nsd}	0.299 ^{nsd}	0.276	0.366 nd	0.138 nd	0.261 ⁿ	0.261 ⁿ
Forward earning yield	-0.161 ^{nsd}	-0.060	0.018 ^d	-0.324 ^{nsd}	-0.317 ^{nsd}	-0.272 ^{nsd}	-0.037	-0.064	-0.055 ^d
Institutional investors size	0.140 ⁿ	0.408 ⁿ	0.404 ⁿ	0.065	0.356 ⁿ	0.327 ⁿ	0.251 ⁿ	0.225 ⁿ	0.244 ⁿ
GDP	0.016	0.050	-0.090	0.003	-0.013 ^d	-0.111 ^d	0.058	0.322 ⁿ	0.278 ⁿ
Lag dependent variable	0.571 ^{nsd}	0.392 ^{nsd}	0.350 ^{ns}	0.711 ^{nsd}	0.600 ^{nsd}	0.580 ^{nsd}	0.542 ^{nsd}	0.288 ^{nsd}	0.310 ^{nsd}
Constant	0.148 ^{nsd}	0.133 ⁿ	0.163 ^{ns}	0.221	0.470 ^{ns}	0.477 ^{ns}	0.233 ^{nsd}	0.362 ^{ns}	0.343 ^{ns}
All observations	271	271	271	99	99	99	172	172	172
Number of economies	26	26	26	10	10	10	16	16	16
Sargan statistics	296.671	342.396	377.653	125.833	126.012	133.852	212.883	158.576	169.870
Within R ²	0.784	0.735	0.749	0.728	0.715	0.697	0.836	0.738	0.740

The dynamic panel data regression results in this table examine the determinants of OFIs size of all economies. All variables are defined in session 3.3. The Sargan statistics of all models are large enough to reject the null hypothesis of over-identifying restrictions on the instrumental variables of the panel data regression. The superscripts n, s and d represent a 10% significance level given that the standard errors are not clustered, single-clustered at the cross-section dimension, and double-clustered at the cross-section and time dimensions, respectively.

Table A7. Major estimated coefficients of Equation (1) based on (i) residuals obtained from Equation (5) and (ii) the **VIX** as the global liquidity measure (Equation (1): $\Delta OFI_{i,t}^N = \alpha_{NM} + \beta_{NM} \Delta OFI_{j,t}^M + (\alpha''_{NM} + \beta''_{NM} \Delta OFI_{j,t}^M) \times W_t + \pi_{NM,j} + u_{i,t}$)

	Developed Asia	Emerging Asia	EMEA	Developed Europe	Latin America	North America	Row Average
$\underline{\alpha}$							
Developed Asia	-0.29***	-0.29***	-0.28***	-0.27***	-0.29***	-0.58***	-0.28***
Emerging Asia	0.02	-0.01	0.01	0.00	-0.02	-0.13	0.00
EMEA	0.00	-0.04	-0.01	-0.02*	-0.03	-0.22**	-0.02***
Developed Europe	0.01	0.01	0.01	0.03*	0.01	-0.18	0.02*
Latin America	0.05**	0.01	0.03	0.03**	0.03	-0.21**	0.03***
North America	0.41***	0.36***	0.38***	0.39***	0.36***	0.23**	0.39***
Column Average	0.01	-0.02	-0.01	0.00	-0.03	-0.26***	-0.01
$\underline{\beta}$							
Developed Asia	-0.07	0.12	0.04	0.01	0.23*	0.80**	0.03
Emerging Asia	0.08	-0.11	0.12	0.01	0.17	0.36	0.03
EMEA	0.06	0.30***	-0.05	0.03	0.04	0.53**	0.04
Developed Europe	0.02	-0.03	0.01	-0.09*	0.16	0.49	-0.02
Latin America	0.07	0.06	0.00	0.02	0.17	0.66**	0.03
North America	0.12**	0.06	0.02	0.03	0.36***	0.43	0.06***
Column Average	0.04	0.04	0.01	-0.02	0.26***	0.61***	0.00
$\underline{\alpha''}$							
Developed Asia	-0.14**	-0.03	-0.04	-0.05*	-0.05	0.26	-0.05***
Emerging Asia	-0.05	0.00	-0.04	-0.05*	0.03	-0.13	-0.03*
EMEA	-0.12***	-0.06	-0.11*	-0.08***	-0.09***	0.16	-0.09***
Developed Europe	0.03	0.00	0.03	-0.01	0.03	0.33	0.01
Latin America	-0.01	0.05	0.03	0.01	0.00	0.25	0.01
North America	-0.08**	-0.01	-0.04	-0.06***	-0.02	0.15	-0.05***
Column Average	-0.06*	-0.02	-0.01	-0.04**	0.01	0.23	-0.03***
$\underline{\beta''}$							
Developed Asia	-0.24	-0.12	0.07	0.00	-0.24	-0.87	-0.05
Emerging Asia	-0.07	-0.35	-0.08	0.03	-0.08	0.22	-0.01
EMEA	-0.03	-0.34**	0.11	-0.02	0.17	-0.76	-0.01
Developed Europe	0.00	0.21	0.02	-0.04	-0.18	-0.84	-0.03
Latin America	-0.08	-0.01	0.24	-0.04	-0.46***	-0.67	-0.06
North America	-0.14	0.01	-0.03	-0.04	-0.23**	-0.51	-0.06**
Column Average	-0.07	0.01	0.08	-0.01	-0.21*	-0.65	-0.02

This table reports the estimation results of Equation (1) using the residuals of Equation (5). Coefficients α and β are the constant term and slope respectively in the specification for one economy's residual given another economy's residual. Lagged terms are dropped in the specification because they are statistically insignificant. α'' and β'' are the additional average growth and responsiveness of the OFIs given stronger cross-economy linkage. ***, **, and * denote statistical significances of 1%, 5%, and 10% respectively.

Table A8. Major estimated coefficients of Equation (1) based on (i) residuals obtained from Equation (5) and (ii) the **LIBOR-OIS** as the global liquidity measure (Equation (1): $\Delta OFI_{i,t}^N = \alpha_{NM} + \beta_{NM}\Delta OFI_{j,t}^M + (\alpha''_{NM} + \beta''_{NM}\Delta OFI_{j,t}^M) \times W_t + \pi_{NM,j} + u_{i,t}$)

	Developed Asia	Emerging Asia	EMEA	Developed Europe	Latin America	North America	Row Average
$\underline{\alpha}$							
Developed Asia	-0.43***	-0.44***	-0.40***	-0.39***	-0.49***	-0.53**	-0.40***
Emerging Asia	0.19***	0.13**	0.14**	0.14***	0.10**	0.10	0.14***
EMEA	0.17**	0.09	0.21	0.16***	0.17**	0.15*	0.16***
Developed Europe	0.01	-0.01	0.00	0.00	-0.02	-0.04	0.00
Latin America	0.17***	0.11***	0.15***	0.14***	0.08	0.05	0.14***
North America	0.22***	0.14**	0.17***	0.18***	0.14**	0.10	0.18***
Column Average	0.03	-0.02	0.01	0.00	-0.08	-0.12	0.00
$\underline{\beta}$							
Developed Asia	-0.10	0.10	-0.02	0.01	0.53**	0.69**	0.01
Emerging Asia	0.08	-0.51***	0.05	-0.01	0.13	0.25	-0.02
EMEA	-0.04	0.25	-0.15	0.04	-0.07	0.04	0.00
Developed Europe	0.03	0.01	0.03	-0.1**	0.05	0.13	-0.04
Latin America	0.07	0.09	-0.01	0.00	0.38**	0.60**	0.01
North America	0.12	0.08	0.01	0.03	0.20	0.56**	0.03
Column Average	0.02	0.00	-0.02	-0.03	0.34**	0.56***	-0.02
$\underline{\alpha''}$							
Developed Asia	-0.04	0.00	-0.08	-0.07*	-0.05	-0.06	-0.06**
Emerging Asia	-0.07	0.02	-0.07	-0.05	0.02	-0.07	-0.04
EMEA	-0.12	-0.02	-0.25**	-0.18***	-0.23**	-0.19	-0.18***
Developed Europe	0.06	0.03	-0.01	0.01	0.03	0.07	0.02
Latin America	-0.01	0.03	-0.03	-0.02	0.03	-0.01	-0.02
North America	-0.05	0.00	-0.08	-0.08*	-0.04	-0.04	-0.07**
Column Average	-0.02	0.01	-0.06	-0.05**	0.01	0.03	-0.03**
$\underline{\beta''}$							
Developed Asia	0.00	0.02	0.21	0.02	0.00	0.04	0.04
Emerging Asia	0.02	0.51*	0.01	0.06	0.08	0.22	0.10
EMEA	0.22	-0.25	0.23	-0.03	0.42	0.00	0.04
Developed Europe	0.05	0.10	-0.01	0.00	0.10	-0.11	0.02
Latin America	0.05	-0.04	0.20*	0.04	-0.26	-0.02	0.04
North America	-0.01	0.03	0.01	-0.03	0.03	-0.17	-0.02
Column Average	0.06	0.12	0.10	0.02	0.06	-0.12	0.05

This table reports the estimation results of Equation (1) using the residuals of Equation (5). Coefficients α and β are the constant term and slope respectively in the specification for one economy's residual given another economy's residual. Lagged terms are dropped in the specification because they are statistically insignificant. α'' and β'' are the additional average growth and responsiveness of the OFIs given stronger cross-economy linkage. ***, **, and * denote statistical significances of 1%, 5%, and 10% respectively.

Table A9. Major estimated coefficients of Equation (1) based on (i) residuals obtained from Equation (5) and (ii) **Financial Condition Index** as the global liquidity measure (Equation (1): $\Delta OFI_{i,t}^N = \alpha_{NM} + \beta_{NM} \Delta OFI_{j,t}^M + (\alpha''_{NM} + \beta''_{NM} \Delta OFI_{j,t}^M) \times W_t + \pi_{NM,j} + u_{i,t}$)

	Developed Asia	Emerging Asia	EMEA	Developed Europe	Latin America	North America	Row Average
α							
Developed Asia	-0.52***	-0.55***	-0.50***	-0.48***	-0.64***	-0.76***	-0.50***
Emerging Asia	0.24***	0.16**	0.17**	0.18***	0.12*	0.17*	0.17***
EMEA	0.17*	0.08	0.21*	0.15***	0.18**	0.17	0.16***
Developed Europe	-0.04	-0.05	-0.04	-0.04	-0.05	-0.09	-0.04**
Latin America	0.30***	0.23***	0.27***	0.27***	0.21**	0.12	0.27***
North America	0.36***	0.27***	0.31***	0.32***	0.26***	0.14	0.31***
Column Average	0.04	-0.02	0.01	0.01	-0.08	-0.15	0.01
β							
Developed Asia	-0.06	0.11	-0.04	-0.01	0.49**	0.81***	0.01
Emerging Asia	0.09	-0.55***	0.09	-0.01	0.10	0.01	-0.03
EMEA	-0.04	0.23	-0.18	0.03	-0.08	0.00	0.00
Developed Europe	0.00	0.00	0.03	-0.11**	0.02	0.11	-0.04
Latin America	0.06	0.07	-0.02	0.00	0.21	0.53*	0.00
North America	0.11	0.04	0.01	0.02	0.17	0.61**	0.03
Column Average	0.01	-0.02	-0.02	-0.04	0.21	0.44**	-0.03**
α''							
Developed Asia	-0.12	0.00	-0.08	-0.07	-0.03	-0.03	-0.06**
Emerging Asia	-0.14	0.02	-0.08	-0.08	0.02	-0.14	-0.05
EMEA	-0.16	-0.04	-0.28**	-0.18***	-0.29**	-0.22	-0.19***
Developed Europe	0.04	0.02	-0.02	-0.01	0.00	0.08	0.00
Latin America	-0.03	0.05	-0.02	-0.03	0.02	0.00	-0.02
North America	-0.08	-0.02	-0.10	-0.10**	-0.04	-0.01	-0.08**
Column Average	-0.06	0.00	-0.07	-0.06**	-0.01	0.04	-0.04***
β''							
Developed Asia	-0.14	-0.06	0.17	0.02	-0.06	0.00	0.01
Emerging Asia	-0.09	0.47	-0.09	0.06	0.03	0.34	0.08
EMEA	0.15	-0.27	0.11	-0.03	0.36	-0.07	0.02
Developed Europe	0.05	0.09	0.00	0.00	0.05	-0.17	0.01
Latin America	0.02	-0.04	0.19	0.02	-0.22	-0.04	0.02
North America	-0.04	0.07	-0.06	-0.04	-0.05	-0.23	-0.03
Column Average	0.01	0.11	0.07	0.02	0.03	-0.13	0.04

This table reports the estimation results of Equation (1) using the residuals of Equation (5). Coefficients α and β are the constant term and slope respectively in the specification for one economy's residual given another economy's residual. Lagged terms are dropped in the specification because they are statistically insignificant. α'' and β'' are the additional average growth and responsiveness of the OFIs given stronger cross-economy linkage. ***, **, and * denote statistical significances of 1%, 5%, and 10% respectively.