



Developing and using historical monetary and financial statistics

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The views expressed here are those of the authors and not necessarily those of the Bank for International Settlements.

Outline

- Availability of HMFS
- Why collect HMFS?
- The BIS HMFS project

Availability of HMFS

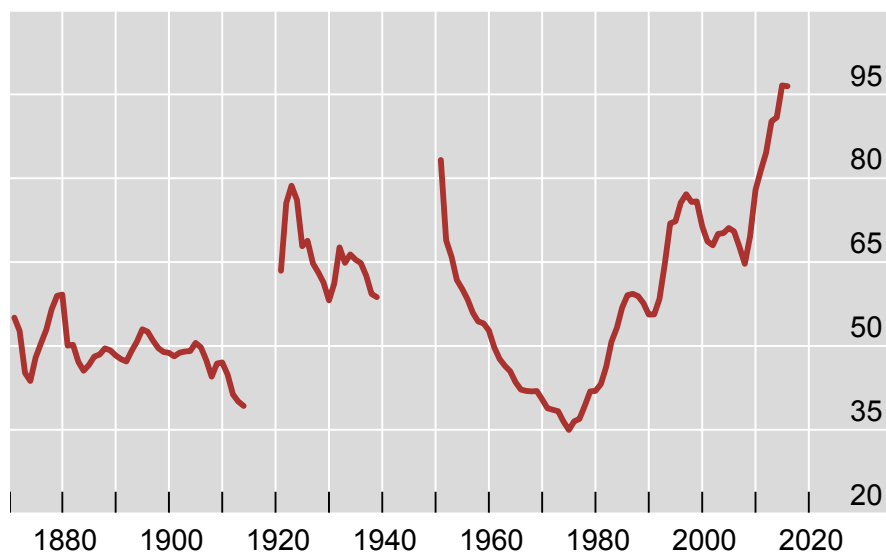
- Cross-country historical datasets
 - Mitchell (2013)
 - Reinhart and Rogoff (2009)
 - Jorda, Schularick and Taylor (2016)
 - Global Financial Data commercial database
- National historical databases
 - Bank of England
 - Norges Bank
 - Sveriges Riksbank
 - Danmarks Nationalbank

Why collect HMFS?

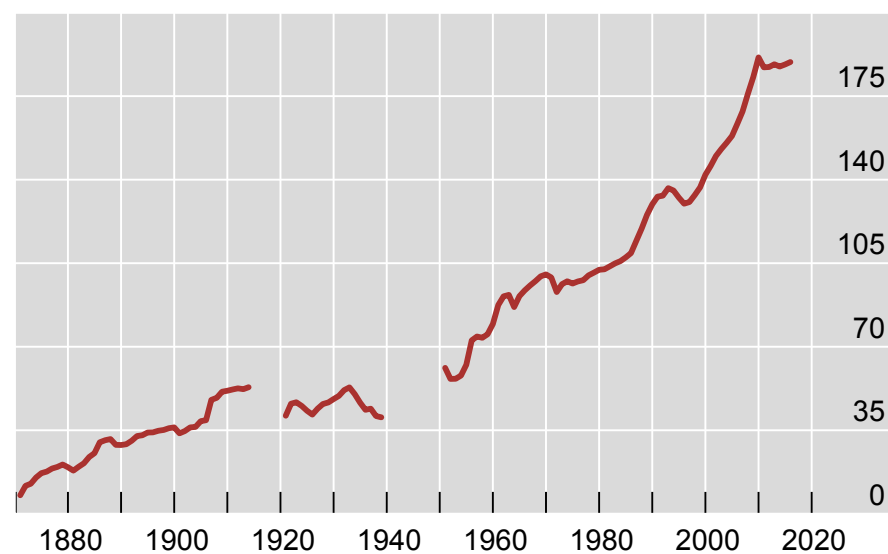
- Putting things into perspective
 - Are asset prices historically high?
 - Is indebtedness historically high?
 - Are interest rates historically low?
- Draw lessons from history that can inform the debate
 - What causes financial crises?
 - Is deflation costly in terms of growth?
 - Why are interest rates low?

Historically high levels of debt

Government debt



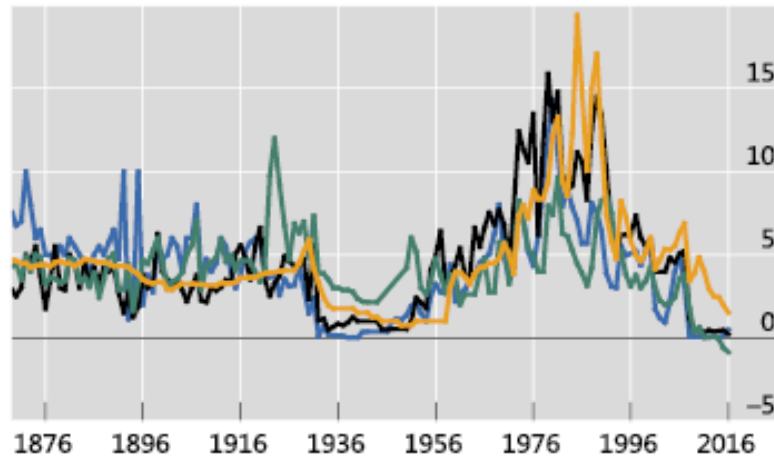
Private sector debt



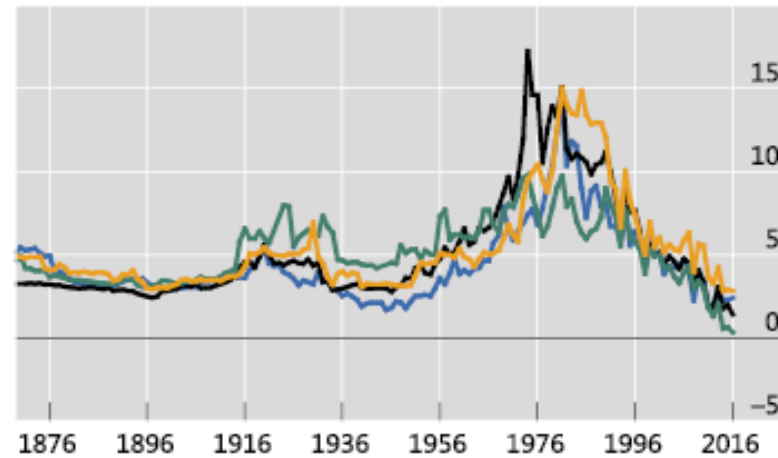
Source: Borio et al (2015)

Historically low interest rates

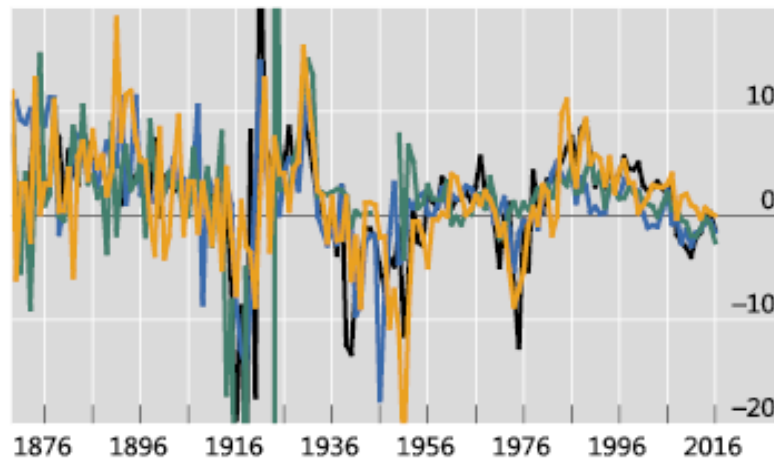
Nominal short-term rates



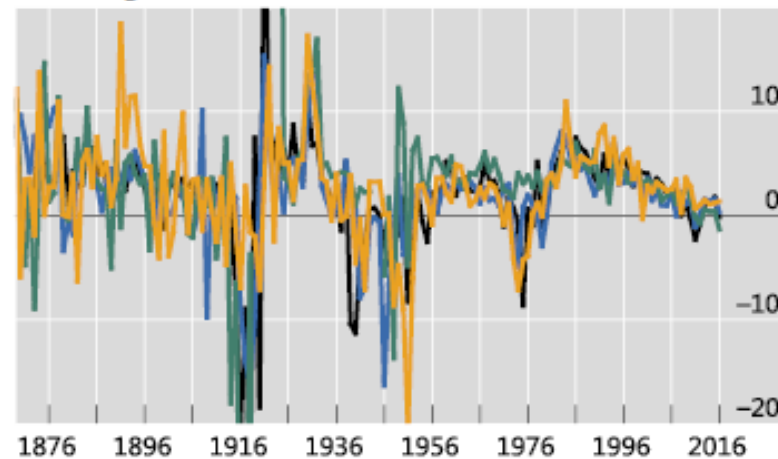
Nominal long-term rates



Real short-term rates¹



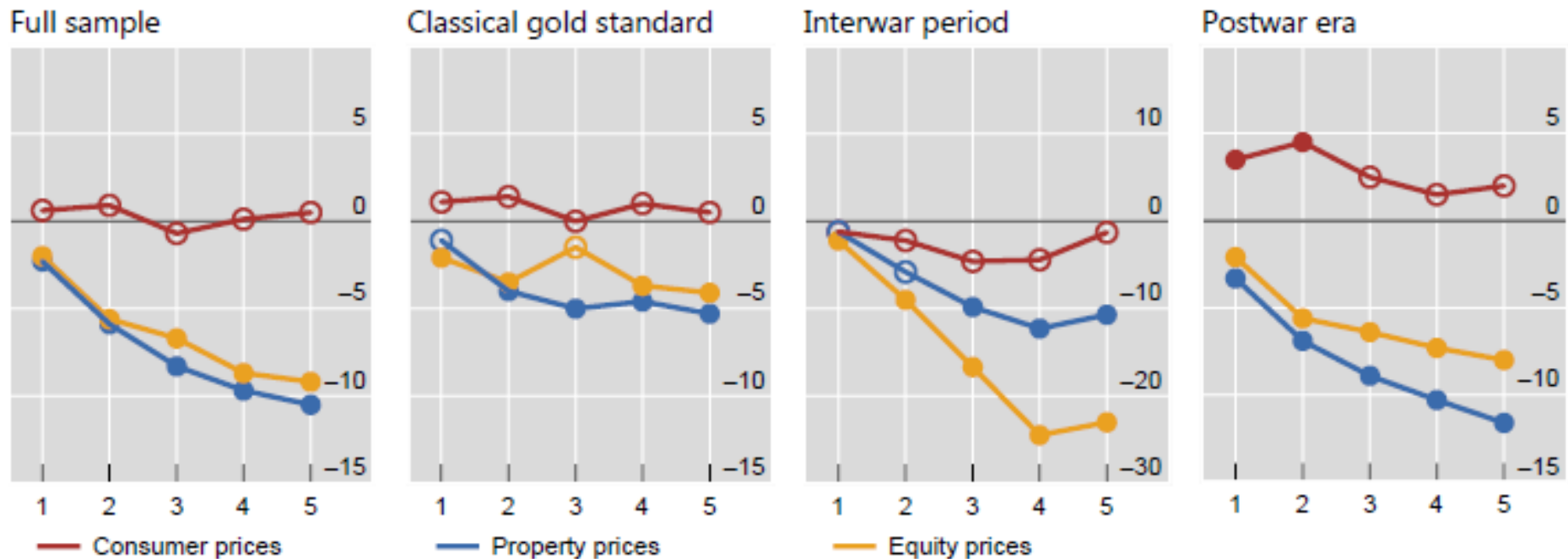
Real long-term rates¹



— Australia — Germany — United Kingdom — United States

Source: Borio and Hofmann (2017)

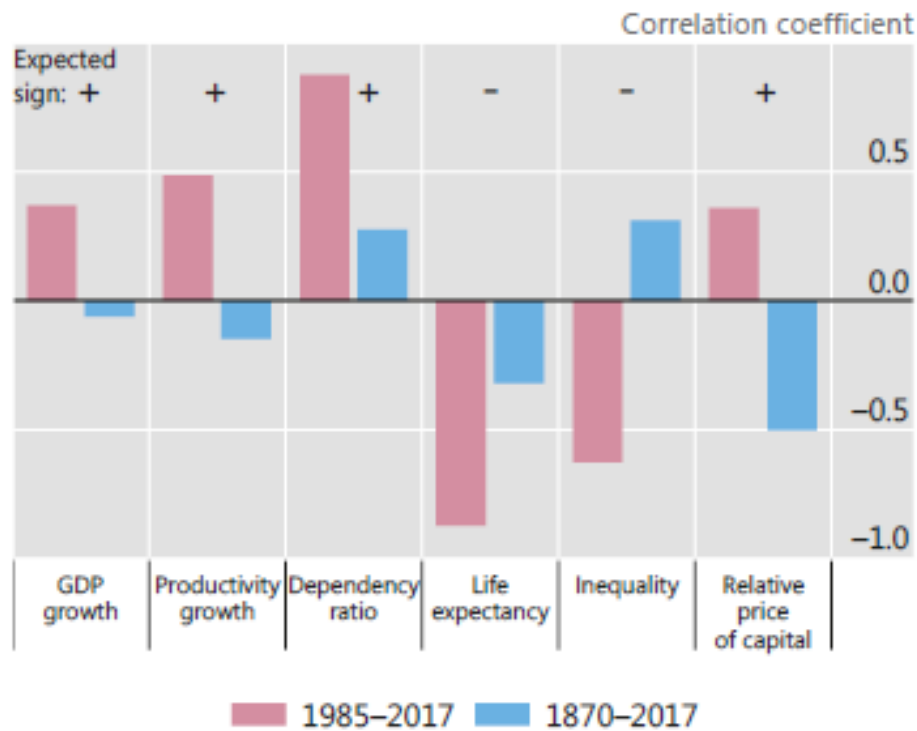
The output costs of deflations



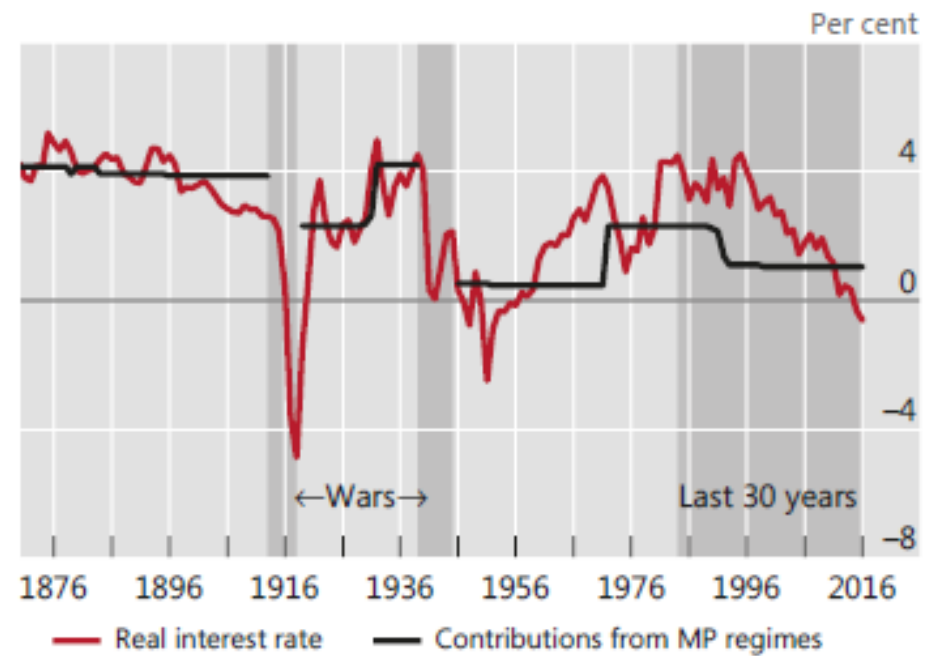
Source: Borio et al (2015)

The drivers of real interest rates

Correlation between real interest rates and saving-investment factors¹



Real interest rate and monetary policy regimes²



Source: Borio et al (2017)

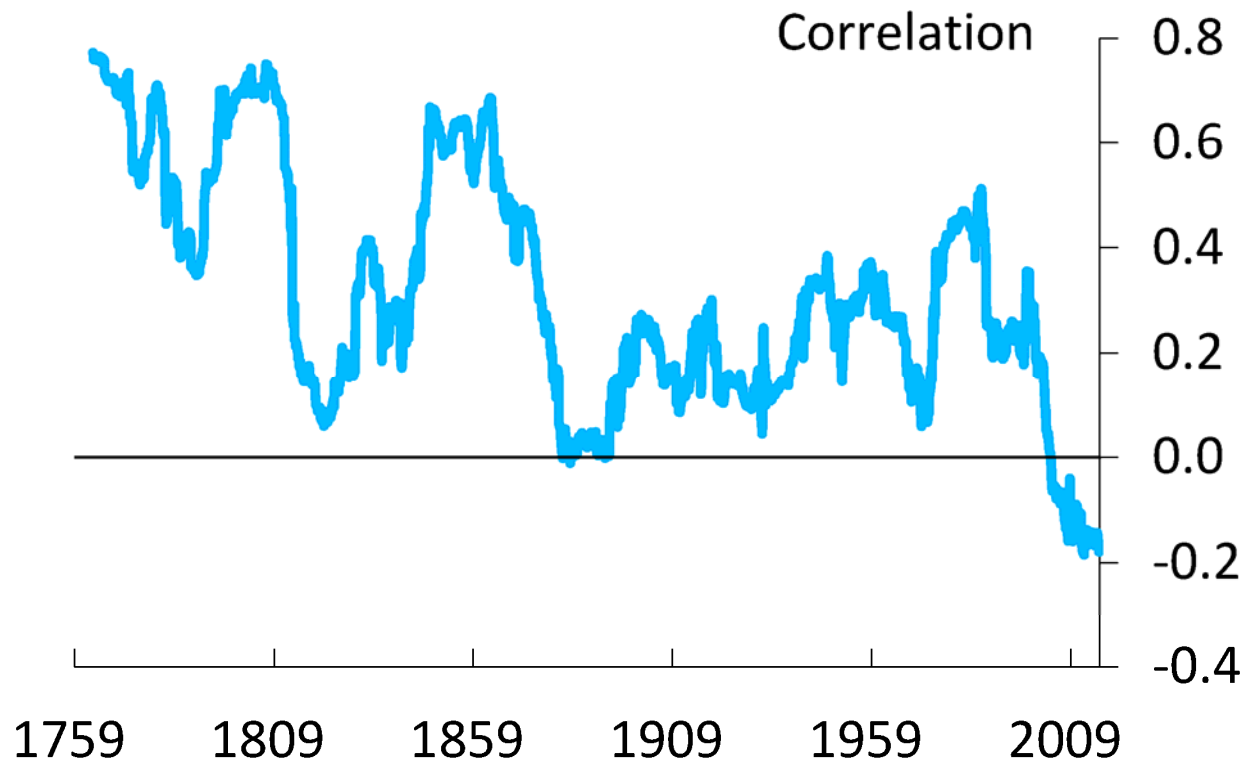
The BIS HMFS project

- A network of central banks and academic experts interested in collecting, improving and developing historical monetary and financial statistics
- Drawing on experiences gained at developing historical databases at national central banks
- National historical statistics vs cross-country historical statistics
 - Larger number of series over longer periods, often also in higher frequency
 - Retain all the historical chains of data and underlying calculations and formulae, showing the user how different series are linked together

The Bank of England Millennium of Macroeconomic Data

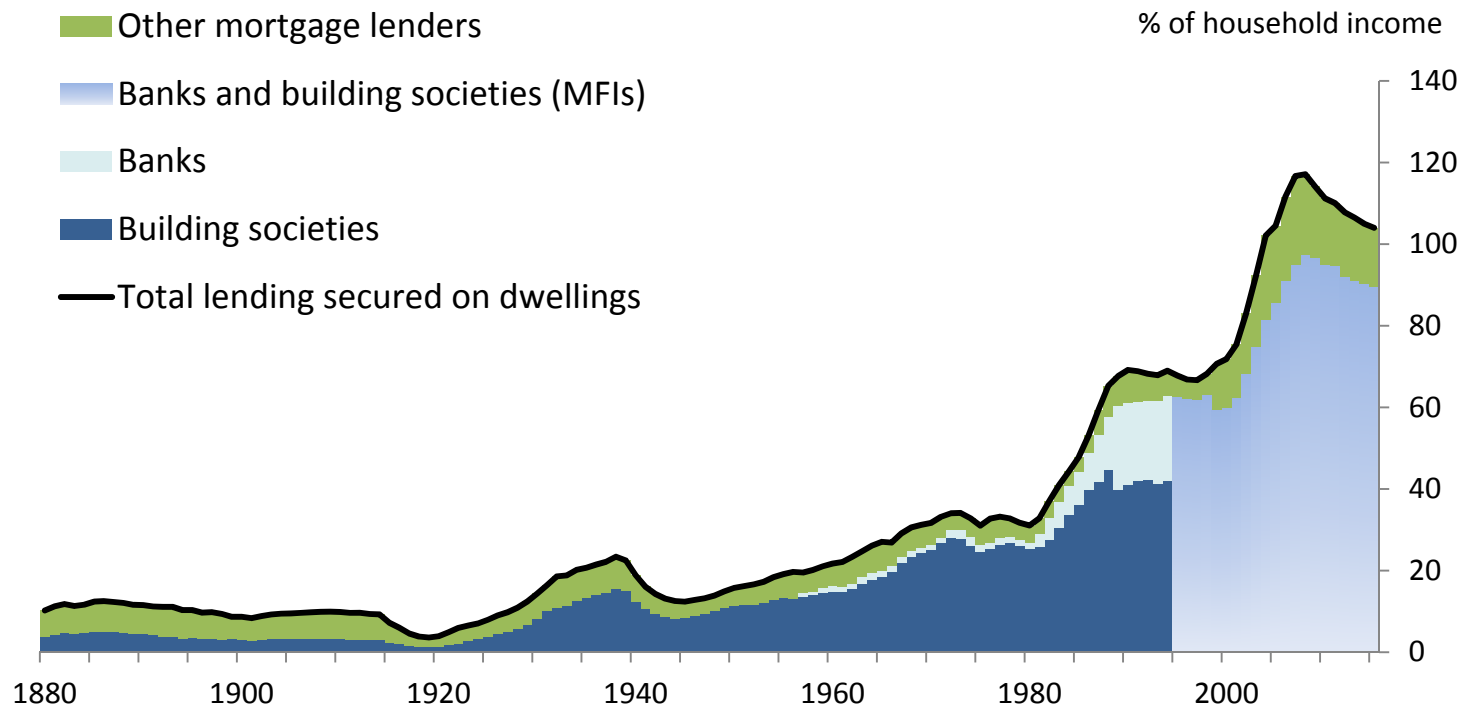
- Three centuries of UK data originally released in 2010
 - First published alongside QB article on UK historical recessions
 - Thomas, Hills and Dimsdale (2010))
 - Annual, monthly and quarterly macroeconomic and financial data back to C17th and beyond
- Aim to present both raw data and continuous time series
 - Some attempt to splice/join up series together
 - But all formulae are provided in spreadsheets, so users can create their own series

UK bond yield and share price correlation (monthly)



Source: Roberts-Sklar (2016)

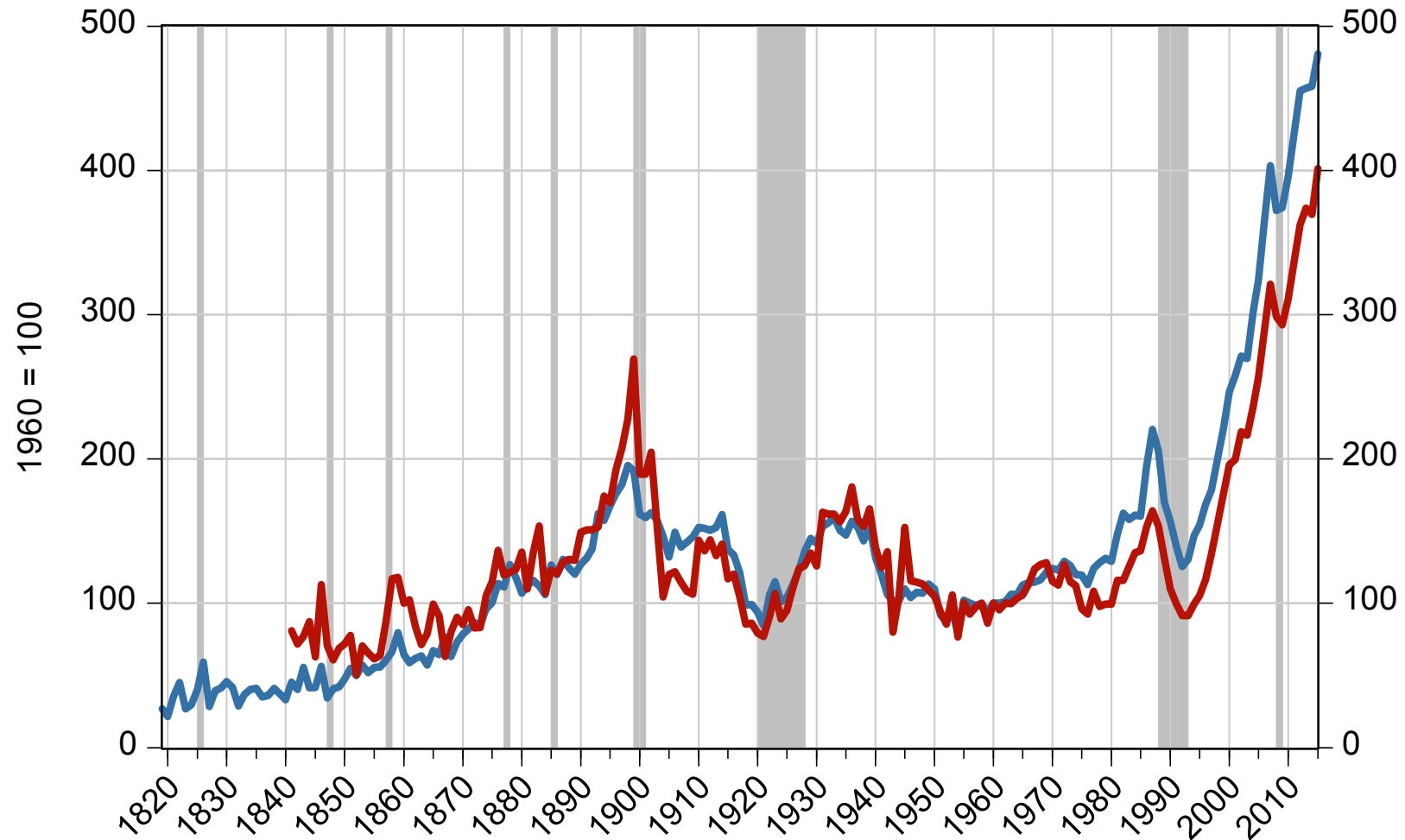
Secured lending in the UK



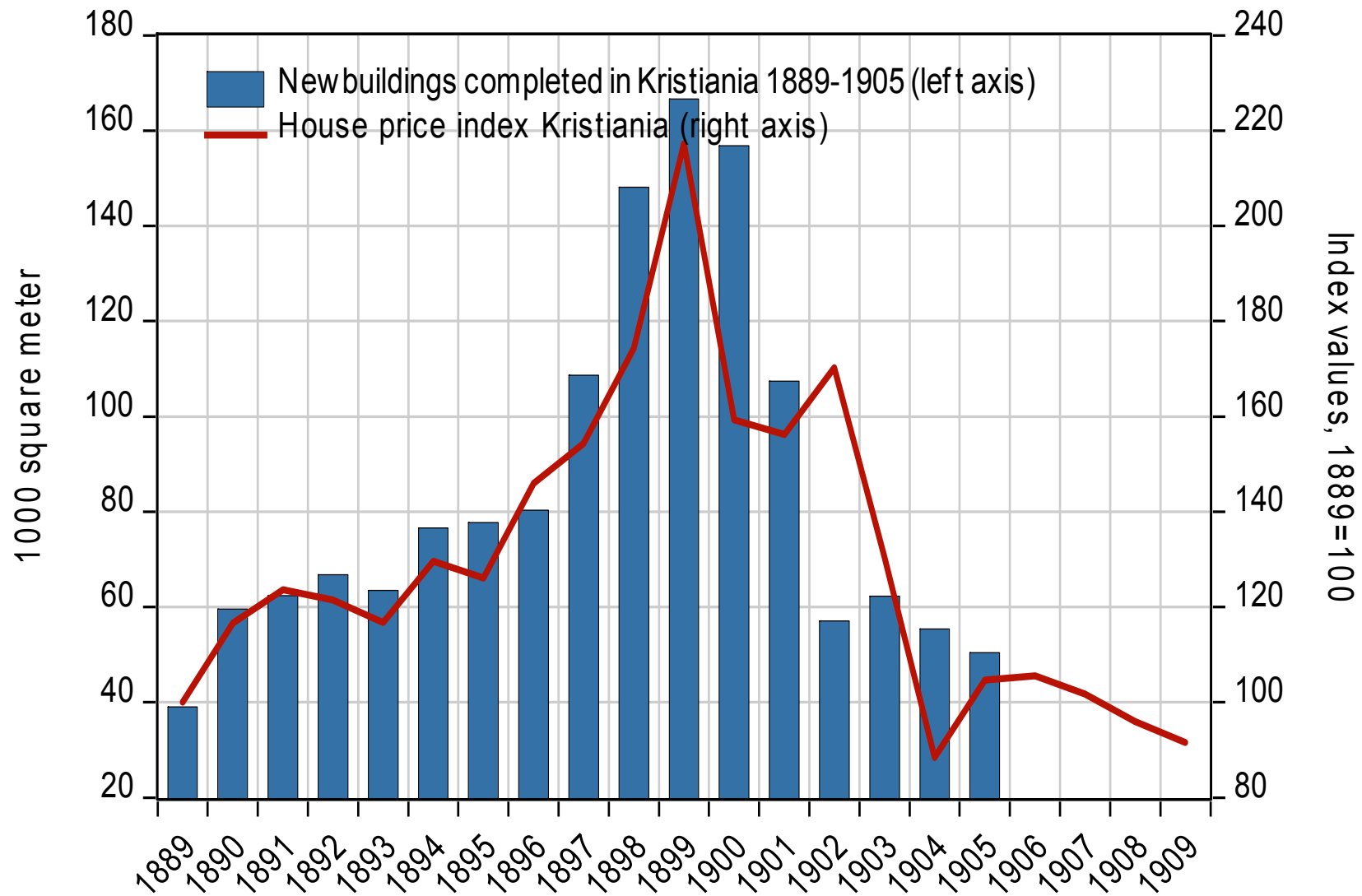
Historical Monetary Statistics Norway

- Data produced during the Norges Bank HMS I (2004), HMS II (2007) and MHN (2016) projects
 - Eitrheim, Klovland and Qvigstad (2004)
 - Eitrheim, Klovland and Qvigstad (2007)
 - Eitrheim, Klovland and Øksendal (2016)
- Historical data generally going back to 1816 (foundation of Norges Bank)
- Data have been available at Norges Bank's website since 2004

The Kristiania house price crash in 1899



The Kristiania house price crash in 1899 (cont.)



Aims of the BIS HMFS project

- Sharing and developing insights, expertise and methodology
- Promote use of historical statistics to inform current policymaking
- Searching for “good practice”
 - Documentation, discussion and dissemination of key historical data sources and methods
 - Establishing and sharing “as good as can be” methodology
- Initial focus on historical time series for credit, interest rates and house prices
- Forthcoming BIS Paper

References

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