Capital Flow Waves: What are the decompositions, episodes, and impact on asset prices in ASEAN-4?
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About the paper, 1

• Analyzed portfolio debt inflows per ASEAN-4 country (pre- and post-GFC). Concluded ABMI has something to do with increase in debt inflows post GFC

• Analyzed portfolio debt outflows, per ASEAN-4 country, pre/post AFC/GFC

• Analyzed equity portfolio trends

• Identified period of "surge", "stop", "flight", and "retrenchment" per ASEAN-4 (on the basis of whether or not the year-on-year change of MA of inflows is greater than 2 SD, or by 1 SD for a few consecutive quarters.
About the paper, 2

• Needs indicator that combines both stock and property prices
• Define asset price boom and bust periods ("excessive deviation from threshold values implied by economic fundamentals")
• Relationship of this with macro and financial variables
• Forecast future boom and bust probabilities (based on probit model)
Assessment of the paper, 1

• Kudos to the authors for researching this important topic with many interesting research questions

• As to research methodology, the authors did a thorough and painstaking job of teasing out the nuances of the flows per country, and linking it to the asset-price boom-bust

• The paper yielded important and interesting results particularly on the finding and documentation on the asset price booms preceding the recession for ASEAN 4 economies.
Assessment of the paper, 2

• Some modelling comments. In terms of modelling, clarification on how the probit model accounts for unobserved heterogeneity across countries needs to be made. Is $\alpha_i = \alpha \ \forall i$?

• Revisit interpretation of estimates in Table 9. Are they marginal effects or coefficient estimates?

• Need to examine robustness issues concerning the choice of threshold and effects on probabilities.
POSSIBLE IMPROVEMENTS FOR CONSIDERATION
(SOME PERHAPS IN FUTURE RESEARCH)

• As mentioned by the authors: Nuanced analysis on the type of flow (debt, equity, bank-led flows) and by country in Part I but not so in Part II
• Differences and similarities in flow analysis (Part I) and causation (Part II) per country and how affected by country-specific institution or environment
• E.g. patterns on Charts 15 to 22 can be teased out and synthesized further. Differences/similarities per country and why.
• Also, can clarify further the patterns and whys of Charts 23 to 30.
• Paper is non-structural, economic relationships are specified ad hoc. Perhaps consider in the future more structural types of modeling a la Devereaux and Sutherland (2008), Tilk and Wincoop (2008) and Escude (2014).