Appendix: How Post-2008 Financial Regulations Impacted Corporate Bond Liquidity

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Table 1: Corporate Yield Spreads on γ, AMD and Controls

γ	AMD	CDS	EqVol	Cpn	IG	Call	Volume	Freq.	Maturity	Age	Turnover	ZTD	Constant	Adj.R^2	Obs.
0.332													1.64	0.167	139,168
[5.23]													[4.24]		
	0.215												1.64	0.123	139,168
	[4.97]												[4.36]		
		0.843											0.682	0.679	139,168
		[24.87]											[4.07]		
0.101		0.585	0.468	0.167	-0.848	-0.057	-0.466	0.426	0.006	0.012	0.011	0.349	0.361	0.799	139,168
[4.84]		[10.80]	[4.83]	[8.36]	[-6.70]	[-1.97]	[-3.41]	[3.91]	[0.51]	[0.91]	[4.82]	[2.90]	[2.45]		
	0.071	0.590	0.493	0.170	-0.866	-0.075	-0.426	0.324	0.009	0.003	0.012	0.595	0.311	0.798	139,168
	[4.85]	[10.81]	[5.12]	[8.18]	[-6.77]	[-2.45]	[-3.08]	[3.55]	[0.75]	[0.24]	[5.47]	[3.24]	[2.15]		

Notes: Data are for the period December 2007-June 2017. Fama-MacBeth regression with Newey-West standard errors. T-statistics in square brackets. AMD multiplied by 103. EqVol is the annualized volatility of the issuer's equity returns, and Cpn is the issue's coupon. IG is 1 if the bond is Investment Grade and 0 otherwise. Call is 1 if the bond is callable and 0 otherwise. Volume is calculated as the total $ amount traded x10^{11}. Frequency in thousands of trades. Maturity and Age calculated in years at the last business day of the month. Turnover is the volume divided by the amount outstanding, and ZTD is the percentage of zero-trading days. Adj. R^2 is the time series average of cross-sectional adjusted-R^2s.

Table 2: Corporate Yield Spreads on γ, AMD and controls

γ	AMD	CDS	EqVol	Cpn	IG	Call	Volume	Freq.	Maturity	Age	Turnover	ZTD	Constant	Adj.R²	Obs.
Panel A: December 2007-December 2009														
0.156													3.39	0.089	17,165
[3.36]													[7.11]		
	0.105												3.33	0.055	17,165
	[3.09]												[8.42]		
		0.956											1.44	0.748	17,165
		[14.08]											[5.48]		
0.043		0.785	0.801	0.236	-1.25	-0.104	-0.247	0.009	-0.043	0.072	0.011	0.855	0.739	0.793	17,165
[3.83]		[10.46]	[6.79]	[6.25]	[-3.92]	[-2.60]	[-1.05]	[0.26]	[-3.78]	[4.17]	[3.11]	[3.72]	[1.56]		
	0.037	0.791	0.806	0.245	-1.27	-0.142	-0.137	-0.069	-0.046	0.060	0.012	1.40	0.660	0.793	17,165
	[3.62]	[10.42]	[6.26]	[5.77]	[-3.89]	[-2.42]	[-0.56]	[-1.60]	[-2.88]	[4.27]	[3.06]	[3.56]	[1.40]		
Panel B: January 2010-November 2015														
0.327													1.21	0.168	91,424
[7.47]													[12.91]		
	0.211												1.22	0.120	91,424
	[6.91]												[12.11]		
		0.827											0.447	0.667	91,424
		[49.46]											[14.39]		
0.098		0.543	0.385	0.144	-0.695	-0.049	-0.420	0.457	0.018	-0.003	0.008	0.168	0.237	0.798	91,424
[6.87]		[15.93]	[4.92]	[11.65]	[-11.13]	[-1.44]	[-3.41]	[10.85]	[5.07]	[-1.14]	[4.84]	[2.89]	[2.88]		
	0.069	0.548	0.412	0.146	-0.711	-0.065	-0.407	0.374	0.023	-0.009	0.009	0.327	0.196	0.797	91,424
	[5.98]	[15.49]	[5.04]	[12.35]	[-11.42]	[-2.05]	[-3.50]	[14.09]	[7.00]	[-3.03]	[6.67]	[6.24]	[2.33]		
Panel C: December 2015-June 2017														
0.583													0.986	0.267	30,579
[8.75]													[20.05]		
	0.374												0.965	0.225	30,579
	[5.33]												[32.63]		
		0.756											0.565	0.636	30,579
		[17.37]											[24.47]		
0.186		0.478	0.342	0.159	-0.897	-0.022	-0.927	0.856	0.024	-0.012	0.021	0.359	0.335	0.810	30,579
[18.94]		[7.10]	[6.22]	[11.17]	[-22.05]	[-2.52]	[-2.37]	[13.26]	[12.04]	[-4.97]	[3.44]	[4.43]	[2.88]		
	0.121	0.483	0.387	0.163	-0.915	-0.025	-0.877	0.658	0.032	-0.025	0.023	0.539	0.282	0.807	30,579
	[11.11]	[7.70]	[6.26]	[10.33]	[-23.94]	[-2.77]	[-2.28]	[11.67]	[20.51]	[-5.14]	[3.84]	[5.75]	[2.52]		

Notes: Fama-MacBeth regression with Newey-West standard errors. T-statistics in square brackets. AMD multiplied by 10³. EqVol is the annualized volatility of the issuer's equity returns, and Cpn is the issue's coupon. IG is 1 if the bond is Investment Grade and 0 otherwise. Call is 1 if the bond is callable and 0 otherwise. Volume is calculated as the total $ amount traded x10¹¹. Frequency in thousands of trades. Maturity and Age calculated in years at the last business day of the month. Turnover is the volume divided by the amount outstanding, and ZTD is the percentage of zero-trading days. Adj. R² is the time series average of cross-sectional adjusted-R²s.