

Accepted Manuscript

Title: The impact of monetary policy on gold price dynamics

Authors: Yanhui Zhu, Jingwen Fan, Jon Tucker

PII: S0275-5319(17)30059-4

DOI: <http://dx.doi.org/doi:10.1016/j.ribaf.2017.07.100>

Reference: RIBAF 790

To appear in: *Research in International Business and Finance*

Received date: 4-3-2017

Accepted date: 3-7-2017

Please cite this article as: Zhu, Yanhui, Fan, Jingwen, Tucker, Jon, The impact of monetary policy on gold price dynamics. *Research in International Business and Finance* <http://dx.doi.org/10.1016/j.ribaf.2017.07.100>

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.



The impact of monetary policy on gold price dynamics

Yanhui Zhu

University of West England

Jingwen Fan

Nottingham Trent University

Jon Tucker

University of West England

Abstract

Ever since the collapse of the Bretton-Woods system, gold has retained its function as an important monetary commodity (Baur and Lucey, 2010), and continues to provide important inflation forecasting information to monetary policy setters (Tkacz, 2007). However, Capie *et al.* (2005) highlight the instability of gold price dynamics through time, attributing it to unpredictable political attitudes and events. In this paper, we investigate gold price dynamics under different inflation regimes and stock market conditions using UK and US index-linked Treasury bond data. We show that gold lost its role as an inflation hedge after May 1997 in the UK, and after 2003 did not act as an inflation hedge in the US, supporting the argument that gold is an inflation hedge only in periods of high inflation and inflation expectations. Further, we show that gold retained its safe haven status throughout the sample period in both countries, but it did not act as a stock market hedge in the UK except during the 2008-9 global financial crisis. Finally, we conduct an event-study analysis of the impact of QE announcements from four leading central banks on the gold price in US dollars. While the QE announcements of the US Federal Reserve and the European Central Bank exerted a strong and weak influence on gold, respectively, the Bank of England and the Bank of Japan's QE announcements had no discernible impact on the gold price.

Keywords: Gold price; Hedging; Central banks; Bank of England independence; Quantitative Easing

متن کامل مقاله

دریافت فوری ←

ISIArticles

مرجع مقالات تخصصی ایران

- ✓ امکان دانلود نسخه تمام متن مقالات انگلیسی
- ✓ امکان دانلود نسخه ترجمه شده مقالات
- ✓ پذیرش سفارش ترجمه تخصصی
- ✓ امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
- ✓ امکان دانلود رایگان ۲ صفحه اول هر مقاله
- ✓ امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
- ✓ دانلود فوری مقاله پس از پرداخت آنلاین
- ✓ پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات