

## Bond Returns and Bond Issue Waves

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## Bond Returns and Bond Issue Waves

**Faculty Member:** [Matthew Spiegel](#)

### Proposal Description:

Industries seemingly issue bonds in waves. When do these waves occur and what triggers them? What causes them to peter out? There are two countervailing forces. If other firms in an industry have recently issued debt then analysts are prepared to price new debt in the same industry. This can be thought of as the impact of corporate herding. At the same time, the portfolios that recently purchased the debt may now be overloaded with that industry's debt. Related to this issue is the question of what causes these countervailing forces to ebb and flow in importance. If an industry's bonds have recently run up do firms then tend to jump in and issue more debt? What if the bonds have run down?

The project will use data that I have had previously collected with daily closing prices. That data will be merged with data from CRSP and Compustat. The former includes daily equity closing prices and the latter corporate accounting information. These databases will help to estimate how equity prices, earnings changes and the like also impact new issues and let us isolate the impact issue herding and portfolio imbalances have. This fall, RAs will be expected to help retrieve and merge the data and then begin estimating the model.

### Requisite Skills and Qualifications:

The existing code is in R and Python. Successful applicants will have experience writing code 100 or more lines long. If you apply and are hired, expect to spend 10 hours per week doing RA work in my office.

**Award:** Yunji Jong

**Tobin Application Link:** [Tobin Application](#)

**Project Type:** Tobin RA

**Project Year:** 2019

**Term:** Fall 2019

**Source URL:** <https://economics.yale.edu/undergraduate/tobin-ra/fall-2019/bond-returns-and-bond-issue-waves>