Source: IMF staff estimates.
Note: Synchronicity is measured by the synch1 of gaps measure; see Annex 3.2 for computation methodology. Figure shows statistically significant standardized coefficients that are calculated using the coefficients in specification 4 in Annex Table 3.2.1 and their respective standard deviations, and presented in terms of standard deviations of the dependent variable; this specification also controls for global financial conditions (proxied through global liquidity) in addition to country-pair fixed effects and quadratic and linear time trends (standard errors are clustered at multiway at time, country i, and country j). The standard deviation for business cycle synchronization is 0.0124 and 1.040 for bilateral bank integration. See Country-Pair Analysis section of Annex 3.2 for further details. i = country 1 and j = country 2 in the country pair.