

Abstract

This thesis analyzes development of financial and business cycles in CESEE region using the sample of 23 emerging economies over the period 1995q1-2015q4. We report three main results. First, we identify more cases of financial cycles than business cycles. Financial cycles measured by house price ratio tend to last longer in comparison to credit cycles. Second, cross-correlation results detect high synchronization of business and financial cycles among economies. The concordance index indicate that business cycles and financial cycles are rather counter-cyclical as the index values are low in the most economies from our sample. Third, regression findings reveal that the indicators of economic activity are important in affecting the downturn duration of financial cycles. For the upturn phase are more relevant the financial development measures.

JEL Classification F12, F21, F23, H25, H71, H87

Keywords CESEE, Financial cycle, Business cycle, turning points analysis