

Online Appendix for

**An Attempt to Analyze the Determinants and Effects
of Sudden Stops of Capital Flows in Their Different
Forms: The Case of Emerging Market Economies**

By

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APPENDIX A

Analysis of the Determinants and Effects of Sudden Stops of Capital Flows in Their Different Forms

Table A1. Global and Country-Specific Variables Related to the Determinants of Sudden Stops

Country-Specific Variables	Description	Intended Use	Expected Sign
Gross Total Capital Inflows and Components	Periods of sudden stops in capital inflows from non-residents	Dependent variables are binary variables that take 1 if a sudden stop event occurs and 0 otherwise.	
International Reserves	Quarter-on-quarter change in foreign reserves excluding gold (% of nominal GDP)	It is argued that the accumulation of international reserves will make the economy less vulnerable to a sudden stop crisis in the event of a large-scale contraction in foreign capital inflows as a form of self-insurance against external financing shocks (Cowan et al. 2008). Empirical evidence points to an inverse relationship between the amount of international reserves and the risk of sudden stops.	Negative
Real Effective Exchange Rate	Logarithmic difference between the current real effective exchange rate and the long-run trend value	One of the pull factors used in the study is the overvaluation of the REER (and hence the expected real depreciation of the exchange rate). On the one hand, an overvalued exchange rate leads to an increase in the cost of export commodities, leading to a loss of competitive advantage, on the other hand, this loss of competitiveness leads to a deepening of the current account deficit and an increased risk of default on external debt, strengthens the prospects for exchange rate intervention, leading to speculative attacks on the national currency, and strengthens expectations of real exchange rate depreciation by increasing the likelihood of sudden stops in countries with weak economic fundamentals.	Positive
Loans to Private Sector	Quarter-on-quarter change % of GDP	Empirical evidence suggests that excessive expansion in domestic credit supply impairs financial stability and increases the risk of sudden stops. ⁴ Accordingly, the coefficient of the variable is expected to be positive based on the possibility that significant increases in the credit variable will increase the risk of sudden stops.	Positive
Liability Dollarization	Ratio of financial sector's foreign currency liabilities (net external liabilities) to total base money and demand deposits	In emerging market economies with a high proportion of foreign currency-denominated liabilities in the domestic banking system, the real depreciation of the national currency as a result of a sudden crisis adversely affects the balance sheets of banks and especially firms producing non-tradable goods, leading to collapses in the payment system and uncertainty in the financial sector as a whole (Calvo et al., 2004). Therefore, increases in liability dollarization lead to an increase in the risk of sudden stops.	Positive
Degree of Openness to Trade	Share of goods export volume and goods import volume in GDP	It can be said that there is no consensus on the effects of trade openness in the sudden stop literature. While some empirical studies have found that the risk of sudden stops decreases in economies with a high degree of trade openness (see Cavallo and Frankel, 2008; Calvo et al., 2004; Edwards, 2004; Bordo et al., 2010), other studies have found that greater openness increases the risk of sudden stops (see Furceri et al., 2012).	Positive or negative
Real GDP	Growth rate compared to the previous quarter	Real output levels, which are used as an indicator of countries' economic performance, are an important measure of positive developments in domestic dynamics in reducing the risk of sudden stops. In this respect, the existence of strong and stable macroeconomic fundamentals is expected to reduce the risk of sudden stops (Li et al., 2018). In this framework, we use the quarter-on-quarter growth rate in real GDP as an indicator of economic growth performance. The quarter-on-quarter variation also implies that significant declines in real GDP in the face of a recession could affect foreign investors' choice of investment location, increasing the risk of sudden stops.	Negative
Current Account	As a Share of Change in GDP	High current account deficits are an important factor that increases the risk of sudden stops in EMEs. Many empirical findings suggest that economies with high current account deficits are more likely to be exposed to sudden stop events (Calvo et al., 2004; Calvo et al., 2006; Bordo et al., 2010; Cavallo and Frankel, 2008; Sula, 2010; Calderon and Kubota, 2013). however, in contrast, current account surpluses reduce the risk of sudden stops (Li et al., 2018).	Negative
Public Debt	Public debt as a share of GDP	Empirical evidence supports that high public debt burden is an important factor that increases the probability of a sudden stop crisis. Therefore, lower public debt burden significantly reduces the probability of countries experiencing a sudden stop crisis. Accordingly, the coefficient sign is expected to be positive because increases in public debt are more likely to trigger a sudden crisis.	Positive

Inflation Rate	Change compared to the previous quarter - CPI-	Empirical evidence suggests that high inflation in EMEs increases the risk of sudden stops as an indicator of domestic monetary instability. This is because high inflation figures are in many respects an important indicator of the lack of strong monetary and fiscal policies and thus of macroeconomic instability (Calderon and Kubota, 2013).	Positive
Corporate Quality (Political Risk Index)	Composite index of 12 subcomponents for each country	Economies with stronger institutions are less vulnerable to the sudden and rapid flight of international capital, so there is evidence that economies with higher institutional quality and stronger macroeconomic fundamentals are less vulnerable to financial crises.	Negative
Global Variables			
Global Risk Index	Average of long-term government bonds of the US, Japan, the Eurozone and the UK	Global factors are generally defined as events that occur outside of countries' own dynamics and beyond their control (global shocks). Increases in the VIX index, which is an indicator of risk aversion by investors in general, are expected to significantly increase the risk of sudden stops in EMEs.	Positive
Long Term Interest Rate	Average of long-term government bonds of the US, Japan, the Eurozone and the UK	Changes in global interest rates are an important factor affecting the direction of capital flows. Indeed, many empirical studies in the sudden stop literature have found that increases in long-term interest rates lead to significant declines in gross capital inflows to EMEs. Therefore, we follow Forbes and Warnock (2012) and use the average of long-term government bonds of the US, Japan, the Euro Area and the UK as the global interest rate.	Positive
Global Growth	Average growth rates for the US, Japan, the Eurozone and the UK	This variable is used to reveal the effects of exogenous shocks stemming from global economic developments and to guide the investment appetite of foreign investors. In the empirical literature, it has been found that increases in the global growth rate reduce the risk of sudden stops in EMEs. In this framework, the coefficient is expected to be negative in the sense that increases in the global growth rate reduce the probability of sudden stops in EMEs.	Negative
Global Liquidity	Quarter-on-quarter change in M2 money supply for the US, Japan and the Euro Area and M4 money supply in dollar terms for the UK	It is argued that global liquidity abundance as a result of quantitative easing policies of major economies may affect the direction of capital flows to EMEs and reduce the risk of sudden stops (Forbes and Warnock, 2012). In other words, the tight monetary policy measures of large advanced economies may lead to an increase in the probability of sudden stops in EMEs (Lopez and Stracca, 2021).	Negative
Global Commodities	Logarithmic difference between the realized commodity price index and trend values	Especially for commodity-exporting EMEs, declines in commodity prices are argued to increase the risk of sudden stops in these countries (Clark et al., 2020). Therefore, while sharp fluctuations in global commodity prices increase the probability of sudden stops in EMEs, increases in global commodity prices lead to significant improvements in the economies of these countries and increase foreign capital inflows (Cerutti et al., 2017). Increases in global commodity prices lead to more capital inflows to commodity-exporting EMEs, indicating an inverse relationship with the risk of sudden stops.	Negative

Table A2. Sudden Stops Periods for Selected Emerging Market Economies due to Gross Total Capital Inflows and Their Subcomponents (2006Q1-2021Q2)

Gross Total Capital Inflows	Sudden Stop Periods	Gross FDI Inflows	Sudden Stop Periods	Gross Total Portfolio Inflows	Sudden Stop Periods
BRAZIL	2008q2-2009q3 2015q3-2016q2	BRAZIL	2009q3-2009q4 2020q3-2021q2	BRAZIL	2008q3-2009q2 2015q3-2016q2 2007q2-2008q1 2014q1-2014q2 2015q3-2016q3 2008q2-2008q4 2015q2-2016q2 2006q1-2006q2 2009q2-2009q3 2011q3-2011q4 2018q1-2018q4 2006q1-2006q3 2007q4-2008q2 2009q2-2009q3 2006q3-2007q1 2008q3-2009q1
CHILE	2009q1-2009q4 2013q3-2014q1	CHILE	2009q2-2009q4 2013q2-2014q1	CHILE	
COLOMBIA	2015q2-2016q3	COLOMBIA	2020q3-2021q2	COLOMBIA	
CZECH REPUBLIC	2006q2-2006q3 2008q4-2009q3 2018q1-2018q4	CZECH REPUBLIC	---	CZECH REPUBLIC	
HUNGARY	2009q1-2010q1 2017q4-2018q3	HUNGARY	2009q1-2010q2 2017q4-2018q3	HUNGARY	
INDIA	2008q3-2009q3 2015q3-2016q4 2006q4-2007q1	INDIA	2009q2-2010q1 2017q4-2018q3 2006q3-2007q2	INDIA	
INDONESIA	2008q4-2009q3 2015q3-2016q2	INDONESIA	2015q3-2016q2 2016q4-2017q3	INDONESIA	2008q2-2009q2
SOUTH KOREA	2008q2-2009q2	SOUTH KOREA	2014q2-2015q4	SOUTH KOREA	2008q3-2009q2 2016q1-2016q2 2006q1-2007q1 2009q1-2009q3 2015q2-2016q1
MEXICO	2006q4-2007q2 2008q4-2009q3 2014q4-2015q4 2008q4-2009q3	MEXICO	2009q2-2010q1 2021q1-2021q2	MEXICO	
POLAND	2011q4-2012q3 2020q2-2020q3	POLAND	2008q3-2009q3 2012q1-2012q3	POLAND	2006q2-2007q1
RUSSIA	2008q4-2009q4 2014q1-2015q2	RUSSIA	2009q2-2010q1	RUSSIA	2008q2-2009q2 2020q2-2021q1
SOUTH AFRICA	2008q3-2009q3 2015q3-2016q2	SOUTH AFRICA	2015q1-2015q2 2020q4-2021q2	SOUTH AFRICA	2007q4-2009q1 2018q4-2019q3 2006q3-2007q2 2008q2-2009q1 2013q3-2014q1 2006q2-2006q4 2007q4-2008q3 2013q4-2014q3
THAILAND	2008q2-2009q1 2011q4-2012q3	THAILAND	2009q4-2010q2 2011q4-2012q3	THAILAND	
TURKEY	2007q4-2008q2 2008q4-2009q4 2018q3-2019q2	TURKEY	2008q1-2008q3	TURKEY	

Source: Author's calculations.

Table A3. Sudden Stops Periods for Selected Emerging Market Economies due to Gross Portfolio Equity Inflows and Gross Portfolio Debt Inflows (2006Q1-2021Q2)

Gross Portfolio Equity Inflows	Sudden Stop Periods	Gross Portfolio Debt Inflows	Sudden Stop Periods	Gross Other Investment Inflows	Sudden Stop Periods
BRAZIL	2008q4-2009q2 2020q1-2020q3	BRAZIL	2008q2-2009q3 2015q1-2016q4	BRAZIL	2008q2-2009q3 2015q4-2016q2 2020q2-2021q1
CHILE	2006q4-2007q3 2014q3-2015q3	CHILE	2007q4-2008q2 2012q1-2012q2 2015q4-2016q3	CHILE	2009q1-2009q3 2020q2-2020q4
COLOMBIA	2006q2-2006q3 2008q3-2009q2 2013q2-2014q3	COLOMBIA	2008q2-2008q4 2015q2-2016q2	COLOMBIA	2009q2-2009q4
CZECH REPUBLIC	---	CZECH REPUBLIC	2006q1-2006q3 2009q2-2009q3 2011q3-2011q4 2018q1-2018q4	CZECH REPUBLIC	2009q1-2009q4 2018q1-2018q4
HUNGARY	2006q1-2006q3 2007q3-2008q1	HUNGARY	2006q1-2006q3 2008q4-2009q3	HUNGARY	2009q1-2010q2
INDIA	2006q3-2007q1 2008q3-2009q1	INDIA	---	INDIA	2008q3-2009q4 2016q1-2016q3
INDONESIA	2008q3-2009q2 2017q3-2018q2	INDONESIA	2006q4-2007q1 2008q2-2009q3 2011q3-2012q2 2018q3-2018q4 2020q3-2020q4	INDONESIA	2012q4-2013q3 2015q3-2016q3
SOUTH KOREA	2007q4-2008q2	SOUTH KOREA	2008q4-2009q3 2016q1-2016q3	SOUTH KOREA	2008q4-2009q3
MEXICO	2007q1-2007q2	MEXICO	2006q1-2006q4 2014q4-2016q2	MEXICO	2007q2-2007q3
POLAND	2006q1-2006q4 2011q4-2012q3 2016q4-2017q2	POLAND	2006q2-2007q1	POLAND	2009q1-2010q1
RUSSIA	2008q4-2009q2 2020q2-2021q1	RUSSIA	2013q4-2014q4	RUSSIA	2008q3-2009q4 2014q4-2015q3
SOUTH AFRICA	2007q2-2008q4 2018q4-2019q3	SOUTH AFRICA	2008q2-2009q1 2020q3-2020q4 2006q4-2007q3	SOUTH AFRICA	2008q3-2010q1 2015q3-2016q2
THAILAND	2006q3-2007q1 2008q2-2009q1	THAILAND	2013q3-2014q2 2019q4-2020q2	THAILAND	2008q4-2009q3 2011q4-2012q3
TURKEY	2006q3-2007q1 2008q3-2009q2 2020q2-2020q4	TURKEY	2006q2-2006q3 2007q4-2008q3 2013q4-2014q3	TURKEY	2007q1-2007q3 2008q4-2009q4 2018q4-2019q2

Source: Author's calculations.

Table A4.Sudden Stop Periods Due to Gross Equity-Based and Gross Debt-Based Inflows in Selected Emerging Market Economies (2006Q1-2021Q2)

Gross Equity Based Capital Inflows	Sudden Stop Periods	Gross Debt-based Capital Inflows	Sudden Stop Periods
BRAZIL	2008q4-2009q3 2020q2-2020q4	BRAZIL	2008q2-2009q3 2015q3-2016q4
CHILE	2009q2-2009q4 2013q2-2014q3 2020q3-2021q1	CHILE	2009q1-2009q3 2015q4-2016q2 2008q2-2008q4
COLOMBIA	2008q4-2009q3	COLOMBIA	2011q4-2012q4 2009q1-2009q3 2018q1-2018q4 2009q1-2010q1
CZECH REPUBLIC	2009q1-2010q2 2017q4-2018q3 2008q3-2009q2	CZECH REPUBLIC	2008q3-2009q4 2016q1-2016q3 2006q4-2007q1 2008q2-2009q3 2015q3-2016q2 2008q4-2009q3 2008q4-2009q3 2015q2-2016q2 2009q1-2009q4 2011q3-2012q2
HUNGARY	2006q4-2007q2 2008q4-2009q4 2015q3-2016q2 2007q4-2008q2 2011q4-2012q1	HUNGARY	2008q2-2009q4 2014q2-2015q2 2008q2-2009q3 2015q3-2016q2 2020q1-2020q4 2008q4-2009q3
INDIA	2008q3-2009q3 2012q1-2012q3 2008q4-2009q4 2014q1-2014q4 2007q1-2007q2 2008q3-2009q2	INDIA	2007q3-2008q2 2008q4-2009q4
INDONESIA	2008q3-2009q3 2012q1-2012q3 2008q4-2009q4 2014q1-2014q4 2007q1-2007q2 2008q3-2009q2	INDONESIA	
SOUTH KOREA	2008q3-2009q3 2012q1-2012q3 2008q4-2009q4 2014q1-2014q4 2007q1-2007q2 2008q3-2009q2	SOUTH KOREA	
MEXICO	2008q3-2009q3 2012q1-2012q3 2008q4-2009q4 2014q1-2014q4 2007q1-2007q2 2008q3-2009q2	MEXICO	
POLAND	2008q3-2009q3 2012q1-2012q3 2008q4-2009q4 2014q1-2014q4 2007q1-2007q2 2008q3-2009q2	POLAND	
RUSSIA	2008q3-2009q3 2012q1-2012q3 2008q4-2009q4 2014q1-2014q4 2007q1-2007q2 2008q3-2009q2	RUSSIA	
SOUTH AFRICA	2008q3-2009q3 2012q1-2012q3 2008q4-2009q4 2014q1-2014q4 2007q1-2007q2 2008q3-2009q2	SOUTH AFRICA	
THAILAND	2008q2-2009q1 2020q2-2021q1	THAILAND	
TURKEY	2008q1-2010q1 2020q1-2020q4	TURKEY	

Source: Author's calculations.

Table A5. Unit Root Test (CIPS)

	Costant		Constant and Trend	
	Level	First Difference	Level	First Difference
REZ	-4.76	-7.631	-4.805	-7.559
RFAIZ	-2.747	-4.968	-3.202	-4.950
REER	-5.358	-8.009	-5.460	-7.637
KREDI	-4.413	-7.754	-4.581	-7.699
YATIRIM	-5.639	-8.0053	-5.709	-8.00
TUKETIM	-5.676	-8.820	-5.629	-8.753
NIHR	-5.062	-7.903	-5.068	-7.828
RGDP	-3.212	-4.974	-3.530	-4.914
CAH	-2.054	-5.889	-2.795	-6.041
	CIPS Table Values (Constant)		CIPS Table Values (Constant and Trend)	
% 1		-2.43		-2.93
% 5		-2.25		-2.76
% 10		-2.15		-2.66

Table A6. Key Determinants of Sudden Stops in Gross Total Capital, Gross Equity-Based (FDI + Gross Portfolio Equity) and Gross Debt-Based (Gross Portfolio Debt + Other Investments) Capital Inflows

Variables	Sudden Stops in Gross Total Capital Inflows				Sudden Stops in Gross Equity-Based Capital Inflows				Sudden Stops in Gross Debt-Based Capital Inflows			
	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
Variables Related to Domestic Economy												
Real GDP Growth Rate	-0.0765 (0.0618)	-0.0826 (0.0615)	-0.0833 (0.0617)	-0.0731 (0.0633)	-0.0597 (0.0662)	-0.0401 (0.0670)	-0.0614 (0.0661)	-0.0444 (0.0666)	-0.0883 (0.0630)	-0.0760 (0.0645)	-0.0753 (0.0635)	-0.0706 (0.0657)
International Reserves (as a share of GDP)	-0.0056 (0.0119)	-0.0050 (0.0120)	-0.0050 (0.0120)	- 0.00004 (0.0121)	0.0016 (0.0143)	-0.0004 (0.0140)	0.0005 (0.0143)	-0.0015 (0.0143)	-0.0115 (0.0129)	-0.0122 (0.0130)	-0.0093 (0.0124)	-0.0109 (0.0135)
Loans to the Private Sector (as a share of GDP)	0.0920* ** (0.0387)	0.0906* * (0.0389)	0.0905* ** (0.0390)	0.1166* ** (0.0453)	0.1138* ** (0.0447)	0.1235* ** (0.0435)	0.1183* ** (0.0434)	0.1519* ** (0.0514)	0.0970* ** (0.0406)	0.1066* ** (0.0408)	0.1023* ** (0.0396)	0.1273* ** (0.0474)
Public Debt (as a share of GDP)	0.0109 (0.0250)	0.0108 (0.0250)	0.0110 (0.0251)	-0.0030 (0.0270)	-0.0244 (0.0282)	-0.0239 (0.0290)	-0.0243 (0.0281)	-0.0262 (0.0330)	-0.0268 (0.0259)	-0.0352 (0.0265)	-0.0325 (0.0257)	-0.0393 (0.0277)
Inflation Rate (CPI)	0.3385 *** (0.0909)	0.3179* ** (0.0903)	0.3100* ** (0.0936)	0.3480* ** (0.0877)	0.1300 (0.1262)	0.0739 (0.1191)	0.1522 (0.1161)	0.1237 (0.1249)	0.3127* ** (0.1000)	0.3013* ** (0.1013)	0.3780* ** (0.0973)	0.3632* ** (0.1024)
Trade Openness	0.0023 (0.0028)	---	---	---	-0.0025 (0.0046)	---	---	---	-0.0019 (0.0034)	---	---	---
Current Account Balance (as a share of GDP)	- 0.0449* (0.0279)	-0.0422 (0.0278)	-0.0422 (0.0277)	-0.0332 (0.0302)	-0.0266 (0.0387)	-0.0169 (0.0328)	-0.0274 (0.0327)	-0.0359 (0.0384)	-0.0164 (0.0314)	-0.0221 (0.0333)	-0.0139 (0.0295)	-0.0219 (0.0360)
Real Effective Exchange Rate	0.0101 (0.0123)	0.0079 (0.0126)	0.0058 (0.0201)	0.0002 (0.0133)	0.0270* * (0.0130)	0.0409* ** (0.0123)	0.0214 (0.0223)	0.0185 (0.0154)	0.0156 (0.0120)	0.0224 (0.0148)	0.0447* * (0.0212)	0.0044 (0.0158)
Liability Dollarization	---	-0.0003 (0.0040)	---	---	---	0.0120* ** (0.0049)	---	---	---	0.0079 (0.0058)	---	---
Political Risk Index - Corporate Quality (ICRG)	---	---	-0.0226 (0.1483)	---	---	---	-0.0606 (0.1757)	---	---	---	0.2383 (0.1609)	---
Global Variables												
VIX (Log)	1.3951* * (0.7189)	1.3912* * (0.7220)	1.3865* * (0.7230)	1.1297 (0.9074)	2.7668* ** (0.8116)	2.8160* ** (0.8164)	2.7340* ** (0.8035)	2.9226* ** (0.8852)	2.4753* ** (0.7282)	2.6971* ** (0.7471)	2.5615* ** (0.7279)	1.7233* * (0.8943)
Global Interest Rate (Long Term)	0.2563* * (0.1262)	0.2621* * (0.1285)	0.2643* * (0.1299)	0.3077* * (0.1662)	0.0770 (0.1271)	0.0415 (0.1274)	0.0821 (0.1286)	0.0736 (0.1427)	0.1814 (0.1319)	0.1525 (0.1332)	0.1329 (0.1315)	0.3553* (0.1681)
Global Growth Rate (Percent Change)	-0.0663 (0.0786)	-0.0631 (0.0789)	-0.0621 (0.0794)	-0.0754 (0.0819)	-0.0577 (0.0850)	-0.0814 (0.0860)	-0.0557 (0.0854)	-0.0750 (0.0859)	-0.0397 (0.0805)	-0.0575 (0.0825)	-0.0570 (0.0807)	-0.0813 (0.0838)
Commodity Prices (Percentage Change)	0.0045 (0.0204)	0.0101 (0.0193)	0.0109 (0.0202)	0.0040 (0.0217)	0.0175 (0.0208)	0.0168 (0.0200)	0.0151 (0.0199)	0.0195 (0.0211)	- (0.0208)	-0.0132 (0.0208)	-0.0164 (0.0209)	-0.0202 (0.0209)
Global Liquidity (Percentage Change)	- 0.1131* ** (0.0336)	- 0.1175* ** (0.0342)	- 0.1167* ** (0.0335)	- 0.1074* ** (0.0340)	0.0175 (0.0208)	0.0218 (0.0390)	0.0151 (0.0199)	0.0195 (0.0392)	- (0.0554* (0.0340)	-0.0506 (0.0342)	- (0.0614* (0.0338)	- (0.0510* (0.0341)
Contagion Effects												
Geographic Contagion	2.5560* ** (0.2805)	2.6112* ** (0.2813)	2.6117* ** (0.2806)	2.4734* ** (0.2993)	2.6612* ** (0.3661)	2.6067* ** (0.3713)	2.6544* ** (0.3613)	2.6504* ** (0.3789)	2.2046* ** (0.3130)	2.1923* ** (0.3155)	2.2622* ** (0.3108)	2.0385* ** (0.3320)
Excessive Capital Inflows (Surge)	---	---	---	0.3293 (0.2571)	---	---	---	0.0064 (0.3260)	---	---	---	-0.0559 (0.2957)
Constant	- 5.2205* ** (0.8996)	- 5.0285* ** (0.8796)	- 4.9070* ** (1.2315)	- 4.8586* ** (1.0285)	- 6.422** * (1.1094)	- 7.066** * (1.1054)	- 6.228** * (1.4462)	- 6.835** * (1.1643)	- 6.2129* ** (0.9616)	- 6.9455* ** (1.0257)	- 7.794** * (1.3751)	- -5.7035 (1.0545)

<i>Wald Chi2</i> <i>(P-Value)</i>	182.37 (0.000)	178.73 (0.000)	179.00 (0.000)	165.33 (0.000)	137.49 (0.000)	139.68 (0.000)	141.93 (0.000)	131.54 (0.000)	189.53 (0.000)	181.39 (0.000)	199.66 (0.000)	169.44 (0.000)
<i>Number of Observations</i>	793	793	793	702	793	793	793	702	793	793	793	702
<i>Number of Countries</i>	13	13	13	13	13	13	13	13	13	13	13	13
<i>Sample Period</i>	2006q1- 2021q2	2006q1- 2021q2	2006q1- 2021q2	2006q1- 2021q2	2006q1- 2021q2	2006q1- 2021q2	2006q1- 2021q2	2006q1- 2021q2	2006q1- 2021q2	2006q1- 2021q2	2006q1- 2021q2	2006q1- 2021q2

Note: TA in the table: Trade openness, DLD: Liability dollarization, ICRG: Average of political risk indicators, Surge: Dummy variable indicating excessive capital inflows for each dependent variable. Values in parentheses indicate t statistics. * indicates statistical significance at 10% level, ** at 5% level and *** at 1% level.

Table A7. Main Determinants of Sudden Stops in Gross FDI, Gross Total Portfolio and Other Investment Inflows, which are the Main Components of Gross Total Private Capital Inflows

Variables	Sudden Stops in Gross FDI Inflows				Sudden Stops in Gross Total Portfolio Inflows				Sudden Stops in Gross Other Investment Inflows			
	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
Variables Related to Domestic Economy												
Real GDP Growth Rate	0.0784 (0.0700)	0.0840 (0.0701)	0.0759 (0.0710)	0.0846 (0.0699)	-0.0784 (0.0658)	-0.0823 (0.0654)	-0.0804 (0.0655)	-0.0568 (0.0724)	-0.0747 (0.0628)	-0.0780 (0.0667)	-0.0933 (0.0640)	-0.0591 (0.0663)
International Reserves (as a share of GDP)	-0.0003 (0.0167)	0.0001 (0.0167)	0.0007 (0.0168)	-0.0008 (0.0170)	-0.0009 (0.0127)	-0.0009 (0.0126)	-0.0010 (0.0126)	0.0042 (0.0148)	-0.0078 (0.0134)	-0.0153 (0.0146)	-0.0113 (0.0142)	-0.0078 (0.0151)
Loans to the Private Sector (as a share of GDP)	0.0571 (0.0454)	0.0509 (0.0463)	0.0576 (0.0452)	0.0766 (0.0504)	0.1086* (0.0370)	0.1030* (0.0368)	0.1045* (0.0368)	0.1223* (0.0504)	0.0817* (0.0428)	0.0757* (0.0442)	0.0827* (0.0440)	0.1251* (0.0517)
Public Debt (as a share of GDP)	0.0095 (0.0291)	0.0094 (0.0295)	0.0087 (0.0292)	0.0055 (0.0300)	-0.0168 (0.0269)	-0.0125 (0.0259)	-0.0142 (0.0263)	-0.0267 (0.0325)	-0.0311 (0.0281)	-0.0278 (0.0300)	-0.0265 (0.0289)	-0.0423 (0.0317)
Inflation Rate (CPI)	-0.0678 (0.1409)	-0.1181 (0.1412)	-0.0899 (0.1384)	-0.1397 (0.1406)	0.2598* (0.1004)	0.2470* (0.1013)	0.2476* (0.0973)	0.3150* (0.1110)	0.3728* (0.1100)	0.2553* (0.1280)	0.2909* (0.1179)	0.4026* (0.1240)
Trade Openness	0.0020 (0.0031)	---	---	---	0.0026 (0.0031)	---	---	---	0.0021 (0.0044)	---	---	---
Current Account Balance (as a share of GDP)	0.0139 (0.0330)	0.0186 (0.0324)	0.0170 (0.0325)	0.0013 (0.0344)	-0.0255 (0.0340)	-0.0243 (0.0264)	-0.0236 (0.0265)	-0.0251 (0.0510)	-0.0330 (0.0411)	-0.0586 (0.0492)	-0.0488 (0.0445)	-0.0098 (0.0488)
Real Effective Exchange Rate	0.0289* (0.0112)	0.0314* (0.0117)	0.0242 (0.0228)	0.0118 (0.0125)	-0.0196 (0.0159)	-0.0226 (0.0163)	-0.0170 (0.0224)	-0.0167 (0.0176)	-0.0024 (0.0198)	-0.0120 (0.0427)	-0.0585 (0.0462)	-0.0121 (0.0286)
Liability Dollarization	---	0.0048 (0.0049)	---	---	---	-0.0008 (0.0044)	---	---	---	0.0283* (0.0110)	---	---
Political Risk Index - Corporate Quality (ICRG)	---	---	-0.0235 (0.1815)	---	---	---	0.0453 (0.1504)	---	---	---	-0.4503 (0.3117)	---
Global Variables												
VIX (Log)	2.4941* (0.7357)	2.5125* (0.7404)	2.4844* (0.7357)	2.5449* (0.7998)	-0.1313 (0.6563)	-0.1748 (0.6550)	-0.1697 (0.6568)	0.1627 (0.9393)	2.3896* (0.7798)	2.4920* (0.8187)	2.3190* (0.7810)	2.2647* (0.9051)
Global Interest Rate (Long Term)	-0.0865 (0.1218)	-0.0942 (0.1231)	-0.0816 (0.1242)	-0.0781 (0.1398)	0.3534* (0.1243)	0.3753* (0.1227)	0.3654* (0.1264)	0.2265 (0.1805)	0.1719 (0.1293)	0.2796* (0.1542)	0.2515* (0.1406)	0.1680 (0.1585)
Global Growth Rate (Percent Change)	-0.0242 (0.0869)	-0.0263 (0.0862)	-0.0175 (0.0870)	-0.0285 (0.0870)	-0.0569 (0.0880)	-0.0531 (0.0881)	-0.0569 (0.0887)	-0.0708 (0.0954)	-0.0573 (0.0855)	-0.0571 (0.0887)	-0.0415 (0.0868)	-0.0941 (0.0890)
Commodity Prices (Percentage Change)	-0.0187 (0.0217)	-0.0162 (0.0216)	-0.0166 (0.0221)	-0.0156 (0.0219)	0.0030 (0.0185)	0.0055 (0.0176)	0.0044 (0.0180)	0.0152 (0.0221)	0.0717* (0.0229)	0.0760* (0.0223)	0.0613* (0.0227)	0.0681* (0.0233)
Global Liquidity (Percentage Change)	-0.0063 (0.0372)	-0.0029 (0.0376)	-0.0086 (0.0371)	- (0.0057)	0.0474 (0.0366)	0.0479 (0.0367)	0.0464 (0.0372)	0.0569 (0.0399)	0.0744* (0.0353)	-0.0432 (0.0364)	- (0.0360)	- (0.0360)
Contagion Effects												
Geographic Contagion	2.5521* (0.3188)	2.4695* (0.3274)	2.5484* (0.3211)	2.5330* (0.3267)	2.3247* (0.2461)	2.3221* (0.2452)	2.3242* (0.2456)	2.6692* (0.3076)	2.0482* (0.3341)	1.7668* (0.3551)	2.0623* (0.3427)	2.0319* (0.3573)
Excessive Capital Inflows (Surge)	---	---	---	-0.0436 (0.3331)	---	---	---	0.0278 (0.3258)	---	---	---	0.9661* (0.2913)
Constant	5.8720* (0.9982)	5.8822* (0.9819)	5.5611* (1.3914)	5.6886* (1.0172)	3.5420* (0.8910)	3.2946* (0.8269)	3.5714* (1.1911)	3.5795* (1.0954)	6.5373* (1.0643)	7.9557* (1.2019)	3.8641* (1.9710)	6.4872* (1.1359)
Wald Chi2 (P-Value)												
Number of Observations	117.97 (0.000)	118.08 (0.000)	118.10 (0.000)	109.59 (0.000)	155.15 (0.000)	167.87 (0.000)	168.21 (0.000)	134.93 (0.000)	158.94 (0.000)	133.91 (0.000)	152.70 (0.000)	143.00 (0.000)
Number of Countries	793	793	793	702	793	793	793	702	793	793	793	702

<i>Sample Period</i>	13	13	13	13	13	13	13	13	13	13	13	13
	2006q1- 2021q2	2006q1- 2021q2	2006q1- 2021q2	2006q1- 2021q2	2006q1- 2021q2	2006q1- 2021q2	2006q1- 2021q2	2006q1- 2021q2	2006q1- 2021q2	2006q1- 2021q2	2006q1- 2021q2	2006q1- 2021q2

Note: TA in the table: Trade openness, DLD: Liability dollarization, ICRG: Average of political risk indicators, Surge: Dummy variable indicating excessive capital inflows for each dependent variable. Values in parentheses indicate t statistics. * indicates statistical significance at 10% level, ** at 5% level and *** at 1% level.

Table A8. Key Determinants of Sudden Stops in Gross Portfolio Equity and Gross Portfolio Debt Inflows, the Main Components of Gross Total Portfolio Inflows

Variables	Sudden Stops in Gross Portfolio Equity Inflows				Sudden Stops in Gross Portfolio Debt Inflows			
	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
Variables Related to Domestic Economy								
Real GDP Growth Rate	0.0172 (0.0701)	0.0187 (0.0694)	0.0089 (0.0692)	-0.0194 (0.0789)	-0.0743 (0.0663)	-0.0668 (0.0667)	-0.0752 (0.0659)	-0.0783 (0.0709)
International Reserves (as a share of GDP)	-0.0076 (0.0145)	-0.0071 (0.0145)	-0.0078 (0.0148)	-0.0144 (0.0166)	0.0058 (0.0131)	0.0060 (0.0131)	0.0055 (0.0132)	0.0109 (0.0142)
Loans to the Private Sector (as a share of GDP)	0.0564 (0.0422)	0.0609 (0.0425)	0.0558 (0.0421)	0.0881 (0.0568)	0.1393*** (0.0348)	0.1427*** (0.0345)	0.1398*** (0.0348)	0.1388 (0.0450)
Public Debt (as a share of GDP)	0.0240 (0.0296)	0.0229 (0.0297)	0.0278 (0.0300)	0.0304 (0.0351)	-0.0113 (0.0249)	-0.0167 (0.0257)	-0.0101 (0.0251)	-0.0301 (0.0279)
Inflation Rate (CPI)	0.0918 (0.1148)	0.1406 (0.1251)	0.0942 (0.1107)	0.2501* (0.1403)	0.0911 (0.1037)	0.0303 (0.1070)	0.0822 (0.1033)	0.1890 (0.1003)
Trade Openness	-0.0070** (0.0037)	---	---	---	-0.0009 (0.0028)	---	---	---
Current Account Balance (as a share of GDP)	-0.0735** (0.0318)	-0.0807*** (0.0340)	-0.0791*** (0.0321)	-0.0992** (0.0482)	0.0047 (0.0278)	0.0055 (0.0276)	0.0022 (0.0277)	0.0175 (0.0327)
Real Effective Exchange Rate	-0.0011 (0.0140)	0.0014 (0.0178)	-0.0321 (0.0239)	0.0195 (0.0202)	0.0196** (0.0096)	0.0285*** (0.0102)	0.0103 (0.0190)	0.0244 (0.0101)
Liability Dollarization	---	-0.0027 (0.0064)	---	---	---	0.0078** (0.0040)	---	---
Political Risk Index - Corporate Quality (ICRG)	---	---	-0.3403* (0.1809)	---	---	---	-0.0906 (0.1488)	---
Global Variables								
VIX (Log)	-0.4871 (0.7210)	-0.4567 (0.7281)	-0.5006 (0.7204)	0.6829 (0.9694)	0.1222 (0.6219)	0.0620 (0.6378)	0.1137 (0.6207)	0.2487 (0.8358)
Global Interest Rate (Long Term)	0.2977** (0.1468)	0.2828** (0.1471)	0.3330** (0.1505)	-0.1990 (0.1874)	0.1589 (0.1145)	0.0162 (0.0854)	0.1649 (0.1148)	0.0850 (0.1561)
Global Growth Rate (Percent Change)	-0.2429*** (0.0937)	-0.2406*** (0.0940)	-0.2272*** (0.0938)	-0.2109** (0.1049)	0.0247 (0.0856)	0.0162 (0.0854)	0.0280 (0.0855)	0.0253 (0.0895)
Commodity Prices (Percentage Change)	0.0382* (0.0204)	0.0314 (0.0203)	0.0392** (0.0207)	0.0789*** (0.0255)	0.0123 (0.0175)	0.0129 (0.0175)	0.0134 (0.0176)	0.0154 (0.0197)
Global Liquidity (Percentage Change)	0.0333 (0.0420)	0.0345 (0.0424)	0.0420 (0.0424)	0.0656 (0.0489)	0.0093 (0.0330)	0.0117 (0.0329)	0.0114 (0.0333)	0.0078 (0.0342)
Contagion Effects								
Geographic Contagion	2.3856*** (0.3390)	2.3477*** (0.3453)	2.3251*** (0.3454)	3.4762* (0.5709)	2.6631*** (0.2377)	2.6680*** (0.2373)	2.6578*** (0.2379)	2.8333*** (0.2773)
Excessive Capital Inflows (Surge)	---	---	---	0.5856* (0.3503)	---	---	---	0.1060 (0.2923)
Constant	-2.3705*** (0.9360)	-2.1713*** (0.9219)	-0.9857 (1.3339)	-4.1301 (1.2171)	-2.9855*** (0.8098)	-3.2181*** (0.7993)	-2.5339** (1.1555)	-3.2421*** (0.9629)
Wald Chi2 (P-Value)	109.43 (0.000)	106.09 (0.000)	107.74 (0.000)	81.09 (0.000)	172.93 (0.000)	177.52 (0.000)	173.48 (0.000)	156.48 (0.000)
Number of Observations	793	793	793	702	793	793	793	702
Number of Countries	13	13	13	13	13	13	13	13
Sample Period	2006q1-2021q2	2006q1-2021q2	2006q1-2021q2	2006q1-2021q2	2006q1-2021q2	2006q1-2021q2	2006q1-2021q2	2006q1-2021q2

Note: TA in the table: Trade openness, DLD: Liability dollarization, ICRG: Average of political risk indicators, Surge: Dummy variable indicating excessive capital inflows for each dependent variable. Values in parentheses indicate t statistics. * indicates statistical significance at 10% level, ** at 5% level and *** at 1% level.

Table A9. Key Determinants of Sudden Stops in Gross Total Capital, Gross Equity-Based (FDI + Gross Portfolio Equity) and Gross Debt-Based (Gross Portfolio Debt + Other Investments) Capital Inflows (Key Political Risk Indicators)

Variables	Sudden Stops in Gross Total Capital Inflows		Gross Total Sudden Stops in Equity-Based Capital Inflows		Sudden Stops in Gross Debt-Based Capital Inflows	
	(1)	(2)	(1)	(2)	(1)	(2)
Variables Related to Domestic Economy						
Real GDP Growth Rate	-0.0829 (0.0664)	-0.0873 (0.0664)	-0.0690 (0.0693)	-0.0357 (0.0705)	-0.0819 (0.0625)	-0.0747 (0.0641)
International Reserves (as a share of GDP)	-0.0021 (0.0126)	-0.0022 (0.0127)	-0.0013 (0.0142)	-0.0020 (0.0138)	-0.0134 (0.0127)	-0.0131 (0.01314)
Loans to the Private Sector (as a share of GDP)	0.1050 (0.0387)***	0.1024 (0.0389)***	0.1003 (0.0457)**	0.1093 (0.0452)***	0.01018 (0.0414)***	0.1050 (0.0415)***
Public Debt (as a share of GDP)	-0.0257 (0.0276)	-0.0253 (0.0275)	-0.0331 (0.0287)	-0.0305 (0.0293)	-0.0293 (0.0260)	-0.0338 (0.0269)
Inflation Rate (CPI)	0.2565 (0.0997)***	0.2855 (0.1125)***	0.1324 (0.1215)	0.0425 (0.1283)	0.3127 (0.1028)***	0.2813 (0.1125)***
Current Account Balance (as a share of GDP)	0.0014 (0.0033)	---	-0.0067 (0.0044)	---	-0.0024 (0.0040)	---
Real Effective Exchange Rate	-0.0661 (0.0334)**	-0.0671 (0.0338)**	-0.0660 (0.0398)*	-0.0644 (0.0388)*	-0.0103 (0.0368)	-0.0237 (0.0442)
Liability Dollarization	-0.0198 (0.0161)	-0.0239 (0.0167)	0.0290 (0.0115)***	0.0477 (0.0133)***	0.0147 (0.0112)	0.0203 (0.0150)
Current Account Balance (as a share of GDP)	---	-0.0028 (0.0048)	---	0.0125 (0.0053)***	-0.0515 (0.0344)	0.0070 (0.0072)
Political Risk Components						
Government Stability	-0.0740 (0.0817)	-0.0969 (0.0855)	-0.1726 (0.0989)*	-0.0638 (0.1028)	-0.1057 (0.0915)	-0.0536 (0.0972)
Socioeconomic Conditions	0.2825 (0.1045)***	0.2963 (0.1025)***	0.1428 (0.1210)	0.0917 (0.1235)	-0.0128 (0.1023)	-0.0073 (0.1274)
Investment Profile	0.0710 (0.1003)	0.0714 (0.0995)	0.0592 (0.1099)	0.0774 (0.1095)	0.0488 (0.1030)	-0.0230 (0.2022)
Democratic Accountability	-0.2631 (0.1534)*	-0.2598 (0.1538)*	-0.3550 (0.1626)**	-0.3904 (0.1595)***	-0.0882 (0.1520)	-0.0801 (0.1676)
Law and Order	-0.2344 (0.1331)*	-0.2242 (0.1322)*	0.2104 (0.1646)	0.1724 (0.1643)	-0.0720 (0.1377)	-0.0421 (0.1954)
Global Variables						
VIX (Log)	0.0456 (0.6677)	0.0756 (0.6705)	2.8209 (0.8223)***	2.8828 (0.8354)***	2.5805 (0.7407)***	2.7790 (0.8337)
Global Interest Rate (Long Term)	0.5136 (0.1514)***	0.5314 (0.1518)***	0.2071 (0.1589)	0.1091 (0.1645)	0.2498 (0.1574)	0.2281 (0.1680)
Global Growth Rate (Percent Change)	-0.0642 (0.0889)	-0.0642 (0.0890)	-0.0601 (0.0857)	-0.0875 (0.0876)	-0.0454 (0.0803)	-0.0553 (0.0828)
Commodity Prices (Percentage Change)	-0.0041 (0.0181)	-0.0041 (0.0181)	0.0077 (0.0211)	0.0084 (0.0215)	-0.0157 (0.0209)	-0.0169 (0.0211)
Global Liquidity (Percentage Change)	0.0456 (0.0374)	0.0431 (0.0374)	0.0152 (0.0402)	0.0253 (0.0404)	-0.0515 (0.0344)	-0.0465 (0.0347)
Contagion Effects						
Geographic Contagion	2.2735 (0.2503)***	2.2646 (0.2493)***	2.6114 (0.3765)***	2.5858 (0.3885)***	2.1610 (0.3146)***	2.1548 (0.3197)***
Constant	-4.0084 (1.2995)***	-3.8692 (1.3216)***	-5.7773 (1.5887)***	-6.9268 (1.6783)***	-5.3710 (1.4350)***	-5.9706 (1.5928)***
Wald Chi2 (P-Value)	176.82 (0.000)	173.94 (0.000)	141.10 (0.000)	138.26 (0.000)	204.63 (0.000)	181.43 (0.000)
Number of Observations	793	793	793	793	793	793
Number of Countries	13	13	13	13	13	13
Sample Period	2006q1-2021q2	2006q1-2021q2	2006a1-2021q2	2006q1-2021q2	2006q1-2021q2	2006q1-2021q2

Note: TA in the table denotes the degree of trade openness and DLD denotes the dollarization of liabilities. Values in parentheses indicate t statistics. * indicates statistical significance at 10% level, ** at 5% level and *** at 1% level.

Table A10. Key Determinants of Sudden Stops in Gross FDI, Gross Total Portfolio and Other Investment Inflows, which are the Main Components of Gross Total Private Capital Inflows (Key Political Risk Indicators)

Variables	Sudden Stops in Gross FDI Inflows		Sudden Stops in Gross Total Portfolio Inflows		Sudden Stops in Gross Other Investment Inflows	
	(1)	(2)	(1)	(2)	(1)	(2)
Variables Related to Domestic Economy						
Real GDP Growth Rate	0.0775 (0.0718)	0.0875 (0.0715)	-0.0829 (0.0664)	-0.0873 (0.0664)	-0.0826 (0.0625)	-0.0908 (0.0683)
International Reserves (as a share of GDP)	-0.0014 (0.0174)	-0.0021 (0.0172)	-0.0021 (0.0126)	-0.0022 (0.0127)	-0.0113 (0.0132)	-0.0261 (0.0161)*
Loans to the Private Sector (as a share of GDP)	0.0641 (0.0469)	0.0565 (0.0476)	0.1050 (0.0387)***	0.1024 (0.0389)***	0.0813 (0.0456)*	0.0750 (0.0475)
Public Debt (as a share of GDP)	0.0095 (0.0293)	0.0101 (0.0296)	-0.0257 (0.0276)	-0.0253 (0.0275)	-0.0302 (0.0297)	-0.0177 (0.0320)**
Inflation Rate (CPI)	0.0231 (0.1589)	-0.0136 (0.1632)	0.2565 (0.0997)***	0.2855 (0.1125)***	0.3184 (0.1134)***	0.2127 (0.1347)
Current Account Balance (as a share of GDP)	-0.0007 (0.0038)	---	0.0014 (0.0033)	---	0.0011 (0.0049)	---
Real Effective Exchange Rate	0.0449 (0.0414)	0.0413 (0.0404)	-0.0661 (0.0334)**	-0.0671 (0.0338)**	-0.0458 (0.0463)	-0.0977 (0.0537)*
Liability Dollarization	0.0312 (0.0113)***	0.0360 (0.0121)***	-0.0198 (0.0161)	-0.0239 (0.0167)	-0.0068 (0.0184)	-0.0410 (0.0498)
Current Account Balance (as a share of GDP)	---	0.0054 (0.0051)	---	-0.0028 (0.0048)	---	0.0392 (0.0132)***
Political Risk Components						
Government Stability	0.0259 (0.1012)	0.0589 (0.1051)	-0.0740 (0.0817)	-0.0969 (0.0855)	-0.3010 (0.1032)***	-0.2185 (0.1147)
Socioeconomic Conditions	-0.0252 (0.1202)	-0.0105 (0.1209)	0.2825 (0.1045)***	0.2963 (0.1025)***	0.0500 (0.1265)	0.1090 (0.2018)
Investment Profile	0.1172 (0.1249)	0.1327 (0.1263)	0.0710 (0.1003)	0.0714 (0.0995)	-0.1808 (0.1315)	-0.4795 (0.1889)***
Democratic Accountability	0.2746 (0.1753)	0.2592 (0.1694)	-0.2631 (0.1534)*	-0.2598 (0.1538)*	-0.2584 (0.1768)	-0.1226 (0.3033)
Law and Order	-0.0589 (0.1600)	-0.0887 (0.1589)	-0.2344 (0.1331)*	-0.2242 (0.1322)*	0.0635 (0.1879)	0.3999 (0.3553)
Global Variables						
VIX (Log)	2.3011 (0.7549)***	2.3047 (0.7602)***	0.0456 (0.6677)	0.0756 (0.6705)	2.7517 (0.7995)***	3.0986 (0.8923)***
Global Interest Rate (Long Term)	-0.1975 (0.1433)	-0.2200 (0.1456)	0.5136 (0.1514)***	0.5314 (0.1518)***	0.4622 (0.1621)***	0.5983 (0.1978)***
Global Growth Rate (Percent Change)	-0.0326 (0.0862)	-0.0440 (0.0857)	-0.0642 (0.0889)	-0.0642 (0.0890)	-0.0528 (0.0871)	-0.0567 (0.0939)
Commodity Prices (Percentage Change)	-0.0196 (0.0223)	-0.0194 (0.0222)	-0.0041 (0.0181)	-0.0041 (0.0181)	-0.0752 (0.0231)***	-0.0703 (0.0237)***
Global Liquidity (Percentage Change)	-0.0135 (0.0375)	-0.0083 (0.0377)	0.0456 (0.0374)	0.0431 (0.0374)	-0.0721 (0.0366)**	-0.0274 (0.0395)
Contagion Effects						
Geographic Contagion	2.4773 (0.3199)***	2.3968 (0.3294)***	2.2735 (0.2503)***	2.2646 (0.2493)***	2.0127 (0.3597)***	1.8130 (0.3757)***
Constant	-7.5089 (1.5747)***	-8.0212 (1.6535)***	-4.0084 (1.2995)***	-3.8692 (1.3216)***	-2.9730 (1.6078)*	-5.4996 (2.3827)**
Wald Chi2 (P-Value)	121.50 (0.000)	123.12 (0.000)	176.82 (0.000)	173.94 (0.000)	156.49 (0.000)	124.90 (0.000)
Number of Observations	793	793	793	793	793	793
Number of Countries	13	13	13	13	13	13
Sample Period	2006q1-2021q2	2006q1-2021q2	2006q1-2021q2	2006q1-2021q2	2006q1-2021q2	2006q1-2021q2

Note: TA in the table denotes the degree of trade openness and DLD denotes the dollarization of liabilities. Values in parentheses indicate t statistics. * indicates statistical significance at 10% level, ** at 5% level and *** at 1% level.

Table A11. Key Determinants of Sudden Stops in Gross Portfolio Equity and Gross Portfolio Debt Inflows (Key Political Risk Indicators)

Variables	Sudden Stops in Gross Portfolio Equity Inflows		Sudden Stops in Gross Portfolio Debt Inflows	
	(1)	(2)	(1)	(2)
Variables Related to Domestic Economy				
Real GDP Growth Rate	0.0145 (0.0700)	0.0170 (0.0697)	-0.0603 (0.0696)	-0.0552 (0.0692)
International Reserves (as a share of GDP)	-0.0054 (0.0147)	-0.0052 (0.0146)	0.0015 (0.0135)	0.0019 (0.0133)
Loans to the Private Sector (as a share of GDP)	0.0544 (0.0432)	0.0620 (0.0421)	0.1442 (0.0381)***	0.1469 (0.0378)***
Public Debt (as a share of GDP)	0.0291 (0.0295)	0.0282 (0.0294)	-0.0317 (0.0274)	-0.0316 (0.0275)
Inflation Rate (CPI)	0.0370 (0.1235)	0.0285 (0.1312)	0.1209 (0.1069)	0.0973 (0.1147)
Current Account Balance (as a share of GDP)	-0.0043 (0.0041)	---	-0.0045 (0.0034)	---
Real Effective Exchange Rate	-0.0793 (0.0380)**	-0.0781 (0.0380)**	-0.0161 (0.0358)	-0.0203 (0.0349)
Liability Dollarization	0.0056 (0.0134)	0.0107 (0.0146)	0.0156 (0.0098)	0.0224 (0.0106)**
Current Account Balance (as a share of GDP)	---	0.0018 (0.0059)	---	0.0029 (0.0044)
Political Risk Components				
Government Stability	0.2095 (0.1012)**	0.2282 (0.1023)**	-0.3273 (0.0826)***	-0.2838 (0.0839)***
Socioeconomic Conditions	-0.1274 (0.1051)	-0.1537 (0.1050)	0.2652 (0.1018)***	0.2404 (0.1017)***
Investment Profile	0.0714 (0.1042)	0.0653 (0.1039)	0.0769 (0.1012)	0.0599 (0.0993)
Democratic Accountability	-0.0730 (0.1666)	-0.0929 (0.1650)	-0.2706 (0.1463)*	-0.2815 (0.1462)**
Law and Order	0.0363 (0.1511)	-0.0004 (0.1470)	-0.2431 (0.1352)*	-0.2550 (0.1349)**
Global Variables				
VIX (Log)	-0.6076 (0.7218)	-0.5918 (0.7231)	0.6341 (0.6526)	0.5681 (0.6646)
Global Interest Rate (Long Term)	0.1692 (0.1760)	0.1653 (0.1757)	-0.0071 (0.0871)***	0.3815 (0.1432)***
Global Growth Rate (Percent Change)	-0.2377 (0.0940)***	-0.2349 (0.0941)***	-0.0071 (0.0871)	-0.0097 (0.0873)
Commodity Prices (Percentage Change)	0.0449 (0.0209)**	0.0427 (0.0207)**	0.0054 (0.0182)	0.0057 (0.0182)
Global Liquidity (Percentage Change)	0.0277 (0.0418)	0.0303 (0.0419)	-0.0019 (0.0344)	-0.0017 (0.0344)
Contagion Effects				
Geographic Contagion	2.5145 (0.3516)***	2.5111 (0.3521)***	2.5847 (0.2449)***	2.6021 (0.2460)***
Constant	-3.2399 (1.4881)**	-3.2977 (1.5264)**	-1.9828 (1.3154)	-2.1351 (1.3308)*
Wald Chi2 (P-Value)	114.30 (0.000)	116.03 (0.000)	175.16 (0.000)	180.63 (0.000)
Number of Observations	793	793	793	793
Number of Countries	13	13	13	13

<i>Sample Period</i>	2006q1-2021q2	2006q1-2021q2	2006q1-2021q2	2006q1-2021q2
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Note: TA in the table denotes the degree of trade openness and DLD denotes the dollarization of liabilities. Values in parentheses indicate t statistics. * indicates statistical significance at 10% level, ** at 5% level and *** at 1% level.

Table A12. Autocorrelation Test

Total Capital (Model 1)		Equity Based (Model 2)		Debt Based (Model 3)	
Lags	Probability Values	Lags	Probability Values	Lags	Probability Values
1	0.1953	1	0.0709	1	0.1419
2	0.5866	2	0.0868	2	0.1860
3	0.1893	3	0.2027	3	0.2601
4	0.4200	4	0.2241	4	0.2836

AR Characteristic Inverse Polynomial Graphs

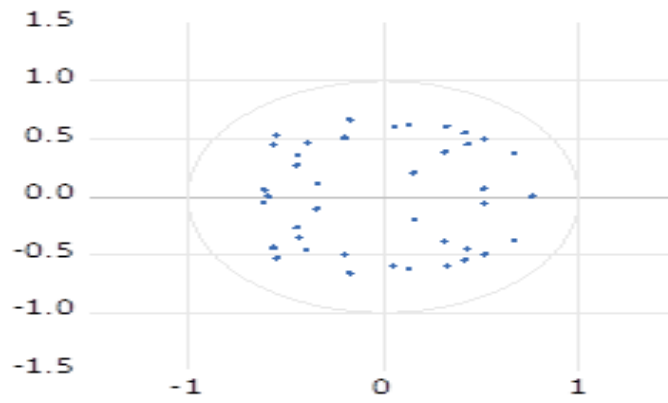


Figure 1. AR Characteristic Inverse Polynomial for Model 1

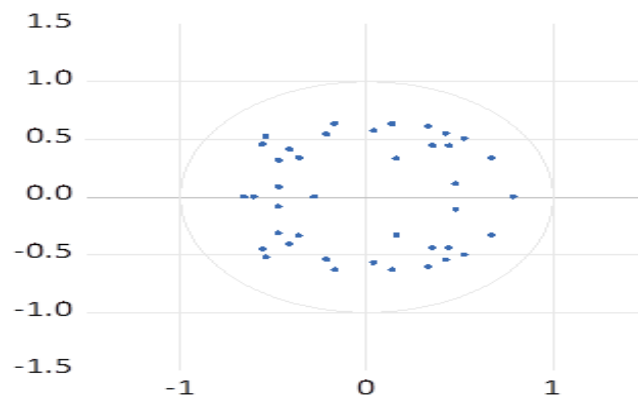


Figure 2. AR Characteristic Inverse Polynomial for Model 2

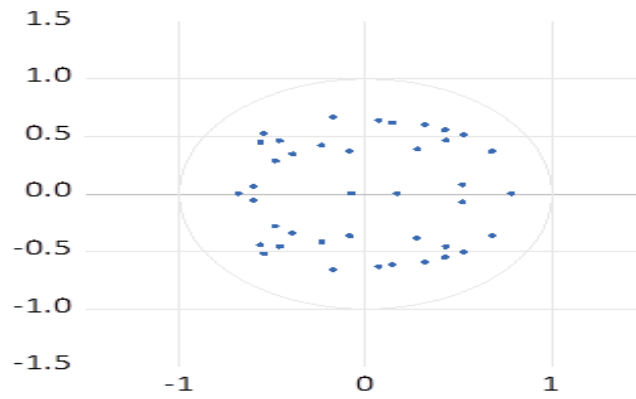


Figure 3. AR Characteristic Inverse Polynomial for Model 3

Variance Decomposition of the Effects of Sudden Stops Due to Capital Inflows on Macroeconomic and Financial Variables

Table A13. Variance Decomposition of the Effects of Sudden Stops in Gross Total Capital Inflows on Macroeconomic and Financial Variables

Period	S.E.	SS	REZ	REELFAI ZFARK	REER	CREDIT	YURTYA TRM	COMSU MGDPEX CHG	NETEXE XPGDPE XCHANG	RGDP	CAFARK
1	0.232542	100	0	0	0	0	0	0	0	0	0
2	0.291021	97.93838	0.375654	0.01827	0.600654	0.673478	0.031076	0.04173	0.001371	0.313357	0.006028
3	0.323616	95.23532	0.64223	0.027418	1.380868	0.7091	0.068321	0.928194	0.197342	0.657267	0.153936
4	0.342943	92.18761	0.93418	0.091803	1.384328	0.938858	0.393946	2.410259	0.369875	0.627908	0.661227
5	0.348983	89.71655	0.904648	0.207485	1.838258	1.915942	0.740788	2.438736	0.686173	0.771224	0.780195
6	0.353537	87.53041	0.90505	0.315061	2.601623	2.288135	0.963048	2.459201	0.789118	1.346944	0.80141
7	0.357897	86.12068	0.887826	0.347323	3.18531	2.584847	1.16888	2.412785	0.770401	1.727977	0.793974
8	0.361886	85.30732	0.870086	0.349683	3.637946	2.840446	1.180202	2.365996	0.76509	1.906516	0.776717
9	0.364867	84.73029	0.856179	0.350518	3.902041	2.932352	1.166968	2.41597	0.803698	2.077182	0.764801
10	0.366184	84.45416	0.85767	0.372508	4.034438	2.939007	1.158839	2.477127	0.847683	2.095827	0.762739
11	0.366486	84.37543	0.858751	0.385954	4.060181	2.941114	1.158659	2.492862	0.864904	2.097839	0.764304
12	0.366542	84.34971	0.860652	0.399155	4.060747	2.941356	1.160637	2.49499	0.869014	2.097197	0.766539
13	0.366601	84.34776	0.860922	0.402973	4.060104	2.940469	1.160272	2.494245	0.868855	2.096783	0.767618
14	0.366691	84.34919	0.860613	0.402777	4.061179	2.93908	1.159941	2.494978	0.869027	2.095963	0.767247
15	0.366769	84.3482	0.860292	0.403013	4.061938	2.937974	1.160052	2.496578	0.869615	2.095253	0.767088
16	0.366807	84.34474	0.860116	0.404222	4.061686	2.937993	1.160752	2.497985	0.870147	2.094899	0.767455
17	0.36682	84.34135	0.860055	0.405095	4.061409	2.938576	1.16162	2.498418	0.870363	2.09518	0.76793
18	0.366826	84.33884	0.860045	0.405317	4.061845	2.939531	1.161963	2.498438	0.870407	2.095522	0.768096
19	0.366833	84.33661	0.860011	0.405345	4.062729	2.940289	1.162093	2.49834	0.870373	2.096089	0.768121
20	0.366841	84.33512	0.859978	0.405345	4.063705	2.940641	1.162089	2.498308	0.87036	2.096366	0.768092
Average		87.33438	0.791748	0.304963	3.159049	2.360959	0.924007	2.145757	0.696191	1.624265	0.658676

Note: SS denotes Sudden Stops, REZ: International reserves, REELFAIZFARK: domestic real policy interest rate, REER: Real effective exchange rate, CREDIT: Domestic loans to the private sector, YURTYATRM: Domestic fixed capital investments, COMSUMGDPEXCHG: Household consumption expenditures, NETEXEXPGDPEXCHANG: Net exports, RGDP: Real GDP, CAFARK: Current account balance (first differenced variable).

Table A14. Variance Decomposition of the Effects of Sudden Stops Due to Gross Equity-Based Capital Inflows on Macroeconomic and Financial Variables

Period	S.E.	SS	REZ	REELFAI ZFARK	REER	CREDIT	YURTYA TRM	COMSU MGDPEX CHG	NETEXE XPGDPE XCHANG	RGDP	CAFARK
1	0.214114	100	0	0	0	0	0	0	0	0	0
2	0.27223	98.42815	0.320806	0.43727	0.005402	0.074899	0.034276	0.550331	0.000419	0.14789	0.000559
3	0.303017	95.80119	0.652954	0.795533	0.031447	0.303466	0.086354	1.078883	0.019926	1.058757	0.171485
4	0.319128	91.40725	0.747047	1.534149	0.062419	0.753512	0.0857	3.143796	0.127709	1.296844	0.841579
5	0.325315	88.41898	0.723207	1.75846	0.661209	1.892596	0.126425	3.889157	0.161024	1.248698	1.120248
6	0.328526	86.75947	0.712848	1.73751	1.410011	2.541589	0.12809	4.069676	0.183177	1.300933	1.156693
7	0.33128	85.65251	0.722368	1.714563	1.820826	3.005499	0.161387	4.049634	0.180178	1.551641	1.141395
8	0.333472	85.02839	0.712934	1.749868	2.124969	3.269962	0.164229	3.999044	0.187104	1.634842	1.128657
9	0.334985	84.63085	0.707819	1.782838	2.261353	3.392222	0.166203	4.001428	0.201697	1.73431	1.121279
10	0.335677	84.45683	0.706089	1.798747	2.327366	3.416137	0.169707	4.016618	0.218882	1.769822	1.119806
11	0.335904	84.3815	0.705971	1.804291	2.345934	3.425769	0.175186	4.028728	0.227186	1.78401	1.121426
12	0.335955	84.3576	0.70723	1.804327	2.348179	3.428097	0.178594	4.030683	0.229143	1.793097	1.123052
13	0.335987	84.34799	0.707921	1.804038	2.347961	3.428454	0.182184	4.031551	0.229573	1.796604	1.123723
14	0.336018	84.34776	0.70847	1.80424	2.347526	3.428109	0.183023	4.030796	0.229552	1.797009	1.123513
15	0.33605	84.34825	0.70851	1.804837	2.347084	3.427823	0.183328	4.030271	0.229565	1.796817	1.123511
16	0.336071	84.34764	0.708587	1.805181	2.34694	3.428018	0.183328	4.030281	0.229597	1.796607	1.123825
17	0.336082	84.34606	0.708552	1.805485	2.34715	3.428579	0.183361	4.030594	0.229612	1.796491	1.124114
18	0.336088	84.34438	0.708548	1.805487	2.34772	3.42935	0.183364	4.030871	0.229614	1.796437	1.124228
19	0.336091	84.34282	0.708536	1.805453	2.348357	3.430153	0.183373	4.030982	0.229612	1.796456	1.124255
20	0.336094	84.34166	0.708526	1.805431	2.348907	3.430694	0.183384	4.03099	0.229609	1.796542	1.124253
Average		87.20446	0.654346	1.567885	1.709038	2.646746	0.147075	3.455216	0.178659	1.48469	0.95188

Note: SS denotes Sudden Stops, REZ: International reserves, REELFAIZFARK: domestic real policy interest rate, REER: Real effective exchange rate, CREDIT: Domestic loans to the private sector, YURTYATRM: Domestic fixed capital investments, COMSUMGDPEXCHG: Household consumption expenditures, NETEXEXPGDPEXCHANG: Net exports, RGDP: Real GDP, CAFARK: Current account balance (first differenced variable).

Table A15. Variance Decomposition of the Effects of Sudden Stops Due to Gross Debt-Based Capital Inflows on Macroeconomic and Financial Variables

Period	S.E.	SS	REZ	REELFAI ZFARK	REER	CREDIT	YURTYA TRM	COMSU MGDPEX CHG	NETEXE XPGDPE XCHANG	RGDP	CAFARK
1	0.22385	100	0	0	0	0	0	0	0	0	0
2	0.283056	98.60797	0.75348	0.002852	0.146964	0.269066	0.028015	0.02693	0.00177	0.138913	0.024042
3	0.317297	96.45297	1.341784	0.05364	0.371808	0.535272	0.111474	0.380321	0.102533	0.508431	0.141768
4	0.335366	93.91396	1.522634	0.108402	0.712443	1.052857	0.191744	1.556076	0.313087	0.474532	0.154266
5	0.341954	91.37211	1.544661	0.328715	1.220345	2.271698	0.211818	1.510952	0.542409	0.81808	0.179214
6	0.347042	88.71283	1.511122	0.559571	2.167342	2.947819	0.270144	1.513196	0.653847	1.485815	0.178312
7	0.351794	86.69079	1.491768	0.609264	2.975167	3.555204	0.384694	1.484973	0.63792	1.987376	0.182843
8	0.355919	85.43455	1.488134	0.604149	3.634693	3.955487	0.397109	1.451612	0.638054	2.210756	0.18546
9	0.358865	84.5717	1.479565	0.61784	4.016975	4.133388	0.40153	1.497736	0.66435	2.433997	0.182921
10	0.3604	84.11523	1.479418	0.659162	4.252457	4.181321	0.401004	1.54634	0.693846	2.489463	0.181759
11	0.360851	83.95992	1.47745	0.684391	4.334334	4.198168	0.402014	1.55654	0.703642	2.502235	0.181306
12	0.360946	83.91636	1.47768	0.702487	4.347108	4.207541	0.402754	1.556345	0.705817	2.501836	0.182074
13	0.360992	83.90557	1.477351	0.704763	4.347317	4.211343	0.4066	1.55595	0.706076	2.502453	0.182576
14	0.361053	83.90403	1.476894	0.704676	4.345927	4.211151	0.410119	1.55637	0.705853	2.502342	0.18264
15	0.361114	83.90265	1.476395	0.705472	4.344785	4.211824	0.411785	1.556937	0.705693	2.501872	0.182583
16	0.361155	83.89909	1.476104	0.707225	4.343876	4.21318	0.412516	1.557587	0.705602	2.502083	0.182734
17	0.361173	83.89596	1.47612	0.707844	4.34355	4.215088	0.41286	1.557562	0.70557	2.502571	0.182878
18	0.361182	83.89241	1.476276	0.708019	4.34415	4.217076	0.412913	1.557502	0.70556	2.503136	0.182956
19	0.36119	83.88882	1.476327	0.708009	4.345429	4.218613	0.412941	1.557435	0.705534	2.503902	0.182991
20	0.361198	83.88594	1.476356	0.708007	4.346947	4.219616	0.412947	1.557387	0.705505	2.504304	0.182991
Average		87.44614	1.368976	0.529224	3.147081	3.251286	0.324749	1.326888	0.565133	1.878705	0.161816

Note: SS denotes Sudden Stops, REZ: International reserves, REELFAIZFARK: domestic real policy interest rate, REER: Real effective exchange rate, CREDIT: Domestic loans to the private sector, YURTYATRM: Domestic fixed capital investments, COMSUMGDPEXCHG: Household consumption expenditures, NETEXEXPGDPEXCHANG: Net exports, RGDP: Real GDP, CAFARK: Current account balance (first differenced variable).