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Geopolitical Risk and Extreme Capital Flow Episodes*

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Abstract

Do geopolitical risks affect the occurrence of "extreme capital flow episodes"? Using a panel of 57 economies from 1986Q1 to 2023Q4, we examine the effects of both global and country-specific geopolitical risks on the occurrence of the four types of extreme capital episodes ("surge", "stop", "flight", and "retrenchment"). We find no association between global geopolitical risks and the occurrence of extreme capital flow episodes for advanced economies and only a weak association for emerging economies. In contrast, country-specific geopolitical risks show no significant association for advanced economies but a significant association for emerging economies. Our results suggest that when country-specific geopolitical risk is high, an emerging economy is more likely to experience stop, flight, and retrenchment episodes and less likely to experience surge episodes, reflecting heightened risk perceptions among both domestic and foreign investors. For each episode, we further identify its key underlying flow type: banking flows for flight, direct investment flows for stop, and banking, debt, and equity flows for retrenchment. We also find that country-specific geopolitical risks became a more important driver of these episodes after the global financial crisis. These findings are robust to incorporating additional economic uncertainty indices, to excluding or adding certain control variables, to removing periods of dramatic global geopolitical risk fluctuations, and to employing alternative econometric methodologies.

Keywords: Global geopolitical risk; Country-specific geopolitical Risk; Extreme capital flow episodes; Emerging economies; Flight-to-safety; Flight-home effects;
JEL classification: E44, F32, F51, G28, G32

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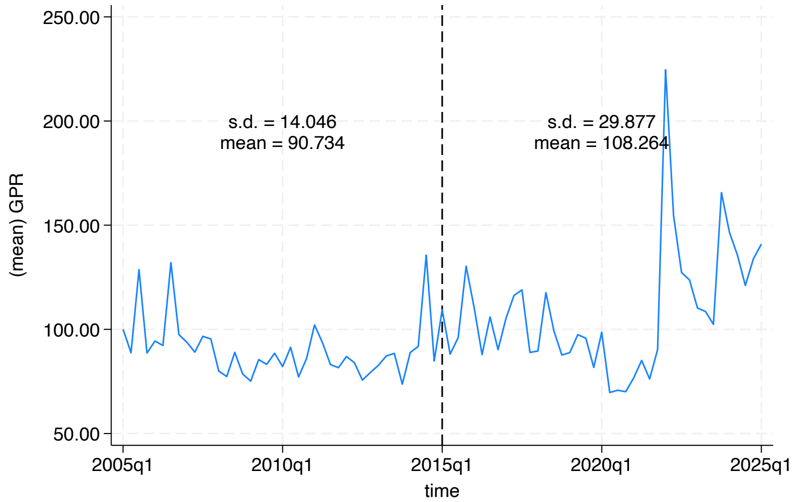
1 Introduction

Over the past decade, geopolitical shocks such as wars, terrorist attacks, military operations, and trade conflicts have gradually emerged as major risks affecting macroeconomic volatility and financial stability compared to two decades ago. Particularly, events such as the U.S.-China trade dispute in 2018, the Russia-Ukraine war that erupted in 2022, and regional conflicts including the 2023 Gaza-Israel confrontations have compelled investors and financial institutions to consider geopolitical risk (GPR)-as quantified by Caldara and Iacoviello (2022)-as a crucial factor in investment decision-making. The GPR index broadly captures the threat, realization, and escalation of adverse geopolitical events that disrupt international and economic relations. Caldara and Iacoviello (2022) construct both the global GPR index and the country-specific GPR indices, where the former reflects the worldwide intensity of geopolitical tensions (Figure 1.1), and the latter captures the degree of geopolitical risk perceived within individual countries (Figure 1.2). Global GPR captures worldwide geopolitical tensions and risks that affect the global economic environment as a whole. In contrast, country-specific GPR reflects risks that are uniquely associated with a particular country, such as domestic political instability or bilateral geopolitical disputes. While global GPR represents a common shock that may simultaneously influence many economies, country-specific GPR captures heterogeneous shocks whose effects likely differ across countries depending on their exposure and vulnerabilities. As illustrated in Table 1.1, the standard deviation of global GPR during 2005–2015 was only 14.046, whereas it surged to 29.877 during 2015–2025, representing a twofold increase compared to the 2005–2015 period. The mean value of global GPR also increased by 1.2 times. Similar to global GPR, the standard deviation of (average) country-specific GPR across economies also experienced substantial increases. Compared to the 2005–2015 period, advanced economies (AEs) witnessed a 1.9-fold increase during 2015–2025, while emerging economies (EMs) experienced an even more dramatic 2.5-fold increase. The mean values of country-specific GPR also exhibited varying degrees of elevation. Growing evidence indicates that higher GPR depresses both aggregate fixed investment and firm-level corporate investment (Caldara and Iacoviello, 2022; Wang et al., 2024). Global geopolitical risks also induce domestic high inflation, with the inflationary effect of higher commodity prices and currency depreciation (Caldara et al., 2026).

Figure 1.1: Global Geopolitical Risks



Note: Global GPR data are sourced from Caldara and Iacoviello (2022).

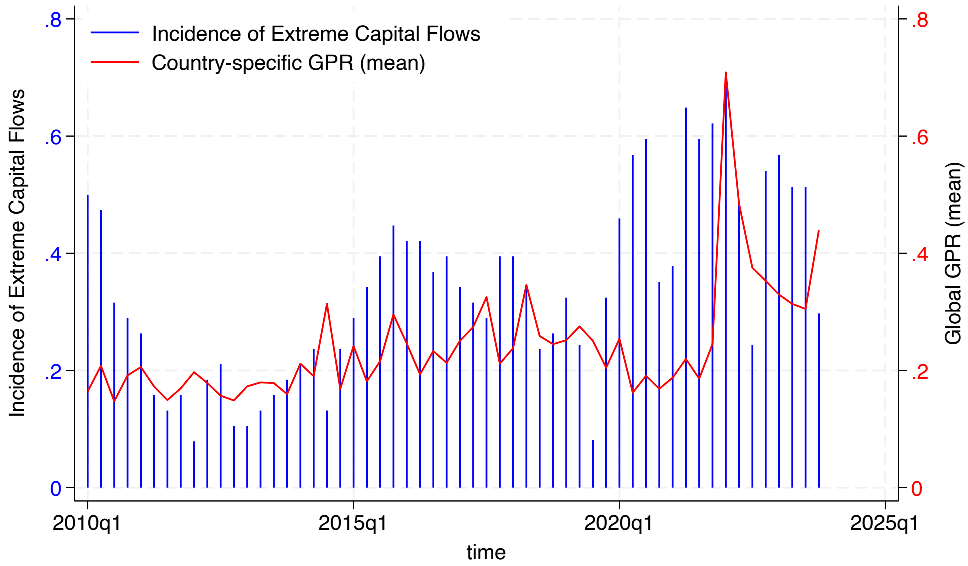
Table 1.1: The Standard Deviation and Mean of Geopolitical Risks

	Standard Deviation		Mean	
	2005Q1–2015Q1	2015Q1–2025Q1	2005Q1–2015Q1	2015Q1–2025Q1
Global GPR	14.046	29.877	90.734	108.264
Country-Specific GPR (mean) for AEs	0.076	0.150	0.271	0.361
Country-Specific GPR (mean) for EMs	0.058	0.148	0.122	0.204

Note: Data are sourced from Caldara and Iacoviello (2022). Country-specific GPR represents the cross-country average within each group of advanced economies (AEs) and emerging economies (EMs).

Several recent studies have examined how increases in global geopolitical risk (GPR) influence international capital flows. Feng et al. (2023) document that heightened global GPR leads to a significant contraction in both inflows and outflows for advanced economies (AEs) and emerging economies (EMs), suggesting a flight-home response. Zehri et al. (2025) further show that rising global GPR stimulates debt and portfolio inflows—consistent with flight-to-safety behavior—while depressing equity inflows and amplifying capital outflows. Similarly, Caporale and Menla Ali (2024) provide evidence that increases in global GPR reduce equity inflows into the United States in both the short and long run. However, the impact of global GPR on other flow categories tends to be relatively limited. Taken together, this literature exhibits several common features: (1) it focuses primarily

Figure 1.2: Country-specific Geopolitical Risks and Incidence of Extreme Capital Flow Episodes



Note: Country-specific GPR data are from Caldara and Iacoviello (2022), and data on the incidence of extreme capital flows are from Forbes and Warnock (2021) and the authors' collection. The incidence measure indicates the proportion of countries experiencing extreme capital flow episodes (surge, stop, flight, or retrenchment) in each period.

on normal capital flows rather than extreme capital-flow episodes; (2) it relies predominantly on global GPR indicators, while leaving country-specific GPR largely unexplored; and (3) it reports heterogeneous effects across flow types and country groups, reinforcing the need to examine the role of geopolitical risk, including country-specific dimensions, beyond regular capital flows under different conditions.

In this paper, following Forbes and Warnock (2012, 2021), we focus on extreme capital flow episodes rather than regular capital flows. Following Forbes and Warnock (2012, 2021), we classify extreme capital flow episodes into four categories based on sharp changes in gross capital inflows and outflows:[1]

- **Surge** episodes: large and rapid increases in gross capital *inflows*;
- **Stop** episodes: large and abrupt declines in gross capital *inflows*;
- **Flight** episodes: large and rapid increases in gross capital *outflows*;

[1] Gross capital *inflows* refer to the total capital transactions by nonresidents into the domestic economy, while gross capital *outflows* refer to the total capital transactions by residents investing abroad. Both are measured independently, in contrast to *net* capital flows which represent the difference between inflows and outflows. Definitions follow IMF (2009) and Forbes and Warnock (2021).

- **Retrenchment** episodes: large and abrupt declines in gross capital *outflows*.

These four categories collectively capture tail events in both directions of capital movements. Why are extreme capital flow episodes more important than capital flows in general? Forbes and Warnock (2012) demonstrate that such episodes can have widespread macroeconomic consequences, including amplifying business cycles, increasing financial system fragility, and undermining macroeconomic stability. In particular, sharp increases in capital inflows (**surge** episodes) may trigger asset price bubbles, inefficient resource allocation, and currency appreciation that ultimately undermines export competitiveness. Surge episodes may also raise the risk of "sudden stops" in capital inflows (**stop** episodes), which can cause steep declines in asset prices and currency depreciation, further generating higher inflation and increased burdens of foreign debt servicing (Forbes and Warnock, 2021). Likewise, sharp increases in capital outflows (**flight** episodes) can lead to severe capital drain and heightened pressures on domestic liquidity conditions. Such pressures may tighten credit supply, weaken domestic investment, and exacerbate vulnerabilities in the banking sector. Conversely, abrupt declines in capital outflows (**retrenchment** episodes) reflect a rapid return of domestic capital from abroad. Although this may temporarily support domestic liquidity and asset markets, it can also signal elevated external uncertainty and may destabilize foreign funding conditions for domestic firms exposed to overseas operations. Taken together, these four types of extreme capital flow episodes capture key tail risks in both directions of international capital movements that standard analyses of regular capital flows may overlook.[2]

Unlike prior research, we consider not only global GPR but also the effects of country-specific GPR. Prior studies predominantly rely on global GPR measures and provide mixed evidence on how geopolitical shocks affect international capital flows. Global GPR proxies for broad geopolitical shocks that can affect many economies simultaneously, potentially generating heterogeneous responses of capital flows to common geopolitical tensions. In contrast, country-specific GPR reflects domestically driven geopolitical tensions that may have more direct implications for a country's own capital flows. These conceptual distinctions suggest that global and country-specific GPR may have distinct

[2]These insights also underscore the importance of *gross* capital flows in identifying extreme capital flow episodes, an aspect that *net* capital flows inherently fail to capture.

implications for international capital movements. However, empirical evidence on the latter remains scarce, particularly in the context of extreme capital flow episodes.

Research by Caldara and Iacoviello (2022) demonstrates that from 1985 onward, many increases in global GPR originate from the Middle East region, reflecting strong regional characteristics. Balli et al. (2022) also find that countries with elevated GPR tend to cluster geographically, implying that capital flow spillovers are stronger among neighboring economies. As a result, when global GPR rises, the direction and magnitude of capital flow responses may differ substantially across countries. In contrast, when country-specific GPR increases in a particular economy, capital outflows are generally more likely as foreign investors reduce exposure to local risks. Domestic investors may either shift assets abroad (flight episodes) or repatriate funds to reduce external uncertainties (retrenchment episodes), but in both cases the responses reflect heightened domestic risk perceptions rather than global spillovers. These considerations highlight the importance of differentiating between global and country-specific sources of geopolitical risk when analyzing extreme capital flow dynamics.

Extreme capital flows can be driven by a wide range of economic, financial, and geopolitical factors. Forbes and Warnock (2012) consider global, contagion, and domestic factors as key determinants of extreme capital flow episodes. In particular, for global factors, they examine the Volatility Index (VXO) as a measure of financial uncertainty and find it significantly associated with extreme capital flow episodes. However, Forbes and Warnock (2021) show that after the 2008 global financial crisis (GFC), the drivers of these episodes appear to have changed: extreme capital flow episodes became less correlated with financial uncertainty and more correlated with changes in oil prices.

Building on this literature, we consider global and country-specific geopolitical risk as new sources that may drive extreme capital flow episodes. As an empirical motivation, Figure 1.2 shows that, particularly after the GFC, adverse geopolitical events—as measured by the country-specific GPR index (red solid line)—are historically associated with higher incidence rates of extreme capital flow episodes (blue spikes). Therefore, in Section 6, we further examine the explanatory power of geopolitical risk for these episodes in the post-crisis period.

Motivated by these considerations, in this paper, we empirically investigate the effects of global and country-specific geopolitical risks on extreme capital flow episodes. Using a large panel of 57 countries (30 AEs and 27 EMs) from 1986Q1 to 2023Q4, we find that global geopolitical risk does not significantly affect the probability of surge, flight, and retrenchment episodes, except for a weakly significant effect on stop episodes. Even when splitting the sample into AEs and EMs, the conclusions for EMs remain consistent with the full sample results, while increases in global geopolitical risk do not significantly affect changes in the four types of extreme capital flows in AEs. Although this finding for global GPR is inconsistent with previous literature, we believe it aligns with conventional wisdom, as global GPR predominantly occur in specific regions (rather than being truly global), resulting in weaker and more ambiguous effects on regions outside the risk zones. Consequently, investor behavior becomes divergent, and capital flow directions lack clear patterns.

However, when risks clearly originate from specific countries, capital flow directions may be traceable. For the full sample and AEs, country-specific geopolitical risk still does not significantly affect the four types of extreme capital flow episodes. However, for EMs, we find that country-specific geopolitical risk significantly affects all four types of extreme capital flow episodes. Specifically, higher country-specific geopolitical risk reduces the probability of surge episodes, while increasing the probability of stop, flight, and retrenchment episodes. This indicates that when host countries experience elevated geopolitical risks, foreign investors tend to adopt flight-to-safety strategies by reducing their exposure to local assets and redirecting funds to safer markets abroad. Domestic investors may either shift assets abroad or repatriate funds, reflecting their informational advantages regarding local investments and heightened domestic risk perceptions. Both behaviors represent forms of flight-to-safety.

We also examined whether the conclusions for EMs extend to specific types of capital flows: extreme direct investment (DI), banking flows (BK), debt flows (DE), and equity flows (EQ). This disaggregated approach enables us to identify which particular categories of extreme capital flows (DI, BK, DE, and EQ) serve as the principal drivers of the aggregate patterns. Through detailed compositional analysis, we uncover the distinctive financial flow patterns associated with each type of extreme capital flow episode. We demonstrate that BK constitute the primary driver of flight episodes, DI plays the dominant role in stop episodes, and retrenchment episodes are characterized by substantial contributions from BK, DE, and EQ in combination.

This study contributes to the literature in four main ways. First, we are the first to document that across many countries and using a long sample period, global GPR has little effect on the probability of the four types of extreme capital flow episodes, whether for the full sample, AEs, or EMs. Second, we show that country-specific GPR significantly affects the occurrence of extreme capital flow episodes in EMs. Our results suggest that when country-specific geopolitical risk is high, an EM is more likely to experience stop, flight, and retrenchment episodes, and less likely to experience surge episodes. Third, we investigate how different flow categories serve as transmission channels linking country-specific GPR to extreme capital flow episodes in EMs. Our analysis reveals that BK functions as the principal conduit for GPR's impact on flight episodes, DI serves as the dominant pathway for stop episodes, and retrenchment episodes emerge through multiple transmission channels involving BK, DE, and EQ. Fourth, in addition to oil prices and US EPU, country-specific GPR has also become one of the important drivers affecting extreme capital flow episodes in EMs after the GFC.

The remainder of this paper is organized as follows. Section 2 describes the dataset construction and econometric methodology. Section 3 presents the empirical results for global GPR, including subsample analyses for AEs and EMs and robustness checks. Section 4 presents the results for country-specific GPR. Section 5 examines transmission channels through flow-specific analyses. Section 6 investigates the role of country-specific GPR as a driver of extreme capital flow episodes in the post-GFC period. Section 7 provides concluding remarks.

2 Data and Empirical Framework

Our analysis covers 57 countries—30 AEs and 27 EMs—over the period 1986Q1 to 2023Q4. The dataset is constructed at a quarterly frequency, with the temporal coverage determined by the availability of gross capital flow data from the International Monetary Fund's International Financial Statistics (IFS).

2.1 Extreme Capital Flow Episodes

The dataset of extreme capital flow episodes is based on Forbes and Warnock (2012), which identifies sharp increases and decreases in gross capital inflows and outflows, both in aggregate and for four types of flows: direct investment, portfolio equity, portfolio debt, and bank/other flows. Unlike studies relying on net flows or regular capital movement measures, Forbes and Warnock (2012) separate foreign and domestic transactions and demonstrate that this approach provides richer insights into the occurrence, patterns, and drivers of extreme capital flow episodes.

We adopt this measure because geopolitical risks are inherently extreme in nature, allowing us to examine whether severe geopolitical events trigger extreme cross-border capital flow episodes. We update the dataset of Forbes and Warnock (2021), extending the sample period from 1986Q1–2018Q4 to 1986Q1–2023Q4. This extension enables us to incorporate the post-pandemic recovery and major recent geopolitical developments, including the Russia–Ukraine conflict in 2022 and the Israel–Gaza conflict in 2023.

We obtain the raw capital flow data from the IMF's Balance of Payments Statistics (BPM6). Specifically, we retrieve quarterly BPM6 flow data from the IMF's International Financial Statistics (IFS) database for the period 2019Q1–2023Q4. We then merge these data with the dataset of Forbes and Warnock (2021) to extend the sample through 2023Q4 and construct gross capital inflows and outflows for each country.

Following Forbes and Warnock (2012), we identify four types of extreme capital flow episodes based on sharp changes in gross flows by direction and investor type: (1) "surges," defined as sharp increases in gross capital inflows by foreign investors; (2) "stops," defined as sharp decreases in gross capital inflows by foreign investors; (3) "flight," referring to sharp increases in gross capital outflows by domestic investors; and (4) "retrenchment," referring to sharp decreases in gross capital outflows by domestic investors. This classification allows us to distinguish between inflow-driven and outflow-driven pressures while separating the behaviors of foreign and domestic investors.

To quantify this "sharpness," Forbes and Warnock (2012) propose three identification criteria. First, we calculate the four-quarter moving sum of gross capital inflows (or outflows), denoted by C_t, and then compute its year-over-year change, ΔC_t. The specific computation proceeds as follows:

$$C_t^{in} = \sum_{i=0}^{3} \text{Gross Inflow}_{t-i} \quad \text{or} \quad C_t^{out} = \sum_{i=0}^{3} \text{Gross Outflow}_{t-i} \quad \text{where } t = 1, 2, \cdots \tag{1}$$

$$\Delta C_t^{in} = C_t^{in} - C_{t-4}^{in} \quad \text{or} \quad \Delta C_t^{out} = C_t^{out} - C_{t-4}^{out} \quad \text{where } t = 5, 6, \cdots \tag{2}$$

Next, we compute the moving average and standard deviation of ΔC_t^{in} (or ΔC_t^{out}) using a five-year rolling window.

Using ΔC_t^{in} (or ΔC_t^{out}) together with the three identification criteria of Forbes and Warnock (2012), we detect four types of extreme capital flow episodes. A "surge" ("stop") episode is identified when: (1) ΔC_t^{in} rises (falls) more than one standard deviation above (below) its rolling average; (2) the episode continues until ΔC_t^{in} falls below (rises above) the one-standard-deviation threshold; and (3) during the episode, there is at least one quarter in which ΔC_t^{in} exceeds (falls below) the rolling average by at least two standard deviations. "Flight" and "retrenchment" episodes are defined analogously, except they are based on gross outflows ΔC_t^{out} instead of gross inflows.

2.2 Geopolitical Risk Measures

Geopolitical risk (GPR) refers to the threat, realization, or escalation of adverse events related to wars, terrorism, and political tensions among nations or governmental actors that disrupt stable international relations. This measure was developed by Caldara and Iacoviello (2022) using a textual analysis framework similar to that of Baker et al. (2016) for economic policy uncertainty. In particular, it is constructed as the monthly share of news articles referencing adverse geopolitical events relative to total articles, based on ten major newspapers from the United States (six), the United Kingdom (three), and Canada (one).

The GPR methodology classifies news into eight categories: (1) military threats, (2) peace threats, (3) military buildup, (4) nuclear threats, (5) terrorist threats, (6) beginning of war, (7) escalation of war, and (8) terrorist acts. Each category contains two sets of key terms: one set of topic words (e.g., "war," "nuclear") and another set consisting of either "threat" terms for categories (1)–(5) or "act" terms for categories (6)–(8). By distinguishing between threats and realized actions, Caldara and Iacoviello (2022) construct two sub-indices: the Geopolitical Threat Index (GPT), which captures increases in tensions and military preparations (categories 1–5), and the Geopolitical Acts Index (GPA), which captures the realization or escalation of adverse geopolitical events (categories 6–8).

All of the above indices represent global GPR. Caldara and Iacoviello (2022) also provide country-specific GPR, which is constructed by identifying news articles that mention both geopolitical terms and a particular country (or its major cities). This index captures how global geopolitical tensions translate into country-level vulnerability, focusing on episodes that are particularly relevant to specific economies.

All GPR indices are normalized to 100 over the 1985–2025 period to facilitate cross-country comparability. The GPR measure has two advantages. First, it is the most comprehensive text-based measure of international crises and geopolitical violence currently available. Second, given the sudden and unpredictable nature of such events, GPR can reasonably be treated as exogenous to extreme capital flow episodes (Feng et al., 2023). The raw GPR data are provided at monthly frequency; to maintain consistency with our other variables, we convert them to quarterly frequency using simple averaging.

2.3 Control Variables

Beyond using global GPR as a global explanatory variable and country-specific GPR as a domestic explanatory variable, we include control variables identical to those employed by Forbes and Warnock (2021) to ensure comparability across countries (see Table 2.1).

Global liquidity (annual growth in broad money aggregates across the U.S., U.K., the Euro Area, and Japan) and long-term interest rates (average government bond yields in the same four economies) are obtained from the IMF's International Financial Statistics (IFS) and CEIC. Global growth (annual changes in world output) is taken from Forbes and Warnock (2021) through 2018Q4 and extended to 2023Q4 using the IMF's World Economic Outlook (WEO) 2024. Oil prices (crude oil, dollars per barrel) are sourced from FRED.

The spillover indicator (regional contagion) follows Forbes and Warnock (2021) and equals one if another country in the same region experiences an episode. As a key country-level factor, real GDP growth data are also taken from Forbes and Warnock

(2021) until 2018Q4 and extended using CEIC thereafter.

For robustness, we additionally include domestic controls that may influence capital flows: nominal exchange rates against the U.S. dollar, monetary policy rates, consumer price inflation (CPI), equity market returns, and trade openness measures (Choi and Furceri, 2019; Choi et al., 2021, 2023), which are mainly sourced from CEIC. Finally, we incorporate the VIX index from the Chicago Board Options Exchange as an alternative measure of financial uncertainty and the U.S. Economic Policy Uncertainty (EPU) index from Baker et al. (2016) as a measure of economic uncertainty.

Table 2.1: Explanatory and Control Variables

Variable type	Variable	Source
Global Factors	Exp. Var: Global Geopolitical Risks	Caldara and Iacoviello (2022)
	Financial Uncertainty (VIX/VXO)	Chicago Board Options Exchange
	global money supply: liquidity	IMF, IFS and CEIC
	long-term gov. bonds in US, EU, Japan	IMF, IFS
	global growth	FW (2021) and World Economic Outlook 2024
	Robustness: (crude) oil prices	FRED
Contagion	geographic proximity	Calculated by Author
Domestic Factors	Exp. Var: Country-specific Gropolitical Risks	Caldara and Iacoviello (2022)
	Real GDP growth	FW (2021) and CEIC
	Robustness: nominal exchange rates against the USD	CEIC
	Robustness: policy interest rates	CEIC
	Robustness: CPI	CEIC
	Robustness: stock market indices	CEIC
	Robustness: trade openness	CEIC

Note: Definitions of variables follow Forbes and Warnock (2021).

2.4 Econometric Specification

To examine how global GPR and country-specific GPR affect the conditional probabilities of experiencing surge, stop, flight, or retrenchment episodes in a given quarter, we extend the empirical framework of Forbes and Warnock (2012) and estimate the following binary response models:

$$Prob\,(e_{it}=1) = F\left(\underbrace{\Phi_{t-1}^{Global}}_{\text{incl. } GPR_{t-1}} B_E + \Phi_{i,t-1}^{Contagion} B_C + \Phi_{i,t-1}^{Domestic} B_D\right) \tag{3}$$

for global GPR and

$$Prob\,(e_{it} = 1) = F\left(\Phi^{Global}_{t-1} B_E + \Phi^{Contagion}_{i,t-1} B_C + \underbrace{\Phi^{Domestic}_{i,t-1}}_{\text{incl. } CSGPR_{i,t-1}} B_D\right) \tag{4}$$

for country-specific GPR. In these models, GPR_{t-1} and $CSGPR_{i,t-1}$ denote lagged global GPR and country-specific GPR, respectively.

In this framework, e_{it} is a binary variable that takes the value of 1 when economy i experiences a surge, stop, flight, or retrenchment episode in quarter t, and 0 otherwise. Φ^{Global}_{t-1} is a vector of lagged global factors; $\Phi^{Contagion}_{i,t-1}$ is a vector of spillover variables, with a particular focus on geographical contiguity; and $\Phi^{Domestic}_{i,t-1}$ is a vector of additional country-level controls. All explanatory variables are lagged by one quarter to capture the predictive relationships for extreme episodes at time t (De Crescenzio and Lepers, 2024).

Following Forbes and Warnock (2012), given that extreme capital flow episodes occur sporadically (with zeros accounting for more than 80% of the sample), $F(\cdot)$ exhibits asymmetric properties consistent with rare-event models. Therefore, we estimate equations (3) and (4) using the complementary log-log (cloglog) specification, in which $F(\cdot)$ follows the cumulative distribution function of the extreme value distribution, $F(z) = 1 - \exp[-\exp(z)]$. We estimate equations (3) and (4) separately for each episode type using seemingly unrelated estimation to allow for cross-episode correlation in the residuals. Standard errors are clustered at the country level.

3 The Effects of Global Geopolitical Risk

In this section, we examine whether global geopolitical risk influences the occurrence of extreme capital flow episodes. While recent studies have documented that rising global geopolitical tensions affect the magnitude and composition of regular capital flows, the extent to which such global risk factors trigger discrete extreme episodes remains an open empirical question. We begin by evaluating the full-sample effects of global GPR on surge, stop, flight, and retrenchment episodes (Section 3.1), followed by subsample and robustness analyses to assess whether the impacts differ across advanced and emerging economies and under alternative specifications.

3.1 Global GPR: Full Sample Results

To assess the relationship between global GPR and the manifestation of surge, stop, flight, and retrenchment episodes, we applied equation (3) through a complementary log-log modeling approach. This analytical procedure includes corrections for inter-episode co-variances and utilizes robust standard errors with country-level clustering adjustments (Forbes and Warnock, 2012).

The results in Table 3.1 demonstrate that global GPR does not significantly affect the probability of surge, flight, and retrenchment episodes. Although it reduces the likelihood of stop episodes, this effect is statistically weak. Apart from global GPR, other global factors, such as financial uncertainty, yield effects consistent with the findings of Forbes and Warnock (2012, 2021): higher financial uncertainty increases the probability of sudden stops and retrenchment episodes while reducing the probability of surge and flight episodes.

Table 3.1: Baseline Results (Full Sample): Global GPR

	(1) Surge	(2) Stop	(3) Flight	(4) Retrenchment
Global GPR$_{t-1}$	-0.000686	-0.00228*	-0.000305	-0.000755
	(0.00151)	(0.000980)	(0.00127)	(0.000931)
Financial Uncertainty$_{t-1}$	-0.0365***	0.0288***	-0.0316***	0.0224***
	(0.00601)	(0.00505)	(0.00680)	(0.00476)
Liquidity$_{t-1}$	-0.0000492***	-0.0000572***	-0.0000446***	-0.0000557***
	(0.00000673)	(0.00000352)	(0.00000583)	(0.00000366)
Interest Rate$_{t-1}$	-0.156***	-0.183***	-0.0940**	-0.212***
	(0.0326)	(0.0244)	(0.0358)	(0.0315)
Global GDP Growth$_{t-1}$	0.131**	-0.115***	0.0220	-0.145***
	(0.0444)	(0.0294)	(0.0550)	(0.0396)
Surge Contagion$_{i,t-1}$	0.441***			
	(0.129)			
GDP growth$_{i,t-1}$	0.0284***	-0.0332*	0.00792	-0.0104
	(0.00727)	(0.0138)	(0.00808)	(0.0187)
Stop Contagion$_{i,t-1}$		0.442***		
		(0.127)		
Flight Contagion$_{i,t-1}$			0.386**	
			(0.128)	
Retrenchment Contagion$_{i,t-1}$				0.362***
				(0.106)
Observations	6551	6544	6555	6555

Note: The dependent variable is constructed as a dichotomous measure (ranging from 0 to 1) that captures whether a capital flow event occurs (including surges, stops, flights, or retrenchments). The estimation approach utilizes a complementary log-log (cloglog) modeling structure. Global GPR denotes worldwide geopolitical risk exposure. Financial volatility is quantified through annual percentage changes in the VIX index. Liquidity is derived from year-on-year expansion rates of broad monetary aggregates across four major economies: the United States, United Kingdom, eurozone, and Japan. Long-term interest rates are determined by averaging sovereign bond yields from the U.S., UK, eurozone, and Japan. Global GDP Growth is measured as the year-over-year change in global GDP growth. The spillover effect indicator is formulated as a dummy variable coded as unity when a nation within the identical geographical region encounters an episode. The GDP growth signifies the real gross domestic product expansion rate for individual countries. Robust standard errors are adjusted for country-level clustering. Statistical significance is denoted by *, **, and ***, corresponding to 5%, 1%, and 0.1% confidence levels, respectively.

In addition to financial uncertainty, our results for other global factors (such as global GDP growth), contagion factors, and local real GDP growth are consistent with those of Forbes and Warnock (2012, 2021). Our results for global long-term interest rates no longer exhibit counterintuitive patterns found in Forbes and Warnock (2021). Specifically, increased global long-term interest rates are associated with a significant reduction in the probability of occurrence for all four types of episodes. Higher liquidity significantly reduces the probability of all four types of episodes; this result is intuitive for stop, flight, and retrenchment episodes, but counterintuitive for surge episodes.

3.1.1 Gloabl GPR: Robustness Analysis

We conduct a series of sensitivity tests of the linkage between global GPR and extreme capital flow episodes, focusing on different time dimensions and estimation strategies, including additional control variables, using different measures for the control variables, employing alternative dependent variables, excluding outlying periods, and calculating the episodes using different estimation methods.

First, although GPR exhibits relatively weak correlations with other uncertainty indices (Wang et al., 2024), GPR itself may still share common uncertainty components with other economic uncertainty indicators. Therefore, to disentangle GPR from other uncertainty measures, we follow the specifications of Caldara and Iacoviello (2022) and Wang et al. (2024) by incorporating additional uncertainty measures into the regression equation. Here, we select US Economic Policy Uncertainty (EPU) as the additional control. The regression results are presented in Table A.1. After controlling for US EPU, the effects of increased global GPR on surge, flight, and retrenchment episodes remain insignificant, as in the baseline model in Table 3.1, and the weak significance for stop episodes also disappears once US EPU is accounted for.

Subsequently, following the specification of Forbes and Warnock (2021), we exclude local GDP growth to maximize the sample size. This operation increases the sample size by approximately 700 observations. As presented in Table A.2, the regression results do not exhibit substantial changes. Surge, stop, flight, and retrenchment episodes maintain their statistical insignificance, while stop episodes continue to indicate weak statistical significance. The effects of other factors likewise remain consistent with Table 3.1.

To ensure that the estimation results are not driven by dramatic fluctuations in global GPR during any specific period, we exclude intervals characterized by severe volatility in global geopolitical risk, namely from 2001Q3 to 2003Q4. During this period, due to events such as the 9/11 terrorist attacks and the Iraq War, global GPR surged dramatically from relatively low levels below 100 to approximately 500, representing short-term extreme volatility. As shown in Table A.3, the weak significance for stop episodes disappears, and all the four types of episode have no statistical significance.

In another set of sensitivity tests, we include additional control variables in the base regression to examine whether other factors (beyond uncertainty) affect the probability of experiencing a extreme capital flow episode. Following prior research examining determinants of capital flows by Choi and Furceri (2019) and Choi et al. (2021, 2023), we employ several country-level control variables: the nominal exchange rate against the USD, the policy interest rate, the inflation rate, stock market indices, and trade openness measured by the sum of exports and imports over GDP, all sourced from the CEIC database. After incorporating these additional control variables, the results remain consistent with the baseline findings. As shown in Table A.4, although the significance of the effect on stop episodes is improved, the impacts of increased global GPR on surge, flight, and retrenchment episodes remain statistically insignificant.

Following Forbes and Warnock (2012), we also estimate the baseline model using standard probit and logit estimations (instead of the cloglog approach). As shown in Tables A.5 and A.6, the estimation results from the two models demonstrate that increases in global GPR fail to significantly affect the probability of surge, stop, flight, and retrenchment episodes.

As a final series of sensitivity tests, we implement two supplementary global GPR measures from Caldara and Iacoviello (2022): the Geopolitical Threats index (GPT) and Geopolitical Acts index (GPA). The GPT index captures events including phrases related to threats and military buildups, while the GPA index can be understood as the realization or escalation of adverse events. We repeat the analyses in Table 3.1 by replacing global GPR with GPT and GPA and report the estimation results in Table A.7. The coefficient of GPA indicates that increases in GPA do not significantly affect the probability of the four types of extreme capital flow episodes. The results for GPT are consistent with those of global GPR: increases in GPT remain statistically insignificant for surge, flight, and retrenchment episodes, although the significance of the effect on stop episodes is improved.

3.2 Global GPR: Advanced vs. Emerging Economies

Volatile capital flows frequently occur in countries with weaker institutions and financial systems, particularly in emerging economies (Forbes and Warnock, 2021). Feng et al.

(2023) and Zehri et al. (2025) find that global GPR has asymmetric effects on countries with different income levels. Therefore, although global GPR does not exhibit significant effects on extreme capital flow episodes for the full sample, it may have differential effects depending on the level of development, which warrants further investigation. In this section, we split the sample into AEs and EMs to separately estimate the impact of global GPR on the four types of extreme capital flow episodes.

For AEs, the results in Table 3.2 indicate that increases in global GPR do not significantly affect the likelihood of surge, flight, or retrenchment episodes, consistent with the baseline results in Table 3.1. The weak significance observed for stop episodes in the baseline model also becomes insignificant in this subsample.

For EMs, Table 3.2 shows that while the effect on stop episodes becomes more statistically significant, the impacts of higher global GPR on surge, flight, and retrenchment episodes remain insignificant. Overall, the EM results are broadly consistent with the baseline findings in Table 3.1.

Table 3.2: Subsample Analysis of Global GPR: Advanced vs. Emerging Economies

	Advanced Economies				Emerging Economies			
	Surge	Stop	Flight	Retrenchment	Surge	Stop	Flight	Retrenchment
Global GPR$_{t-1}$	0.00132	−0.0000767	−0.00117	0.000646	−0.00385	−0.00545**	0.000670	−0.00394
	(0.00172)	(0.00104)	(0.00207)	(0.00103)	(0.00285)	(0.00173)	(0.00155)	(0.00206)
Financial Uncertainty$_{t-1}$	−0.0310***	0.0244***	−0.0301***	0.0276***	−0.0464***	0.0373***	−0.0369**	0.0194*
	(0.00581)	(0.00676)	(0.00768)	(0.00593)	(0.0113)	(0.00729)	(0.0115)	(0.00789)
Liquidity$_{t-1}$	−0.0000670***	−0.0000642***	−0.0000527***	−0.0000638***	−0.0000288**	−0.0000504***	−0.0000354***	−0.0000438***
	(0.00000846)	(0.00000512)	(0.00000841)	(0.00000460)	(0.00000994)	(0.00000482)	(0.00000793)	(0.00000569)
Interest Rate$_{t-1}$	−0.187***	−0.158***	−0.111*	−0.218***	−0.104*	−0.232***	−0.0555	−0.231***
	(0.0441)	(0.0281)	(0.0456)	(0.0358)	(0.0448)	(0.0442)	(0.0551)	(0.0621)
Global GDP Growth$_{t-1}$	0.131	−0.145**	0.0250	−0.147**	0.0946	−0.0530	−0.0224	−0.124*
	(0.0756)	(0.0454)	(0.0923)	(0.0482)	(0.0561)	(0.0352)	(0.0689)	(0.0584)
Surge Contagion$_{i,t-1}$	0.541**				0.386*			
	(0.171)				(0.186)			
GDP growth$_{i,t-1}$	0.0622***	−0.0516*	0.0538**	−0.0216	0.0229***	−0.0242	−0.00657	0.00433
	(0.0155)	(0.0223)	(0.0165)	(0.0219)	(0.00542)	(0.0187)	(0.0124)	(0.0194)
Stop Contagion$_{i,t-1}$		0.411**				0.454*		
		(0.148)				(0.213)		
Flight Contagion$_{i,t-1}$			0.513**				0.247	
			(0.171)				(0.177)	
Retrenchment Contagion$_{i,t-1}$				0.466***				0.181
				(0.137)				(0.175)
Observations	3652	3652	3652	3652	2899	2892	2903	2903

Note: Unless otherwise specified, the dependent variable, the estimation approach, and all other variables are as defined in Table 3.1. Columns 2-5 display findings for advanced economies, whereas columns 6-9 report those for emerging economies. Statistical significance is represented by *, **, and ***, denoting 5%, 1%, and 0.1% confidence levels, respectively.

A growing body of recent research has demonstrated that geopolitical risk significantly influences the level and composition of cross-border capital flows. Using aggregate capital-flow data, Feng et al. (2023) show that rising global geopolitical risk leads to substantial contractions in capital inflows to both advanced and emerging economies, with the magnitude of the response being considerably larger for emerging economies. Similarly, Zehri et al. (2025) document that global geopolitical tensions reshape debt, equity, and portfolio flows, and that emerging market economies experience markedly stronger sensitivities to geopolitical risk than advanced economies. These studies collectively indicate that global geopolitical risk is an important determinant of regular capital-flow dynamics.

In contrast to these findings, our results indicate that global geopolitical risk does not exert a consistent or robust influence on extreme capital flow episodes—such as surge, stop, flight, and retrenchment episodes—across either advanced or emerging economies. Although some specifications display weak significance for particular episode types, these effects do not form a coherent or persistent pattern. This contrast suggests that geopolitical risk may shape the variability of normal capital flows, yet appears insufficient to trigger the discrete and abrupt adjustments that characterize extreme capital flow episodes.

4 The Effects of Country-Specific Geopolitical Risk

As discussed in the previous section, increases in global GPR arising from distant countries may prompt investors to adopt divergent strategies. By contrast, when geopolitical risk can be clearly attributed to a specific country, the clarity of the risk source may induce more consistent responses among both domestic and foreign investors, such as flight-to-safety or flight-back-home behavior. Accordingly, in contrast to the global GPR examined in the earlier literature and in the previous section, this section investigates how increases in country-specific GPR influence the four types of extreme capital flow episodes in each country.

4.1 Country-Specific GPR: Full Sample Results

Similar to Section 3.1, our analysis is based on the full sample. The results in Table 4.1 show that increases in country-specific GPR do not have statistically significant effects on the four types of extreme capital flow episodes, a pattern similar to the findings for global GPR reported in Table 3.1. The results for financial uncertainty remain consistent with Forbes and Warnock (2012, 2021), and they also align with the estimates reported for global GPR in Table 3.1: higher financial uncertainty significantly reduces the probability of surge and flight episodes, while increasing the likelihood of stop and retrenchment episodes.

Other global factors—such as global liquidity, interest rates, and global GDP growth—also yield results consistent with those reported in Table 3.1. While surge and flight contagion effects are not statistically significant, stop and retrenchment contagion effects remain consistent with the findings in Table 3.1.

Table 4.1: Baseline Results (Full Sample): Country-specific GPR

	(1) Surge	(2) Stop	(3) Flight	(4) Retrenchment
Country-specific GPR$_{i,t-1}$	-0.0928	0.108	-0.0986	0.128
	(0.169)	(0.0584)	(0.134)	(0.0926)
Financial Uncertainty$_{t-1}$	-0.0442***	0.0251***	-0.0300***	0.0179***
	(0.00776)	(0.00572)	(0.00727)	(0.00485)
Liquidity$_{t-1}$	-0.0000493***	-0.0000615***	-0.0000469***	-0.0000566***
	(0.00000695)	(0.00000394)	(0.00000682)	(0.00000426)
Interest Rate$_{t-1}$	-0.129***	-0.184***	-0.0810	-0.186***
	(0.0320)	(0.0270)	(0.0432)	(0.0315)
Global GDP Growth$_{t-1}$	0.160*	-0.153***	0.0359	-0.195***
	(0.0626)	(0.0288)	(0.0717)	(0.0381)
Surge Contagion$_{i,t-1}$	0.287			
	(0.153)			
GDP growth$_{i,t-1}$	0.0221***	-0.0265	-0.00159	-0.00114
	(0.00432)	(0.0170)	(0.0106)	(0.0200)
Stop Contagion$_{i,t-1}$		0.483***		
		(0.145)		
Flight Contagion$_{i,t-1}$			0.267	
			(0.154)	
Retrenchment Contagion$_{i,t-1}$				0.373**
				(0.134)
Observations	4709	4702	4713	4713

Note: Country-specific GPR denotes geopolitical risk exposure for individual countries. Unless otherwise specified, the dependent variable, the estimation approach, and all other variables are as defined in Table 3.1. Statistical significance is denoted by *, **, and ***, corresponding to 5%, 1%, and 0.1% confidence levels, respectively.

4.1.1 Country-Specific GPR: Robustness Analysis

To demonstrate the robustness of the above results, we conducted the same robustness tests as those applied to global GPR. Table A.8 reports the estimates obtained when U.S. EPU is added to the regression model. Although the effect of country-specific GPR on stop episodes exhibits weak statistical significance, its effects on surge, flight, and retrenchment episodes remain statistically insignificant, which is largely consistent with the results in Table 4.1.

We next exclude local GDP growth, which increases sample size by approximately 300 observations. As presented in Table A.9, the results remain consistent with Table 4.1, indicating that increases in country-specific GPR do not cause statistically significant changes in the four types of extreme capital flow episodes.

We also exclude the period of dramatic global geopolitical risk fluctuations, namely 2001Q3-2003Q4. As shown in Table A.10, the regression results likewise remain consistent with Table 4.1.

We similarly incorporate five additional control variables (the nominal exchange rate against the USD, the policy interest rate, the inflation rate, stock market indices, and trade openness). After including these variables, the effects of country-specific GPR remain insignificant as shown in Table A.11.

Finally, we change the estimation method, using logit/probit to estimate the original model, and the results in Tables A.12 and A.13 demonstrate that the use of these two methods also fails to enhance the significance of the original model results. Therefore, we believe that the results in Table 4.1 are sufficiently robust, indicating that country-specific GPR in the full sample still cannot significantly affect the four types of extreme capital flow episodes.

4.2 Country-Specific GPR: Advanced vs. Emerging Economies

During our sample period from 1986 to 2023, most regional wars and conflicts occurred in emerging economies and their neighboring countries, rather than in advanced economies such as the United States, the United Kingdom, and France. Following the approach used for global GPR, we therefore split the sample into advanced and emerging economies to analyze how the effects of country-specific GPR on the four types of extreme capital flow episodes differ across income levels.

For advanced economies, the results in Table 4.2, columns (2) to (5), show that increases in country-specific GPR have no statistically significant effects on the four types of extreme capital flow episodes, while financial uncertainty remains significant. Both findings are in line with the results reported in the previous section.

In sharp contrast to the results for AEs, the estimates for EMs in columns (6) to (9) indicate that increases in country-specific GPR significantly reduce the probability of surge episodes and significantly increase the probability of stop episodes.

These results align with conventional wisdom. When geopolitical risk rises in an emerging economy, the probability of surge episodes decreases while the probability of stop episodes increases. Higher geopolitical risk leads to lower capital inflows as foreign investors adopt flight-to-safety strategies.

On the outflow side, increases in country-specific GPR significantly raise the likelihood of both flight and retrenchment episodes. The former reflects increased capital outflows associated with domestic investors' flight-abroad behavior, whereas the latter captures lower capital outflows associated with flight-back-home behavior. Although these two responses move capital in opposite directions, both reflect heightened risk aversion among domestic investors. The retrenchment effect is also consistent with Feng et al. (2023), who argue that some domestic investors reallocate portfolios toward domestic markets owing to informational advantages or familiarity considerations.

Table 4.2: Subsample Analysis of Country-Specific GPR: Advanced vs. Emerging Economies

	Advanced Economies				Emerging Economies			
	Surge	Stop	Flight	Retrenchment	Surge	Stop	Flight	Retrenchment
Country-specific $GPR_{i,t-1}$	0.0485 (0.120)	0.0629 (0.0412)	−0.145 (0.186)	−0.0211 (0.0348)	−0.812** (0.303)	0.534*** (0.102)	0.427* (0.177)	0.606*** (0.137)
Financial $Uncertainty_{t-1}$	−0.0292*** (0.00654)	0.0176* (0.00775)	−0.0349** (0.0113)	0.0258*** (0.00665)	−0.0604*** (0.0135)	0.0369*** (0.00787)	−0.0313** (0.00996)	0.0152 (0.00815)
$Liquidity_{t-1}$	−0.0000725*** (0.00000901)	−0.0000654*** (0.00000704)	−0.0000643*** (0.00000920)	−0.0000625*** (0.00000708)	−0.0000306*** (0.00000851)	−0.0000626*** (0.00000445)	−0.0000390*** (0.00000894)	−0.0000517*** (0.00000486)
Interest $Rate_{t-1}$	−0.164*** (0.0438)	−0.119*** (0.0240)	−0.107 (0.0604)	−0.155*** (0.0302)	−0.0997* (0.0428)	−0.281*** (0.0490)	−0.0504 (0.0541)	−0.259*** (0.0686)
Global GDP $Growth_{t-1}$	0.250** (0.0902)	−0.216*** (0.0504)	0.181 (0.134)	−0.253*** (0.0602)	0.114 (0.0802)	−0.0799** (0.0296)	−0.0289 (0.0741)	−0.163** (0.0616)
Surge $Contagion_{i,t-1}$	0.401* (0.189)				0.247 (0.225)			
GDP $growth_{i,t-1}$	−0.0111 (0.0264)	−0.0306 (0.0388)	−0.00273 (0.0275)	0.0288 (0.0477)	0.0224*** (0.00432)	−0.0304 (0.0195)	−0.0105 (0.0137)	0.00162 (0.0233)
Stop $Contagion_{i,t-1}$		0.553** (0.181)				0.417* (0.212)		
Flight $Contagion_{i,t-1}$			0.291 (0.200)				0.264 (0.210)	
Retrenchment $Contagion_{i,t-1}$				0.445* (0.185)				0.220 (0.193)
Observations	2318	2318	2318	2318	2391	2384	2395	2395

Note: Country-specific GPR denotes geopolitical risk exposure for individual countries. Unless otherwise specified, the dependent variable, the estimation approach, and all other variables are as defined in Table 3.1. Columns 2-5 display findings for advanced economies, whereas columns 6-9 report those for emerging economies. Statistical significance is represented by *, **, and ***, denoting 5%, 1%, and 0.1% confidence levels, respectively.

4.2.1 Country-Specific GPR: Robustness for EMs

To demonstrate the robustness of these emerging economies results, we implement the same robustness tests as for the full sample country-specific GPR.

As shown in Table A.14, adding U.S. EPU to the regression model, the regression results for EMs remain consistent with Table 4.2.

We next exclude local GDP growth to increase sample size. As shown in Table A.15, although the significance of the effect on surge episodes increases and the significance of the effect on flight episodes decreases, both results remain consistent with Table 4.2.

We also exclude high-volatility periods in global GPR (Table A.16). Although the surge effect becomes more pronounced, the results remain broadly consistent with Table 4.2.

We similarly incorporate five additional control variables (the nominal exchange rate against the USD, the policy interest rate, the inflation rate, stock market indices, and trade openness). After including these variables, the sample size decreases by 700. Although the significance of surge effect weakens, the surge effect increases in magnitude (Table A.17). The main results do not change in this case as well.

Finally, we change the estimation method, using logit/probit to estimate the original model. In the logit model case (Table A.19), the sizes of coefficients of coutry-specific GPR on the four episodes are smaller than those in Table 4.2. In the probit model case (Table A.18), the sizes of coefficients of coutry-specific GPR on the four episodes are larger than those in Table 4.2. Although the significance of stop effect is weaker in the logit case and that of retrenchment effect is weaker, the main results remain consistent with Table 4.2.

Overall, our findings on the effects of country-specific GPR across the four episodes in EMs are robust to various robustness checks.

5 Transmission Mechanisms behind Extreme Capital Flow Episodes

Extreme capital flow episodes are driven by heterogeneous types of cross-border flows, and the effects of geopolitical risk may vary depending on the underlying flow category.

Building on the aggregate evidence presented in Section 4, this section investigates the transmission mechanisms behind these episodes by decomposing them into four major flow types: direct investment (DI), banking (BK), debt (DE), and equity (EQ). We first examine how country-specific geopolitical risk influences each flow type during extreme episodes in emerging economies (Section 5.1), and then explore additional channel evidence and robustness implications (Section 5.2). This analysis enables us to identify which flow types serve as the key conduits of geopolitical risk in shaping extreme capital flow dynamics.

5.1 Flow-Type Decomposition of the Effects of Country-Specific GPR on Extreme Capital Flow Episodes in EMs

Studies such as Feng et al. (2023) and Zehri et al. (2025) suggest that different types of capital flows — rather than the occurrence of extreme capital flow episodes — respond differently to geopolitical risk. Accordingly, we examine whether our results for extreme capital flow episodes—surge, stop, flight, and retrenchment—hold for each major capital flow type (banking, direct investment, debt, and equity) in emerging economies. This allows us to identify which types primarily drive the aggregate effects. Table 5.1 presents the effects of country-specific GPR on each type of capital flow, with Table 5.1a reporting direct investment and banking flows and Table 5.1b reporting debt and equity flows.

Table 5.1: Flow-Type Decomposition of the Effects of Country-Specific GPR on Extreme Capital Flow Episodes

(a) Direct Investment and Banking Flows: Episode-Level Effects of Country-Specific GPR (DI, BK)

	(1) Surge_epiDI	(2) Stop_epiDI	(3) Flight_epiDI	(4) Retrenchment_epiDI	(5) Surge_epiBK	(6) Stop_epiBK	(7) Flight_epiBK	(8) Retrenchment_epiBK
Country-specific GPR$_{i,t-1}$	-0.126	0.734***	0.215	0.204	-0.169	-0.185	0.622***	0.414***
	(0.418)	(0.146)	(0.135)	(0.310)	(0.259)	(0.262)	(0.162)	(0.0993)
Financial Uncertainty$_{t-1}$	-0.0205**	0.00270	-0.0249*	0.0173*	-0.0393**	0.0171*	-0.0114	0.0156
	(0.00748)	(0.00917)	(0.0116)	(0.00731)	(0.0136)	(0.00783)	(0.0133)	(0.00937)
Liquidity$_{t-1}$	-0.0000552***	-0.0000523***	-0.0000479***	-0.0000605***	-0.0000539***	-0.0000490***	-0.0000482***	-0.0000445***
	(0.00000657)	(0.00000697)	(0.00000657)	(0.00000529)	(0.00000994)	(0.00000477)	(0.00000982)	(0.00000589)
Interest Rate$_{t-1}$	-0.156***	-0.151*	-0.138***	-0.241***	-0.207**	-0.156**	-0.174**	-0.252***
	(0.0375)	(0.0627)	(0.0370)	(0.0599)	(0.0771)	(0.0532)	(0.0641)	(0.0574)
Global GDP Growth$_{t-1}$	0.202***	-0.230***	0.112*	-0.103*	0.213**	-0.164***	-0.0212	-0.0936*
	(0.0456)	(0.0430)	(0.0473)	(0.0434)	(0.0816)	(0.0309)	(0.0703)	(0.0416)
Surge Contagion$_{i,t-1}$	0.375*				0.446**			
	(0.161)				(0.164)			
GDP growth$_{i,t-1}$	0.0169***	0.00597	0.00853	-0.0217	0.0119	-0.0268	0.00499	-0.0151
	(0.00426)	(0.0107)	(0.00784)	(0.0205)	(0.00879)	(0.0203)	(0.0110)	(0.0103)
Stop Contagion$_{i,t-1}$		0.392*				0.0995		
		(0.182)				(0.128)		
Flight Contagion$_{i,t-1}$			0.412*				0.0691	
			(0.174)				(0.203)	
Retrenchment Contagion$_{i,t-1}$				0.442*				-0.0136
				(0.180)				(0.153)
Observations	2395	2395	2403	2403	2383	2377	2395	2395

(b) Debt and Equity Flows: Episode-Level Effects of Country-Specific GPR (DE, EQ)

	(1) Surge_epiDE	(2) Stop_epiDE	(3) Flight_epiDE	(4) Retrenchment_epiDE	(5) Surge_epiEQ	(6) Stop_epiEQ	(7) Flight_epiEQ	(8) Retrenchment_epiEQ
Country-specific GPR$_{i,t-1}$	-0.150	-0.209	0.276	0.453***	-0.392	-0.611*	0.190	0.454**
	(0.524)	(0.358)	(0.232)	(0.128)	(0.343)	(0.311)	(0.173)	(0.163)
Financial Uncertainty$_{t-1}$	-0.0467***	0.0165	-0.0322*	-0.00109	-0.0538***	0.00730	-0.0133	0.0353***
	(0.0141)	(0.0117)	(0.0152)	(0.00921)	(0.0126)	(0.0110)	(0.00909)	(0.00968)
Liquidity$_{t-1}$	-0.0000278**	-0.0000485***	-0.0000363**	-0.0000443***	-0.0000175**	-0.0000555***	-0.0000300***	-0.0000507***
	(0.00000860)	(0.00000571)	(0.0000117)	(0.00000602)	(0.00000599)	(0.00000648)	(0.00000644)	(0.00000640)
Interest Rate$_{t-1}$	0.0280	-0.311***	-0.0393	-0.165***	0.0805	-0.169**	-0.161*	-0.485***
	(0.0627)	(0.0725)	(0.0600)	(0.0483)	(0.0639)	(0.0524)	(0.0702)	(0.0655)
Global GDP Growth$_{t-1}$	-0.169**	0.0406	-0.0140	-0.143***	-0.148**	0.00408	-0.0842*	0.0390
	(0.0632)	(0.0506)	(0.0807)	(0.0344)	(0.0556)	(0.0749)	(0.0419)	(0.0367)
Surge Contagion$_{i,t-1}$	0.111				-0.473***			
	(0.159)				(0.140)			
GDP growth$_{i,t-1}$	0.0281*	-0.0184	-0.00521	0.0162*	0.0212***	-0.0304	0.00695	0.00277
	(0.0110)	(0.0160)	(0.0103)	(0.00804)	(0.00374)	(0.0197)	(0.00763)	(0.0149)
Stop Contagion$_{i,t-1}$		0.142				0.0884		
		(0.174)				(0.149)		
Flight Contagion$_{i,t-1}$			-0.0253				0.168	
			(0.188)				(0.213)	
Retrenchment Contagion$_{i,t-1}$				0.131				-0.0256
				(0.188)				(0.168)
Observations	2358	2358	2210	2210	2318	2318	2260	2260

Note: The dependent variable equals 1 if a surge, stop, flight, or retrenchment episode occurs for a given flow type. Table 5.1a reports the results for foreign direct investment ((1)–(4)) and banking flows ((5)–(8)), while Table 5.1b reports those for debt ((1)–(4)) and equity flows ((5)–(8)). Unless otherwise specified, the estimation approach, and all other variables are as defined in Table 4.1. Statistical significance is represented by *, **, and *** , corresponding to 5%, 1%, and 0.1% confidence thresholds, respectively.

Table 5.1a shows that in emerging economies, higher country-specific geopolitical risk is associated with a greater likelihood of stop episodes in direct investment (DI) flows and with higher probabilities of flight and retrenchment episodes in banking (BK) flows. These findings are consistent with the aggregate results reported in Table 4.2, suggesting that DI flows mainly contribute to the aggregate effects for stop episodes, while BK flows primarily drive those for flight and retrenchment episodes. The increased probability of stop episodes in DI — indicating sharper declines in direct investment inflows — is in line with Wang et al. (2024) and Caldara and Iacoviello (2022), who document that geopolitical risk reduces corporate investment and private fixed investment.

Table 5.1b shows that in emerging economies, higher country-specific geopolitical risk increases the likelihood of retrenchment episodes in both debt (DE) and equity (EQ) flows. This pattern aligns with the aggregate results in Table 4.2, indicating that DE and EQ flows are the main channels through which geopolitical risk intensifies retrenchment episodes in aggregate capital flows. Although higher geopolitical risk appears to reduce the likelihood of stop episodes in equity flows, the statistical support is limited and the result does not survive robustness checks conducted in the next section.

Overall, the flow-type decomposition analysis suggests that the channels through which country-specific geopolitical risk influences extreme capital flow episodes are highly heterogeneous across flow categories in emerging economies. Specifically, stop episodes are primarily driven by direct investment (DI) flows, while flight episodes are mainly driven by banking (BK) flows. Retrenchment episodes reflect a broader transmission mechanism, operating simultaneously through banking (BK), debt (DE), and equity (EQ) flows. These findings indicate that DI, BK, DE, and EQ flows each play distinct roles in shaping the aggregate patterns of extreme capital flow episodes observed in response to heightened geopolitical risk.

5.2 Robustness Checks for Transmission Mechanisms

To assess the robustness of these results, we performed robustness checks following the approach used in Sections 4.1 and 4.2.

Table A.20 shows that, after controlling for U.S. EPU, the results for DI, BK, and DE flows remain robust. Regarding EQ flows, the effect on retrenchment remain robust, while that on stop loses statistical significance.

Table A.21 indicates that removing domestic GDP growth from the control set — which increases the sample size by roughly 300 observations — leaves our main findings largely unchanged relative to Table 5.1. For equity flows, although the significance of the effect on retrenchment episodes weakens, it remains statistically significant.

Table A.22 shows that excluding the high volatility period periods in global GPR (2001Q3-2003Q4) leaves our main findings largely unchanged relative to Table 5.1. The effect of country-specific GPR on stop episodes in EQ loses statistical significance.

We incorporate five additional control variables, which reduces the sample size by 700. Table A.23 indicates that the effect on stop episodes in DI remains robust, whereas the effect on retrenchment episodes in BK loses statistical significance, and the significance of the retrenchment effects in DE and EQ weakens. This outcome is likely related to the substantial reduction in the sample size.

We change the estimation method, using logit/probit to estimate the original model. In the probit model case (Table A.24), the sizes of coefficients of coutry-specific GPR on stop episodes in DI, flight and retrenchment episodes in BK are smaller than those in Table 5.1. In contrast, in the logit model case (Table A.25), the sizes of the above coefficients are larger than those in Table 5.1. Although the significance of retrenchment effects in DE and EQ is weaker, the main results remain consistent with Table 5.1.

In summary, we confirm that our main results in the previous section are robust. In addition, the counter-intuitive result — higher geopolitical risk reduces the likelihood of stop episodes in EQ flows — does not survive robustness checks.

6 Changes in the Drivers of Extreme Capital Flow Episodes after the GFC

Research by Forbes and Warnock (2021), Avdjiev et al. (2020), and Friedrich and Guérin (2020) collectively suggests that the determinants of extreme capital flow episodes have changed since the Global Financial Crisis (GFC). In particular, Forbes and Warnock (2021) report that the relationship between extreme capital flow episodes and financial uncertainty has weakened, whereas oil prices have become a more influential factor. Higher oil prices are associated with increased probabilities of surge and flight episodes, and reduced probabilities of stop and retrenchment episodes.

Do the effects of higher country-specific GPR on extreme capital flow episodes differ depending on whether they occur before or after the GFC? Has country-specific GPR become a more important determinant of extreme capital flow episodes in the post-GFC era, as suggested by Figure 1.2?

This section examines whether the role of country-specific geopolitical risk in driving extreme capital flow episodes in emerging economies has changed since the GFC. Section 6.1 compares estimation results for emerging economies between the pre- and post-crisis periods. Section 6.2 then adds oil prices to the post-crisis specification to assess robustness with respect to commodity price dynamics. Finally, Section 6.3 further incorporates U.S. economic policy uncertainty (EPU) to confirm that our findings for emerging economies are not driven by broader global uncertainty conditions.

6.1 Effects of Country-Specific GPR Before and After the GFC in EMs

We first estimate separate regressions for the pre-GFC and post-GFC periods. Tables 6.1a and 6.1b show that financial uncertainty is statistically significant for two episode types (surge and flight) in the pre-crisis period, whereas it becomes insignificant for all four episode types in the post-crisis period. The weakened influence of financial uncertainty in the post-crisis period is consistent with the evidence in Forbes and Warnock (2021), who document that financial uncertainty became less important in driving extreme capital flow episodes after the GFC. By contrast, country-specific GPR is significant only for retrenchment episodes before the crisis, but becomes significant for two episode types (stop and retrenchment) after the crisis. Overall, our findings indicate that the relative importance of country-specific GPR has increased in the post-GFC era, whereas the influence of financial uncertainty has weakened.

6.2 Including Oil Prices in the Post-GFC Analysis

As mentioned above, Forbes and Warnock (2021) show that oil prices have become a more influential factor for extreme capital flow episodes after the GFC. In line with the conclusion of Forbes and Warnock (2021), we additionally control for oil prices. The results in Table 6.2 show that, after controlling for oil prices, the coefficients on country-specific GPR become larger in magnitude, with significance levels consistent with those reported in Table 6.1b. Financial uncertainty remains insignificant across all episode types. The es-

Table 6.1: Effects of Country-Specific Geopolitical Risk Before and After the GFC (Emerging Economies)

(a) Pre-GFC

	(1) Surge	(2) Stop	(3) Flight	(4) Retrenchment
Country-specific $GPR_{i,t-1}$	-0.400	0.00681	0.711	1.058**
	(0.993)	(1.117)	(0.562)	(0.384)
Financial $Uncertainty_{t-1}$	-0.0922***	0.0128	-0.0484***	0.00347
	(0.0251)	(0.0221)	(0.0126)	(0.0185)
$Liquidity_{t-1}$	-0.0000448	-0.000104***	-0.0000131	-0.0000800**
	(0.0000290)	(0.0000243)	(0.0000299)	(0.0000252)
Interest $Rate_{t-1}$	-0.0208	-0.167*	-0.0719	-0.176*
	(0.0667)	(0.0805)	(0.0629)	(0.0840)
Global GDP $Growth_{t-1}$	0.263	0.108	0.0202	-0.115
	(0.160)	(0.149)	(0.144)	(0.199)
Surge $Contagion_{i,t-1}$	0.200			
	(0.436)			
GDP $growth_{i,t-1}$	0.0166***	-0.0776***	-0.0130	0.00748
	(0.00278)	(0.0211)	(0.0102)	(0.0184)
Stop $Contagion_{i,t-1}$		0.635*		
		(0.252)		
Flight $Contagion_{i,t-1}$			0.132	
			(0.308)	
Retrenchment $Contagion_{i,t-1}$				-0.0123
				(0.291)
Observations	1067	1060	1071	1071

(b) Post-GFC

	(1) Surge	(2) Stop	(3) Flight	(4) Retrenchment
Country-specific $GPR_{i,t-1}$	-1.104	0.594***	0.301	0.530***
	(0.757)	(0.0824)	(0.165)	(0.138)
Financial $Uncertainty_{t-1}$	0.0116	0.00967	-0.00485	-0.0128
	(0.0215)	(0.0252)	(0.0301)	(0.0285)
$Liquidity_{t-1}$	-0.0000310*	-0.0000547***	-0.0000159	-0.0000478***
	(0.0000149)	(0.00000902)	(0.0000178)	(0.00000844)
Interest $Rate_{t-1}$	-1.080***	-0.148	-1.312**	-0.298
	(0.307)	(0.207)	(0.432)	(0.310)
Global GDP $Growth_{t-1}$	0.0674	-0.00405	-0.00499	-0.0521
	(0.0790)	(0.0596)	(0.0963)	(0.0990)
Surge $Contagion_{i,t-1}$	0.115			
	(0.222)			
GDP $growth_{i,t-1}$	0.0661*	-0.0333	-0.00408	-0.0331
	(0.0290)	(0.0374)	(0.0372)	(0.0360)
Stop $Contagion_{i,t-1}$		0.180		
		(0.383)		
Flight $Contagion_{i,t-1}$			-0.103	
			(0.281)	
Retrenchment $Contagion_{i,t-1}$				0.619
				(0.338)
Observations	1156	1156	1156	1156

Note: Unless otherwise specified, the estimation approach, and all other variables are as defined in Table 4.2. Statistical significance is represented by *, **, and *** , corresponding to 5%, 1%, and 0.1% confidence thresholds, respectively.

timated effects of oil prices are also consistent with Forbes and Warnock (2021): higher oil prices are associated with more surge and flight episodes, and fewer stop and retrenchment episodes, although the effect on retrenchment is not statistically significant.

6.3 Robustness: Including U.S. EPU in the Post-GFC Analysis

In addition to oil prices, we further include U.S. EPU in the regression specifications to check the robustness of our results. Table A.26 shows that, after controlling for oil prices and U.S. EPU, the estimated effects of oil prices remain consistent with Forbes and Warnock (2021). The estimated effects of country-specific GPR are similar to those reported in Table 6.1b, although the significance of the effect on retrenchment episodes weakens. Although the effect of financial uncertainty on stop episodes becomes significant, its effects on the other three episode types remain insignificant. Overall, these results suggest that, after the GFC, in addition to oil prices, country-specific GPR has also become an important factor associated with extreme capital flow episodes in emerging economies.

Table 6.2: Including Oil Prices in the Post-GFC Regressions

	(1) Surge	(2) Stop	(3) Flight	(4) Retrenchment
Country-specific GPR$_{i,t-1}$	-1.142	0.776***	0.221	0.580***
	(0.703)	(0.121)	(0.126)	(0.145)
Financial Uncertainty$_{t-1}$	0.00834	0.00466	0.00380	-0.0157
	(0.0236)	(0.0247)	(0.0328)	(0.0287)
Oil Price$_{t-1}$	0.0243***	-0.0174*	0.0246***	-0.00491
	(0.00468)	(0.00727)	(0.00434)	(0.00765)
Liquidity$_{t-1}$	-0.0000215	-0.0000601***	-0.0000135	-0.0000483***
	(0.0000128)	(0.00000971)	(0.0000177)	(0.00000845)
Interest Rate$_{t-1}$	-0.883***	0.0296	-1.101***	-0.262
	(0.243)	(0.254)	(0.330)	(0.345)
Global GDP Growth$_{t-1}$	-0.181**	0.0490	-0.220**	-0.0333
	(0.0556)	(0.0687)	(0.0677)	(0.109)
Surge Contagion$_{i,t-1}$	-0.301			
	(0.234)			
GDP growth$_{i,t-1}$	0.0494*	-0.0280	-0.00692	-0.0314
	(0.0252)	(0.0388)	(0.0340)	(0.0359)
Stop Contagion$_{i,t-1}$		-0.0684		
		(0.356)		
Flight Contagion$_{i,t-1}$			-0.586	
			(0.304)	
Retrenchment Contagion$_{i,t-1}$				0.579
				(0.340)
Observations	1156	1156	1156	1156

Note: Oil prices are measured as the year-over-year percentage change in oil prices. Unless otherwise specified, the estimation approach, and all other variables are as defined in Table 4.2. Statistical significance is denoted by *, **, and ***, corresponding to 5%, 1%, and 0.1% confidence levels, respectively.

7 Conclusion

We use a panel of 57 major economies from 1986Q1 to 2023Q4 to quantify the relationship between geopolitical tensions and extreme capital flow episodes. Using these data, we documented that global geopolitical risks have no significant effect on the occurrence of extreme capital flow episodes for advanced economies and only a weak effect for emerging economies. Notably, our findings on global geopolitical risks differ from previous studies that examined the effect of global geopolitical risks on "regular" (not extreme) capital flows (e.g., Feng et al., 2023; Zehri et al., 2025).

Recent studies using conventional capital-flow measures, such as Feng et al. (2023)

and Zehri et al. (2025), show that global geopolitical risk exerts a pronounced and robust influence on the levels and composition of international capital flows, with emerging economies generally exhibiting stronger responses than advanced economies. In contrast, our findings reveal a markedly different pattern for extreme capital flow episodes. Although we observe occasional marginal significance for certain episode types in some specifications, the overall evidence indicates that global geopolitical risk fails to exhibit a stable or systematically significant effect on the likelihood of surge, stop, flight, or retrenchment episodes in either advanced or emerging economies. This divergence suggests that the determinants of extreme capital flow episodes differ fundamentally from those governing regular capital-flow fluctuations, implying that geopolitical risk—despite its relevance for explaining variation in regular flows—plays a more limited role in precipitating the discrete and abrupt adjustments that characterize extreme capital flow episodes.

Country-specific geopolitical risks show no significant influence on advanced economies but exert a strong impact on emerging economies. In emerging economies, elevated country-specific GPR increases stop episodes while reducing surge episodes—reflecting lower capital inflows as foreign investors shift toward safer assets abroad. On the outflow side, country-specific GPR increases both flight and retrenchment episodes. While the former captures heightened capital outflows driven by domestic investors' flight-abroad behavior, the latter reflects a flight-back-home response in which investors repatriate funds to mitigate external risk exposure. Despite moving capital in opposite directions, both responses indicate heightened risk aversion among domestic investors. The retrenchment effect is also consistent with Feng et al. (2023), who argue that domestic investors may reallocate portfolios toward domestic markets owing to informational advantages or familiarity considerations.

Regarding the composition of extreme capital flow episodes, our analysis reveals that flight episodes are primarily driven by banking flows, stop episodes by direct investment flows, and retrenchment episodes by a combination of banking, debt, and equity flows. Our post-2008 analysis reveals that country-specific geopolitical risk has emerged as a significant determinant of extreme capital flow episodes in emerging economies, complementing the established roles of oil prices.

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A Tables for Robustness Tests

Table A.1: Robustness Test: The Effects of Global GPR considering US EPU

	(1) Surge	(2) Stop	(3) Flight	(4) Retrenchment
Global GPR$_{t-1}$	-0.000757	-0.00103	-0.000522	0.000424
	(0.00149)	(0.00110)	(0.00123)	(0.00103)
US EPU$_{t-1}$	0.00176	-0.00805***	0.00276	-0.00672***
	(0.00179)	(0.00114)	(0.00150)	(0.00111)
Financial Uncertainty$_{t-1}$	-0.0405***	0.0391***	-0.0374***	0.0310***
	(0.00741)	(0.00554)	(0.00748)	(0.00511)
Liquidity$_{t-1}$	-0.0000547***	-0.0000288***	-0.0000533***	-0.0000326***
	(0.00000627)	(0.00000558)	(0.00000716)	(0.00000534)
Interest Rate$_{t-1}$	-0.163***	-0.141***	-0.107**	-0.182***
	(0.0312)	(0.0268)	(0.0347)	(0.0337)
Global GDP Growth$_{t-1}$	0.146***	-0.189***	0.0478	-0.209***
	(0.0368)	(0.0325)	(0.0534)	(0.0436)
Surge Contagion$_{i,t-1}$	0.449***			
	(0.130)			
GDP growth$_{i,t-1}$	0.0282***	-0.0419**	0.00822	-0.0149
	(0.00726)	(0.0134)	(0.00802)	(0.0195)
Stop Contagion$_{i,t-1}$		0.344**		
		(0.133)		
Flight Contagion$_{i,t-1}$			0.400**	
			(0.128)	
Retrenchment Contagion$_{i,t-1}$				0.312**
				(0.104)
Observations	6551	6544	6555	6555

Note: This table reports the results from robustness checks including U.S. EPU. Unless otherwise specified, the dependent variable, the estimation approach, and all other variables are as defined in Table 3.1. U.S. EPU denotes the degree of Economic Policy Uncertainty in the United States. Statistical significance is denoted by $\{*\}$, $\{**\}$, and $\{***\}$, corresponding to 5%, 1%, and 0.1% confidence levels, respectively.

Table A.2: Robustness Test: The Effects of Global GPR excluding GDP growth

	(1) Surge	(2) Stop	(3) Flight	(4) Retrenchment
Global GPR$_{t-1}$	-0.000458	-0.00249*	-0.000597	-0.000592
	(0.00146)	(0.000988)	(0.00122)	(0.000903)
Financial Uncertainty$_{t-1}$	-0.0391***	0.0252***	-0.0284***	0.0205***
	(0.00579)	(0.00488)	(0.00624)	(0.00417)
Liquidity$_{t-1}$	-0.0000496***	-0.0000537***	-0.0000453***	-0.0000549***
	(0.00000648)	(0.00000357)	(0.00000534)	(0.00000356)
Interest Rate$_{t-1}$	-0.144***	-0.179***	-0.107**	-0.198***
	(0.0314)	(0.0224)	(0.0329)	(0.0257)
Global GDP Growth$_{t-1}$	0.161***	-0.165***	0.0320	-0.164***
	(0.0468)	(0.0206)	(0.0489)	(0.0238)
Surge Contagion$_{i,t-1}$	0.473***			
	(0.129)			
Stop Contagion$_{i,t-1}$		0.427***		
		(0.114)		
Flight Contagion$_{i,t-1}$			0.406***	
			(0.122)	
Retrenchment Contagion$_{i,t-1}$				0.320**
				(0.108)
Observations	7212	7205	7216	7216

Note: This table reports the results from robustness checks that exclude local GDP growth from the set of control variables. Unless otherwise specified, the dependent variable, the estimation approach, and all other variables are as defined in Table 3.1. GDP growth that denotes the real gross domestic product expansion rate for individual countries is excluded in Table A.2. Statistical significance is denoted by $\{*\}$, $\{**\}$, and $\{***\}$, corresponding to 5%, 1%, and 0.1% confidence levels, respectively.

Table A.3: Robustness Test: The Effects of Global GPR excluding high volatility period

	(1) Surge	(2) Stop	(3) Flight	(4) Retrenchment
Global GPR$_{t-1}$	-0.000737	0.00217	0.000881	0.00287
	(0.00247)	(0.00188)	(0.00175)	(0.00186)
Financial Uncertainty$_{t-1}$	-0.0376***	0.0372***	-0.0290***	0.0308***
	(0.00695)	(0.00533)	(0.00788)	(0.00488)
Liquidity$_{t-1}$	-0.0000476***	-0.0000694***	-0.0000472***	-0.0000659***
	(0.00000899)	(0.00000519)	(0.00000685)	(0.00000503)
Interest Rate$_{t-1}$	-0.144***	-0.256***	-0.105**	-0.277***
	(0.0346)	(0.0360)	(0.0393)	(0.0412)
Global GDP Growth$_{t-1}$	0.120**	-0.109***	0.00798	-0.132**
	(0.0449)	(0.0281)	(0.0541)	(0.0404)
Surge Contagion$_{i,t-1}$	0.409**			
	(0.134)			
GDP growth$_{i,t-1}$	0.0284***	-0.0289*	0.0103	-0.00901
	(0.00751)	(0.0134)	(0.00826)	(0.0209)
Stop Contagion$_{i,t-1}$		0.458***		
		(0.131)		
Flight Contagion$_{i,t-1}$			0.372**	
			(0.130)	
Retrenchment Contagion$_{i,t-1}$				0.334**
				(0.111)
Observations	6077	6070	6081	6081

Note: This table reports the results from robustness checks that exclude high-volatility periods in global GPR (221Q3-2003Q4). Unless otherwise specified, the dependent variable, the estimation approach, and all other variables are as defined in Table 3.1. The high volatility period from 2001Q3 to 2003Q4 is excluded from the sample period. Statistical significance is denoted by $\{*\}$, $\{**\}$, and $\{***\}$, corresponding to 5%, 1%, and 0.1% confidence levels, respectively.

Table A.4: Robustness Test: The Effects of Global GPR including more country-level control variables

	(1) Surge	(2) Stop	(3) Flight	(4) Retrenchment
Global GPR$_{t-1}$	-0.00142	-0.00298**	-0.00129	-0.00133
	(0.00188)	(0.00104)	(0.00191)	(0.000994)
Financial Uncertainty$_{t-1}$	-0.0390***	0.0377***	-0.0493***	0.0382***
	(0.00746)	(0.00475)	(0.0111)	(0.00481)
Liquidity$_{t-1}$	-0.0000440***	-0.0000583***	-0.0000340***	-0.0000631***
	(0.00000816)	(0.00000485)	(0.00000768)	(0.00000474)
Interest Rate$_{t-1}$	-0.126**	-0.188***	-0.0712	-0.271***
	(0.0449)	(0.0383)	(0.0606)	(0.0553)
Global GDP Growth$_{t-1}$	0.0617	-0.0946**	-0.0173	-0.0552
	(0.0608)	(0.0310)	(0.0744)	(0.0394)
Surge Contagion$_{i,t-1}$	0.622***			
	(0.147)			
GDP growth$_{i,t-1}$	0.0682***	-0.0249	0.00946	-0.0368*
	(0.0180)	(0.0168)	(0.0246)	(0.0159)
L.exrate	-0.00000914	0.0000225	0.0000231	0.0000150
	(0.0000410)	(0.0000176)	(0.0000209)	(0.0000332)
L.policyrate	-0.00933	-0.0133	0.000751	-0.0467***
	(0.0216)	(0.0126)	(0.0156)	(0.0103)
L.cpi	0.00344	0.0267	-0.00240	0.0377***
	(0.0178)	(0.0143)	(0.0160)	(0.0108)
L.equityindex	-0.00000251	-0.00000150	0.00000135	0.00000394
	(0.00000478)	(0.00000304)	(0.00000440)	(0.00000369)
L.tradeopen	-0.162	-0.0807	0.0503	-0.0365
	(0.119)	(0.113)	(0.125)	(0.117)
Stop Contagion$_{i,t-1}$		0.356**		
		(0.135)		
Flight Contagion$_{i,t-1}$			0.470**	
			(0.151)	
Retrenchment Contagion$_{i,t-1}$				0.429**
				(0.131)
Observations	4627	4620	4631	4631

Note: This table reports the results from robustness checks that include additional country-level control variables. Unless otherwise specified, the dependent variable, the estimation approach, and all other variables are as defined in Table 3.1. L.exrate, L.policyrate, L.cpi, L.equityindex, and L.tradeopen denote the country's nominal exchange rate against USD, policy interest rate, inflation rate, stock market indices, and trade openness measured by the sum of exports and imports over GDP, respectively. Statistical significance is denoted by $\{*\}$, $\{**\}$, and $\{***\}$, corresponding to 5%, 1%, and 0.1% confidence levels, respectively.

Table A.5: Robustness Test: The Effects of Global GPR Using a Probit Model

	(1) Surge	(2) Stop	(3) Flight	(4) Retrenchment
Global GPR$_{t-1}$	-0.000918	-0.000560	-0.000587	0.0000991
	(0.000778)	(0.000607)	(0.000728)	(0.000593)
US EPU$_{t-1}$	0.00159	-0.00600***	0.00177*	-0.00453***
	(0.000890)	(0.000847)	(0.000827)	(0.000825)
Financial Uncertainty$_{t-1}$	-0.0244***	0.0267***	-0.0215***	0.0206***
	(0.00411)	(0.00409)	(0.00452)	(0.00350)
Liquidity$_{t-1}$	-0.0000296***	-0.0000103**	-0.0000294***	-0.0000151***
	(0.00000327)	(0.00000360)	(0.00000401)	(0.00000341)
Interest Rate$_{t-1}$	-0.0858***	-0.0690***	-0.0579**	-0.100***
	(0.0177)	(0.0164)	(0.0204)	(0.0197)
Global GDP Growth$_{t-1}$	0.0432*	-0.140***	0.0179	-0.142***
	(0.0190)	(0.0230)	(0.0253)	(0.0285)
Surge Contagion$_{i,t-1}$	0.281***			
	(0.0722)			
GDP growth$_{i,t-1}$	0.0319***	-0.0283**	0.00699	-0.00434
	(0.00816)	(0.00998)	(0.00689)	(0.00998)
Stop Contagion$_{i,t-1}$		0.201**		
		(0.0764)		
Flight Contagion$_{i,t-1}$			0.240**	
			(0.0739)	
Retrenchment Contagion$_{i,t-1}$				0.190**
				(0.0600)
Observations	6551	6544	6555	6555

Note: This table reports the results from robustness checks using a probit model. Unless otherwise specified, the dependent variable, the estimation approach, and all other variables are as defined in Table 3.1. We estimate the baseline model using a probit model instead of the cloglog approach. Statistical significance is denoted by $\{*\}$, $\{**\}$, and $\{***\}$, corresponding to 5%, 1%, and 0.1% confidence levels, respectively.

Table A.6: Robustness Test: The Effects of Global GPR Using a Logit Model

	(1) Surge	(2) Stop	(3) Flight	(4) Retrenchment
Global GPR$_{t-1}$	-0.00110	-0.000895	-0.000601	0.000509
	(0.00157)	(0.00117)	(0.00134)	(0.00110)
US EPU$_{t-1}$	0.00218	-0.0102***	0.00299	-0.00799***
	(0.00191)	(0.00149)	(0.00160)	(0.00140)
Financial Uncertainty$_{t-1}$	-0.0437***	0.0473***	-0.0390***	0.0372***
	(0.00788)	(0.00704)	(0.00825)	(0.00618)
Liquidity$_{t-1}$	-0.0000538***	-0.0000211**	-0.0000528***	-0.0000282***
	(0.00000655)	(0.00000660)	(0.00000757)	(0.00000616)
Interest Rate$_{t-1}$	-0.147***	-0.118***	-0.0939*	-0.171***
	(0.0333)	(0.0303)	(0.0375)	(0.0372)
Global GDP Growth$_{t-1}$	0.112**	-0.231***	0.0480	-0.242***
	(0.0433)	(0.0409)	(0.0549)	(0.0543)
Surge Contagion$_{i,t-1}$	0.503***			
	(0.141)			
GDP growth$_{i,t-1}$	0.0599***	-0.0505**	0.0108	-0.0131
	(0.0153)	(0.0176)	(0.0114)	(0.0233)
Stop Contagion$_{i,t-1}$		0.383**		
		(0.144)		
Flight Contagion$_{i,t-1}$			0.444**	
			(0.139)	
Retrenchment Contagion$_{i,t-1}$				0.354**
				(0.113)
Observations	6551	6544	6555	6555

Note: This table reports the results from robustness checks using a logit model. Unless otherwise specified, the dependent variable, the estimation approach, and all other variables are as defined in Table 3.1. We estimate the baseline model using a logit model instead of the cloglog approach. Statistical significance is denoted by $\{*\}$, $\{**\}$, and $\{***\}$, corresponding to 5%, 1%, and 0.1% confidence levels, respectively.

Table A.7: Robustness Test: The Effects of Alternative Global GPR Indices

(a) Regression Results: The Effects of GPA Index

	(1) Surge	(2) Stop	(3) Flight	(4) Retrenchment
Global GPRA	-0.00107	-0.00112	-0.000712	-0.000187
	(0.000981)	(0.000656)	(0.000873)	(0.000642)
Financial Uncertainty$_{t-1}$	-0.0353***	0.0287***	-0.0305***	0.0220***
	(0.00593)	(0.00510)	(0.00677)	(0.00484)
Liquidity$_{t-1}$	-0.0000490***	-0.0000597***	-0.0000443***	-0.0000567***
	(0.00000567)	(0.00000350)	(0.00000533)	(0.00000356)
Interest Rate$_{t-1}$	-0.155***	-0.195***	-0.0929**	-0.217***
	(0.0291)	(0.0244)	(0.0345)	(0.0321)
Global GDP Growth$_{t-1}$	0.130**	-0.117***	0.0222	-0.146***
	(0.0426)	(0.0293)	(0.0542)	(0.0398)
Surge Contagion$_{i,t-1}$	0.448***			
	(0.129)			
GDP growth$_{i,t-1}$	0.0286***	-0.0332*	0.00818	-0.0106
	(0.00733)	(0.0138)	(0.00807)	(0.0187)
Stop Contagion$_{i,t-1}$		0.446***		
		(0.128)		
Flight Contagion$_{i,t-1}$			0.393**	
			(0.128)	
Retrenchment Contagion$_{i,t-1}$				0.359***
				(0.106)
Observations	6551	6544	6555	6555

(b) Regression Results: The Effects of Global GPT Index

	(1) Surge	(2) Stop	(3) Flight	(4) Retrenchment
Global GPRT	0.00113	-0.00293**	0.00121	-0.00139
	(0.00150)	(0.00110)	(0.00132)	(0.00100)
Financial Uncertainty$_{t-1}$	-0.0377***	0.0280***	-0.0325***	0.0223***
	(0.00604)	(0.00505)	(0.00674)	(0.00465)
Liquidity$_{t-1}$	-0.0000532***	-0.0000550***	-0.0000477***	-0.0000543***
	(0.00000696)	(0.00000335)	(0.00000630)	(0.00000354)
Interest Rate$_{t-1}$	-0.173***	-0.172***	-0.109**	-0.206***
	(0.0331)	(0.0264)	(0.0369)	(0.0331)
Global GDP Growth$_{t-1}$	0.137**	-0.115***	0.0243	-0.143***
	(0.0462)	(0.0292)	(0.0572)	(0.0392)
Surge Contagion$_{i,t-1}$	0.427***			
	(0.128)			
GDP growth$_{i,t-1}$	0.0285***	-0.0341*	0.00765	-0.0104
	(0.00719)	(0.0137)	(0.00812)	(0.0188)
Stop Contagion$_{i,t-1}$		0.425***		
		(0.126)		
Flight Contagion$_{i,t-1}$			0.376**	
			(0.128)	
Retrenchment Contagion$_{i,t-1}$				0.363***
				(0.107)
Observations	6551	6544	6555	6555

Note: This table reports the results from robustness checks using GPT and GPA. Unless otherwise specified, the estimation approach and all other variables are as defined in Table 3.1. For the dependent variable, we replace global GPR with Geopolitical Threats Index (GPT) and Geopolitical Acts Index (GPA). Statistical significance is denoted by $\{*\}$, $\{**\}$, and $\{***\}$, corresponding to 5%, 1%, and 0.1% confidence levels, respectively.

Table A.8: Robustness Test: The Effects of Country-specific GPR considering US EPU

	(1) Surge	(2) Stop	(3) Flight	(4) Retrenchment
Country-specific GPR$_{t-1}$	-0.0954	0.135*	-0.108	0.154
	(0.171)	(0.0661)	(0.136)	(0.103)
Financial Uncertainty$_{t-1}$	-0.0490***	0.0359***	-0.0392***	0.0271***
	(0.00908)	(0.00613)	(0.00834)	(0.00508)
US EPU$_{t-1}$	0.00218	-0.00777***	0.00425*	-0.00703***
	(0.00228)	(0.00137)	(0.00179)	(0.00124)
Liquidity$_{t-1}$	-0.0000563***	-0.0000329***	-0.0000608***	-0.0000306***
	(0.00000712)	(0.00000641)	(0.00000821)	(0.00000620)
Interest Rate$_{t-1}$	-0.141***	-0.129***	-0.107**	-0.138***
	(0.0311)	(0.0288)	(0.0411)	(0.0328)
Global GDP Growth$_{t-1}$	0.180***	-0.219***	0.0773	-0.259***
	(0.0498)	(0.0307)	(0.0699)	(0.0427)
Surge Contagion$_{t-1}$	0.297			
	(0.155)			
GDP growth$_{t-1}$	0.0219***	-0.0375*	-0.000954	-0.00787
	(0.00431)	(0.0176)	(0.0103)	(0.0243)
Stop Contagion$_{t-1}$		0.411**		
		(0.149)		
Flight Contagion$_{t-1}$			0.281	
			(0.155)	
Retrenchment Contagion$_{t-1}$				0.341*
				(0.133)
Observations	4709	4702	4713	4713

Note: This table reports the results from robustness checks including U.S. EPU. Country-specific GPR denotes geopolitical risk exposure for individual countries. Unless otherwise specified, the dependent variable, the estimation approach, and all other variables are as defined in Table 3.1. U.S. EPU denotes the degree of Economic Policy Uncertainty in the United States. Statistical significance is denoted by *, **, and ***, corresponding to 5%, 1%, and 0.1% confidence levels, respectively.

Table A.9: Robustness Test: The Effects of Country-specific GPR excluding GDP growth

	(1) Surge	(2) Stop	(3) Flight	(4) Retrenchment
Country-specific GPR$_{i,t-1}$	-0.0921	0.110	-0.0686	0.117
	(0.163)	(0.0576)	(0.127)	(0.0966)
Financial Uncertainty$_{t-1}$	-0.0454***	0.0228***	-0.0301***	0.0196***
	(0.00735)	(0.00572)	(0.00702)	(0.00450)
Liquidity$_{t-1}$	-0.0000505***	-0.0000592***	-0.0000477***	-0.0000572***
	(0.00000658)	(0.00000393)	(0.00000655)	(0.00000407)
Interest Rate$_{t-1}$	-0.115***	-0.182***	-0.0916*	-0.181***
	(0.0305)	(0.0262)	(0.0402)	(0.0287)
Global GDP Growth$_{t-1}$	0.182**	-0.191***	0.0387	-0.195***
	(0.0639)	(0.0227)	(0.0691)	(0.0259)
Surge Contagion$_{i,t-1}$	0.355*			
	(0.153)			
Stop Contagion$_{i,t-1}$		0.450***		
		(0.131)		
Flight Contagion$_{i,t-1}$			0.316*	
			(0.152)	
Retrenchment Contagion$_{i,t-1}$				0.330*
				(0.136)
Observations	5015	5008	5019	5019

Note: This table reports the results from robustness checks that exclude local GDP growth from the set of control variables. Unless otherwise specified, the dependent variable, the estimation approach, and all other variables are as defined in Table 3.1. GDP growth that denotes the real gross domestic product expansion rate for individual countries is excluded in Table A.9. Statistical significance is denoted by $\{*\}$, $\{**\}$, and $\{***\}$, corresponding to 5%, 1%, and 0.1% confidence levels, respectively.

Table A.10: Robustness Test: The Effects of Country-specific GPR excluding high volatility period

	(1) Surge	(2) Stop	(3) Flight	(4) Retrenchment
Country-specific GPR$_{i,t-1}$	-0.0547	0.0571	-0.0555	-0.00579
	(0.177)	(0.145)	(0.130)	(0.187)
Financial Uncertainty$_{t-1}$	-0.0393***	0.0336***	-0.0287**	0.0248***
	(0.00839)	(0.00620)	(0.00901)	(0.00533)
Liquidity$_{t-1}$	-0.0000493***	-0.0000645***	-0.0000469***	-0.0000582***
	(0.00000685)	(0.00000410)	(0.00000705)	(0.00000434)
Interest Rate$_{t-1}$	-0.130***	-0.209***	-0.0798	-0.202***
	(0.0303)	(0.0304)	(0.0445)	(0.0341)
Global GDP Growth$_{t-1}$	0.142*	-0.135***	0.0234	-0.176***
	(0.0626)	(0.0277)	(0.0701)	(0.0394)
Surge Contagion$_{i,t-1}$	0.261			
	(0.151)			
GDP growth$_{i,t-1}$	0.0229***	-0.0218	0.00126	-0.000306
	(0.00474)	(0.0167)	(0.0100)	(0.0221)
Stop Contagion$_{i,t-1}$		0.471**		
		(0.155)		
Flight Contagion$_{i,t-1}$			0.258	
			(0.160)	
Retrenchment Contagion$_{i,t-1}$				0.323*
				(0.138)
Observations	4384	4377	4388	4388

Note: This table reports the results from robustness checks that exclude high-volatility periods in global GPR (221Q3-2003Q4). Unless otherwise specified, the dependent variable, the estimation approach, and all other variables are as defined in Table 3.1. The high volatility period from 2001Q3 to 2003Q4 is excluded from the sample period. Statistical significance is denoted by $\{*\}$, $\{**\}$, and $\{***\}$, corresponding to 5%, 1%, and 0.1% confidence levels, respectively.

Table A.11: Robustness Test: The Effects of Country-specific GPR including more country-level control variables

	(1) Surge	(2) Stop	(3) Flight	(4) Retrenchment
Country-specific GPR$_{i,t-1}$	-0.191	0.0792	-0.0841	0.0719
	(0.259)	(0.0755)	(0.154)	(0.0756)
Financial Uncertainty$_{t-1}$	-0.0383***	0.0364***	-0.0448***	0.0349***
	(0.00909)	(0.00548)	(0.0135)	(0.00527)
Liquidity$_{t-1}$	-0.0000475***	-0.0000649***	-0.0000374***	-0.0000620***
	(0.00000868)	(0.00000572)	(0.00000872)	(0.00000537)
Interest Rate$_{t-1}$	-0.110*	-0.223***	-0.0778	-0.262***
	(0.0489)	(0.0469)	(0.0786)	(0.0644)
Global GDP Growth$_{t-1}$	0.114	-0.133***	0.0220	-0.0879*
	(0.0832)	(0.0354)	(0.0973)	(0.0430)
Surge Contagion$_{i,t-1}$	0.360*			
	(0.182)			
GDP growth$_{i,t-1}$	0.0485*	-0.00754	-0.0294	-0.0339
	(0.0203)	(0.0202)	(0.0353)	(0.0216)
L.exrate	0.00000300	0.0000198	0.0000405	0.0000109
	(0.0000424)	(0.0000182)	(0.0000245)	(0.0000328)
L.policyrate	-0.0218	-0.00794	0.00783	-0.0353**
	(0.0284)	(0.0162)	(0.0234)	(0.0128)
L.cpi	0.00708	0.0196	-0.0163	0.0240
	(0.0212)	(0.0191)	(0.0262)	(0.0146)
L.equityindex	0.000000461	-0.000000719	0.00000463	0.00000402
	(0.00000505)	(0.00000334)	(0.00000366)	(0.00000413)
L.tradeopen	-0.148	-0.130	0.0224	-0.164
	(0.189)	(0.0999)	(0.191)	(0.0960)
Stop Contagion$_{i,t-1}$		0.447*		
		(0.178)		
Flight Contagion$_{i,t-1}$			0.257	
			(0.188)	
Retrenchment Contagion$_{i,t-1}$				0.421*
				(0.173)
Observations	3179	3172	3183	3183

Note: This table reports the results from robustness checks that include additional country-level control variables. Unless otherwise specified, the dependent variable, the estimation approach, and all other variables are as defined in Table 3.1. L.exrate, L.policyrate, L.cpi, L.equityindex, and L.tradeopen denote the country's nominal exchange rate against USD, policy interest rate, inflation rate, stock market indices, and trade openness measured by the sum of exports and imports over GDP, respectively. Statistical significance is denoted by $\{*\}$, $\{**\}$, and $\{***\}$, corresponding to 5%, 1%, and 0.1% confidence levels, respectively.

Table A.12: Robustness Test: The Effects of Country-specific GPR Using a Probit Model

	(1) Surge	(2) Stop	(3) Flight	(4) Retrenchment
Country-specific GPR$_{i,t-1}$	-0.0683	0.0637	-0.0558	0.0678
	(0.0916)	(0.0473)	(0.0723)	(0.0695)
Financial Uncertainty$_{t-1}$	-0.0245***	0.0144***	-0.0170***	0.0100**
	(0.00434)	(0.00413)	(0.00418)	(0.00322)
Liquidity$_{t-1}$	-0.0000248***	-0.0000321***	-0.0000254***	-0.0000296***
	(0.00000359)	(0.00000239)	(0.00000347)	(0.00000239)
Interest Rate$_{t-1}$	-0.0686***	-0.0990***	-0.0457	-0.102***
	(0.0182)	(0.0170)	(0.0248)	(0.0190)
Global GDP Growth$_{t-1}$	0.0442	-0.109***	0.00950	-0.137***
	(0.0311)	(0.0212)	(0.0313)	(0.0248)
Surge Contagion$_{i,t-1}$	0.190*			
	(0.0869)			
GDP growth$_{i,t-1}$	0.0215***	-0.0196	-0.00141	0.00116
	(0.00558)	(0.0126)	(0.00773)	(0.00918)
Stop Contagion$_{i,t-1}$		0.276**		
		(0.0878)		
Flight Contagion$_{i,t-1}$			0.167	
			(0.0892)	
Retrenchment Contagion$_{i,t-1}$				0.222**
				(0.0782)
Observations	4709	4702	4713	4713

Note: This table reports the results from robustness checks using a probit model. Unless otherwise specified, the dependent variable, the estimation approach, and all other variables are as defined in Table 3.1. We estimate the baseline model using a probit model instead of the cloglog approach. Statistical significance is denoted by $\{*\}$, $\{**\}$, and $\{***\}$, corresponding to 5%, 1%, and 0.1% confidence levels, respectively.

Table A.13: Robustness Test: The Effects of Country-specific GPR Using a Logit Model

	(1) Surge	(2) Stop	(3) Flight	(4) Retrenchment
Country-specific GPR$_{i,t-1}$	-0.101	0.118	-0.106	0.134
	(0.176)	(0.0726)	(0.142)	(0.111)
Financial Uncertainty$_{t-1}$	-0.0462***	0.0277***	-0.0307***	0.0202***
	(0.00831)	(0.00686)	(0.00787)	(0.00558)
Liquidity$_{t-1}$	-0.0000477***	-0.0000594***	-0.0000459***	-0.0000547***
	(0.00000745)	(0.00000443)	(0.00000716)	(0.00000460)
Interest Rate$_{t-1}$	-0.116***	-0.170***	-0.0673	-0.175***
	(0.0342)	(0.0303)	(0.0467)	(0.0344)
Global GDP Growth$_{t-1}$	0.146*	-0.179***	0.0377	-0.230***
	(0.0670)	(0.0364)	(0.0731)	(0.0472)
Surge Contagion$_{i,t-1}$	0.330*			
	(0.166)			
GDP growth$_{i,t-1}$	0.0371**	-0.0352	-0.00192	0.000480
	(0.0117)	(0.0224)	(0.0125)	(0.0217)
Stop Contagion$_{i,t-1}$		0.527**		
		(0.161)		
Flight Contagion$_{i,t-1}$			0.300	
			(0.167)	
Retrenchment Contagion$_{i,t-1}$				0.416**
				(0.147)
Observations	4709	4702	4713	4713

Note: This table reports the results from robustness checks using a logit model. Unless otherwise specified, the dependent variable, the estimation approach, and all other variables are as defined in Table 3.1. We estimate the baseline model using a logit model instead of the cloglog approach. Statistical significance is denoted by $\{*\}$, $\{**\}$, and $\{***\}$, corresponding to 5%, 1%, and 0.1% confidence levels, respectively.

Table A.14: Robustness Test: The Effects of Country-specific GPR on EMs considering US EPU

	(1) Surge	(2) Stop	(3) Flight	(4) Retrenchment
Country-specific $\text{GPR}_{i,t-1}$	-0.820**	0.519***	0.429*	0.575***
	(0.312)	(0.110)	(0.182)	(0.149)
Financial Uncertainty_{t-1}	-0.0661***	0.0581***	-0.0386***	0.0328**
	(0.0146)	(0.00823)	(0.0114)	(0.0106)
US EPU_{t-1}	0.00245	-0.0121***	0.00336	-0.0114***
	(0.00287)	(0.00202)	(0.00205)	(0.00199)
Liquidity_{t-1}	-0.0000384***	-0.0000191*	-0.0000500***	-0.0000101
	(0.00000793)	(0.00000899)	(0.0000103)	(0.00000674)
Interest Rate_{t-1}	-0.109**	-0.224***	-0.0686	-0.206**
	(0.0418)	(0.0570)	(0.0520)	(0.0764)
Global GDP Growth_{t-1}	0.136*	-0.162***	0.00335	-0.254***
	(0.0647)	(0.0343)	(0.0754)	(0.0721)
Surge $\text{Contagion}_{i,t-1}$	0.250			
	(0.224)			
GDP $\text{growth}_{i,t-1}$	0.0221***	-0.0448*	-0.01000	-0.00603
	(0.00425)	(0.0212)	(0.0132)	(0.0319)
Stop $\text{Contagion}_{i,t-1}$		0.233		
		(0.229)		
Flight $\text{Contagion}_{i,t-1}$			0.276	
			(0.213)	
Retrenchment $\text{Contagion}_{i,t-1}$				0.128
				(0.195)
Observations	2391	2384	2395	2395

Note: This table reports the results from robustness checks including U.S. EPU. Country-specific GPR denotes geopolitical risk exposure for individual countries. Unless otherwise specified, the dependent variable, the estimation approach, and all other variables are as defined in Table 3.1. Statistical significance is denoted by *, **, and ***, corresponding to 5%, 1%, and 0.1% confidence levels, respectively.

Table A.15: Robustness Test: The Effects of Country-specific GPR on EMs excluding GDP growth

	(1) Surge	(2) Stop	(3) Flight	(4) Retrenchment
Country-specific $\text{GPR}_{i,t-1}$	-0.638*	0.503***	0.438**	0.618***
	(0.286)	(0.0991)	(0.169)	(0.133)
Financial Uncertainty_{t-1}	-0.0600***	0.0309***	-0.0288**	0.0149*
	(0.0124)	(0.00774)	(0.00972)	(0.00643)
Liquidity_{t-1}	-0.0000335***	-0.0000596***	-0.0000401***	-0.0000530***
	(0.00000889)	(0.00000439)	(0.00000880)	(0.00000469)
Interest Rate_{t-1}	-0.0834*	-0.257***	-0.0879	-0.222***
	(0.0394)	(0.0379)	(0.0525)	(0.0556)
Global GDP Growth_{t-1}	0.140	-0.135***	-0.0288	-0.167***
	(0.0857)	(0.0266)	(0.0750)	(0.0452)
Surge $\text{Contagion}_{i,t-1}$	0.364			
	(0.208)			
Stop $\text{Contagion}_{i,t-1}$		0.404*		
		(0.190)		
Flight $\text{Contagion}_{i,t-1}$			0.320	
			(0.203)	
Retrenchment $\text{Contagion}_{i,t-1}$				0.205
				(0.180)
Observations	2604	2597	2608	2608

Note: This table reports the results from robustness checks that exclude local GDP growth from the set of control variables. Unless otherwise specified, the dependent variable, the estimation approach, and all other variables are as defined in Table 3.1. GDP growth that denotes the real gross domestic product expansion rate for individual countries is excluded in Table A.15. Statistical significance is denoted by $\{*\}$, $\{**\}$, and $\{***\}$, corresponding to 5%, 1%, and 0.1% confidence levels, respectively.

Table A.16: Robustness Checks for the Effects of Country-specific GPR on Emerging Economies: Excluding High-volatility Periods in Global GPR

	(1) Surge	(2) Stop	(3) Flight	(4) Retrenchment
Country-specific GPR$_{i,t-1}$	-1.015**	0.597***	0.382*	0.577***
	(0.387)	(0.0837)	(0.152)	(0.142)
Financial Uncertainty$_{t-1}$	-0.0556***	0.0508***	-0.0359**	0.0246**
	(0.0142)	(0.00895)	(0.0134)	(0.00823)
Liquidity$_{t-1}$	-0.0000302***	-0.0000689***	-0.0000369***	-0.0000565***
	(0.00000837)	(0.00000452)	(0.00000980)	(0.00000482)
Interest Rate$_{t-1}$	-0.0956*	-0.310***	-0.0388	-0.281***
	(0.0418)	(0.0494)	(0.0587)	(0.0678)
Global GDP Growth$_{t-1}$	0.102	-0.0599*	-0.0421	-0.144*
	(0.0780)	(0.0282)	(0.0738)	(0.0602)
Surge Contagion$_{i,t-1}$	0.189			
	(0.209)			
GDP growth$_{i,t-1}$	0.0233***	-0.0239	-0.00772	0.00335
	(0.00461)	(0.0182)	(0.0138)	(0.0246)
Stop Contagion$_{i,t-1}$		0.404		
		(0.238)		
Flight Contagion$_{i,t-1}$			0.275	
			(0.216)	
Retrenchment Contagion$_{i,t-1}$				0.278
				(0.196)
Observations	2216	2209	2220	2220

Note: This table reports the results from robustness checks that exclude high-volatility periods in global GPR (221Q3-2003Q4). Country-specific GPR denotes geopolitical risk exposure for individual countries. Unless otherwise specified, the dependent variable, the estimation approach, and all other variables are as defined in Table 3.1. Statistical significance is denoted by *, **, and ***, corresponding to 5%, 1%, and 0.1% confidence levels, respectively.

Table A.17: Robustness Test: The Effects of Country-specific GPR on EMs including more country-level control variables

	(1) Surge	(2) Stop	(3) Flight	(4) Retrenchment
Country-specific $\text{GPR}_{i,t-1}$	-1.803*	0.519***	0.447*	0.492**
	(0.706)	(0.108)	(0.209)	(0.162)
Financial Uncertainty_{t-1}	-0.0295*	0.0443***	-0.0409*	0.0353***
	(0.0129)	(0.00875)	(0.0190)	(0.00599)
Liquidity_{t-1}	-0.0000334**	-0.0000650***	-0.0000357**	-0.0000564***
	(0.0000113)	(0.00000902)	(0.0000120)	(0.00000769)
Interest Rate_{t-1}	-0.196	-0.313***	-0.0291	-0.378***
	(0.102)	(0.0817)	(0.119)	(0.0986)
Global GDP Growth_{t-1}	0.117	-0.0380	0.000716	0.000971
	(0.0978)	(0.0408)	(0.120)	(0.0593)
Surge $\text{Contagion}_{i,t-1}$	0.433			
	(0.245)			
GDP $\text{growth}_{i,t-1}$	0.0373	-0.0360	-0.0709	-0.0563*
	(0.0223)	(0.0232)	(0.0496)	(0.0261)
L.exrate	-0.0000515	0.0000110	0.0000350	0.00000740
	(0.0000351)	(0.0000222)	(0.0000253)	(0.0000351)
L.policyrate	-0.0431	-0.00293	-0.00795	-0.0355*
	(0.0450)	(0.0195)	(0.0306)	(0.0168)
L.cpi	0.0211	0.00798	-0.0171	0.0159
	(0.0155)	(0.0219)	(0.0255)	(0.0155)
L.equityindex	-0.00000602	-0.000000242	0.00000748	0.00000272
	(0.00000720)	(0.00000369)	(0.00000415)	(0.00000533)
L.tradeopen	-0.0828	-0.136	0.317	-0.102
	(0.309)	(0.199)	(0.295)	(0.231)
Stop $\text{Contagion}_{i,t-1}$		0.470		
		(0.271)		
Flight $\text{Contagion}_{i,t-1}$			0.201	
			(0.256)	
Retrenchment $\text{Contagion}_{i,t-1}$				0.303
				(0.261)
Observations	1598	1591	1602	1602

Note: This table reports the results from robustness checks that include additional country-level control variables. Unless otherwise specified, the dependent variable, the estimation approach, and all other variables are as defined in Table 3.1. L.exrate, L.policyrate, L.cpi, L.equityindex, and L.tradeopen denote the country's nominal exchange rate against USD, policy interest rate, inflation rate, stock market indices, and trade openness measured by the sum of exports and imports over GDP, respectively. Statistical significance is denoted by $\{*\}$, $\{**\}$, and $\{***\}$, corresponding to 5%, 1%, and 0.1% confidence levels, respectively.

Table A.18: Robustness Test: The Effects of Country-specific GPR on EMs Using a Probit Model

	(1) Surge	(2) Stop	(3) Flight	(4) Retrenchment
Country-specific GPR$_{i,t-1}$	-0.452**	0.384**	0.247*	0.422***
	(0.152)	(0.120)	(0.112)	(0.125)
Financial Uncertainty$_{t-1}$	-0.0345***	0.0227***	-0.0184**	0.00793
	(0.00702)	(0.00621)	(0.00569)	(0.00500)
Liquidity$_{t-1}$	-0.0000147***	-0.0000350***	-0.0000215***	-0.0000278***
	(0.00000438)	(0.00000295)	(0.00000463)	(0.00000310)
Interest Rate$_{t-1}$	-0.0527*	-0.159***	-0.0267	-0.146***
	(0.0223)	(0.0312)	(0.0310)	(0.0398)
Global GDP Growth$_{t-1}$	0.0232	-0.0522*	-0.0156	-0.108**
	(0.0354)	(0.0203)	(0.0357)	(0.0394)
Surge Contagion$_{i,t-1}$	0.173			
	(0.129)			
GDP growth$_{i,t-1}$	0.0220**	-0.0237	-0.00793	0.00179
	(0.00676)	(0.0150)	(0.00909)	(0.0100)
Stop Contagion$_{i,t-1}$		0.251*		
		(0.127)		
Flight Contagion$_{i,t-1}$			0.160	
			(0.125)	
Retrenchment Contagion$_{i,t-1}$				0.136
				(0.107)
Observations	2391	2384	2395	2395

Note: This table reports the results from robustness checks using a probit model. Unless otherwise specified, the dependent variable, the estimation approach, and all other variables are as defined in Table 3.1. We estimate the baseline model using a probit model instead of the cloglog approach. Statistical significance is denoted by $\{*\}$, $\{**\}$, and $\{***\}$, corresponding to 5%, 1%, and 0.1% confidence levels, respectively.

Table A.19: Robustness Test: The Effects of Country-specific GPR on EMs Using a Logit Model

	(1) Surge	(2) Stop	(3) Flight	(4) Retrenchment
Country-specific $GPR_{i,t-1}$	-0.856**	0.671**	0.444*	0.761**
	(0.312)	(0.206)	(0.191)	(0.246)
Financial $Uncertainty_{t-1}$	-0.0644***	0.0418***	-0.0326**	0.0169
	(0.0142)	(0.0101)	(0.0107)	(0.00907)
$Liquidity_{t-1}$	-0.0000275**	-0.0000630***	-0.0000375***	-0.0000507***
	(0.00000904)	(0.00000524)	(0.00000923)	(0.00000565)
Interest $Rate_{t-1}$	-0.0828	-0.279***	-0.0315	-0.256***
	(0.0444)	(0.0569)	(0.0584)	(0.0746)
Global GDP $Growth_{t-1}$	0.0928	-0.0838*	-0.0269	-0.184*
	(0.0818)	(0.0362)	(0.0759)	(0.0734)
Surge $Contagion_{i,t-1}$	0.289			
	(0.245)			
GDP $growth_{i,t-1}$	0.0381**	-0.0402	-0.0125	0.00255
	(0.0143)	(0.0265)	(0.0156)	(0.0240)
Stop $Contagion_{i,t-1}$		0.468*		
		(0.237)		
Flight $Contagion_{i,t-1}$			0.294	
			(0.229)	
Retrenchment $Contagion_{i,t-1}$				0.255
				(0.204)
Observations	2391	2384	2395	2395

Note: This table reports the results from robustness checks using a logit model. Unless otherwise specified, the dependent variable, the estimation approach, and all other variables are as defined in Table 3.1. We estimate the baseline model using a logit model instead of the cloglog approach. Statistical significance is denoted by $\{*\}$, $\{**\}$, and $\{***\}$, corresponding to 5%, 1%, and 0.1% confidence levels, respectively.

Table A.20: Flow-Type Decomposition of the Effects of Country-Specific GPR on Extreme Capital Flow Episodes: Controlling for US EPU

(a) Direct Investment and Banking Flows: Episode-Level Effects of Country-Specific GPR (DI, BK)

	(1) Surge_epiDI	(2) Stop_epiDI	(3) Flight_epiDI	(4) Retrenchment_epiDI	(5) Surge_epiBK	(6) Stop_epiBK	(7) Flight_epiBK	(8) Retrenchment_epiBK
Country-specific GPR$_{i,t-1}$	-0.137	0.728***	0.220	0.238	-0.149	-0.0937	0.621***	0.395***
	(0.423)	(0.149)	(0.140)	(0.261)	(0.250)	(0.270)	(0.157)	(0.111)
Financial Uncertainty$_{t-1}$	-0.0259*	0.0120	-0.0162	0.0314***	-0.0279	0.0370***	-0.00780	0.0336**
	(0.0113)	(0.0108)	(0.0128)	(0.00828)	(0.0191)	(0.00877)	(0.0145)	(0.0109)
US EPU$_{t-1}$	0.00227	-0.00706**	-0.00375	-0.00902***	-0.00482	-0.0132***	-0.00175	-0.0106***
	(0.00234)	(0.00257)	(0.00262)	(0.00218)	(0.00395)	(0.00233)	(0.00250)	(0.00240)
Liquidity$_{t-1}$	-0.0000623***	-0.0000245*	-0.0000365***	-0.0000291**	-0.0000391**	0.00000117	-0.0000426***	-0.00000664
	(0.00000628)	(0.0000124)	(0.0000103)	(0.00000902)	(0.0000133)	(0.00000891)	(0.0000120)	(0.00000964)
Interest Rate$_{t-1}$	-0.164***	-0.102	-0.123**	-0.195**	-0.194*	-0.0747	-0.166*	-0.207**
	(0.0346)	(0.0611)	(0.0379)	(0.0653)	(0.0790)	(0.0638)	(0.0658)	(0.0638)
Global GDP Growth$_{t-1}$	0.221***	-0.304***	0.0857	-0.166***	0.177*	-0.277***	-0.0350	-0.177***
	(0.0398)	(0.0503)	(0.0490)	(0.0491)	(0.0752)	(0.0333)	(0.0708)	(0.0476)
Surge Contagion$_{i,t-1}$	0.381*				0.438**			
	(0.160)				(0.160)			
GDP growth$_{i,t-1}$	0.0168***	0.00203	0.00855	-0.0298	0.0121	-0.0477	0.00485	-0.0226*
	(0.00423)	(0.0114)	(0.00788)	(0.0225)	(0.00877)	(0.0244)	(0.0111)	(0.0112)
Stop Contagion$_{i,t-1}$		0.275				-0.146		
		(0.197)				(0.142)		
Flight Contagion$_{i,t-1}$			0.394*				0.0644	
			(0.174)				(0.205)	
Retrenchment Contagion$_{i,t-1}$				0.394*				-0.101
				(0.187)				(0.148)
Observations	2395	2395	2403	2403	2383	2377	2395	2395

(b) Debt and Equity Flows: Episode-Level Effects of Country-Specific GPR (DE, EQ)

	(1) Surge_epiDE	(2) Stop_epiDE	(3) Flight_epiDE	(4) Retrenchment_epiDE	(5) Surge_epiEQ	(6) Stop_epiEQ	(7) Flight_epiEQ	(8) Retrenchment_epiEQ
Country-specific GPR$_{i,t-1}$	-0.155	-0.183	0.275	0.448***	-0.378	-0.596	0.189	0.431**
	(0.525)	(0.349)	(0.238)	(0.125)	(0.335)	(0.318)	(0.173)	(0.154)
Financial Uncertainty$_{t-1}$	-0.0485**	0.0379**	-0.0366*	0.00303	-0.0480**	0.0137	-0.0115	0.0576***
	(0.0166)	(0.0144)	(0.0153)	(0.0107)	(0.0166)	(0.0100)	(0.0110)	(0.0106)
US EPU$_{t-1}$	0.000907	-0.0103***	0.00204	-0.00225	-0.00307	-0.00323	-0.000869	-0.0108***
	(0.00247)	(0.00311)	(0.00258)	(0.00197)	(0.00291)	(0.00242)	(0.00227)	(0.00257)
Liquidity$_{t-1}$	-0.0000308**	-0.0000154	-0.0000430**	-0.0000363***	-0.00000779	-0.0000447***	-0.0000271**	-0.0000157
	(0.0000106)	(0.0000115)	(0.0000143)	(0.00000628)	(0.00000840)	(0.00000887)	(0.00000902)	(0.0000116)
Interest Rate$_{t-1}$	0.0229	-0.287***	-0.0495	-0.155**	0.0952	-0.154**	-0.158*	-0.483***
	(0.0602)	(0.0768)	(0.0607)	(0.0502)	(0.0612)	(0.0547)	(0.0711)	(0.0736)
Global GDP Growth$_{t-1}$	-0.159**	-0.0158	0.00486	-0.163***	-0.174**	-0.0176	-0.0921*	-0.0173
	(0.0605)	(0.0534)	(0.0729)	(0.0385)	(0.0586)	(0.0708)	(0.0429)	(0.0429)
Surge Contagion$_{i,t-1}$	0.108				-0.464***			
	(0.158)				(0.141)			
GDP growth$_{i,t-1}$	0.0282*	-0.0230	-0.00501	0.0160	0.0211***	-0.0329	0.00686	0.000234
	(0.0113)	(0.0177)	(0.0102)	(0.00825)	(0.00369)	(0.0203)	(0.00763)	(0.0176)
Stop Contagion$_{i,t-1}$		0.0435				0.0535		
		(0.187)				(0.141)		
Flight Contagion$_{i,t-1}$			-0.0169				0.166	
			(0.189)				(0.213)	
Retrenchment Contagion$_{i,t-1}$				0.117				-0.0569
				(0.187)				(0.176)
Observations	2358	2358	2210	2210	2318	2318	2260	2260

Note: This table reports the results from robustness checks including U.S. EPU as an additional control variable. U.S. EPU denotes the degree of Economic Policy Uncertainty in the United States. The dependent variable equals 1 if a surge, stop, flight, or retrenchment episode occurs for a given flow type. Table A.20a reports the results for foreign direct investment ((1)–(4)) and banking flows ((5)–(8)), while Table A.20b reports those for debt ((1)–(4)) and equity flows ((5)–(8)). Unless otherwise specified, the estimation approach, and all other variables are as defined in Table 4.1. Statistical significance is represented by *, **, and *** , corresponding to 5%, 1%, and 0.1% confidence thresholds, respectively.

Table A.21: Flow-Type Decomposition of the Effects of Country-Specific GPR on Extreme Capital Flow Episodes: Excluding local GDP growth

(a) Direct Investment and Banking Flows: Episode-Level Effects of Country-Specific GPR (DI, BK)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Surge_epiDI	Stop_epiDI	Flight_epiDI	Retrenchment_epiDI	Surge_epiBK	Stop_epiBK	Flight_epiBK	Retrenchment_epiBK
Country-specific GPR$_{i,t-1}$	-0.280	0.748***	0.213	0.147	-0.188	-0.318	0.625***	0.437***
	(0.461)	(0.135)	(0.142)	(0.364)	(0.252)	(0.295)	(0.152)	(0.0961)
Financial Uncertainty$_{t-1}$	-0.0287*	0.00907	-0.0281**	0.0188**	-0.0427***	0.0130	-0.0114	0.0188*
	(0.0119)	(0.00865)	(0.0105)	(0.00651)	(0.0122)	(0.00673)	(0.0141)	(0.00841)
Liquidity$_{t-1}$	-0.0000505***	-0.0000545***	-0.0000456***	-0.0000606***	-0.0000534***	-0.0000469***	-0.0000498***	-0.0000467***
	(0.00000830)	(0.00000659)	(0.00000522)	(0.00000481)	(0.00000902)	(0.00000432)	(0.0000102)	(0.00000561)
Interest Rate$_{t-1}$	-0.0878	-0.193***	-0.150***	-0.283***	-0.179**	-0.140***	-0.177**	-0.251***
	(0.0521)	(0.0549)	(0.0245)	(0.0524)	(0.0663)	(0.0371)	(0.0671)	(0.0444)
Global GDP Growth$_{t-1}$	0.208***	-0.206***	0.121**	-0.117**	0.212**	-0.205***	-0.00796	-0.105**
	(0.0577)	(0.0354)	(0.0398)	(0.0432)	(0.0803)	(0.0237)	(0.0705)	(0.0378)
Surge Contagion$_{i,t-1}$	0.264*				0.509**			
	(0.128)				(0.168)			
Stop Contagion$_{i,t-1}$		0.400*				0.107		
		(0.176)				(0.113)		
Flight Contagion$_{i,t-1}$			0.466**				0.147	
			(0.152)				(0.187)	
Retrenchment Contagion$_{i,t-1}$				0.487**				-0.0266
				(0.159)				(0.156)
Observations	2608	2608	2616	2616	2600	2594	2608	2608

(b) Debt and Equity Flows: Episode-Level Effects of Country-Specific GPR (DE, EQ)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Surge_epiDE	Stop_epiDE	Flight_epiDE	Retrenchment_epiDE	Surge_epiEQ	Stop_epiEQ	Flight_epiEQ	Retrenchment_epiEQ
Country-specific GPR$_{i,t-1}$	-0.0912	-0.250	0.275	0.438***	-0.350	-0.729*	0.198	0.435*
	(0.519)	(0.356)	(0.215)	(0.123)	(0.299)	(0.362)	(0.174)	(0.176)
Financial Uncertainty$_{t-1}$	-0.0484***	0.0170	-0.0284	-0.0000116	-0.0558***	0.00540	-0.00918	0.0319***
	(0.0144)	(0.0109)	(0.0150)	(0.00985)	(0.0128)	(0.00971)	(0.00993)	(0.00940)
Liquidity$_{t-1}$	-0.0000263***	-0.0000481***	-0.0000357**	-0.0000421***	-0.0000181*	-0.0000539***	-0.0000299***	-0.0000484***
	(0.00000784)	(0.00000583)	(0.0000109)	(0.00000577)	(0.00000749)	(0.00000624)	(0.00000681)	(0.00000621)
Interest Rate$_{t-1}$	0.0146	-0.337***	-0.0973	-0.181***	0.0986*	-0.204***	-0.221**	-0.452***
	(0.0592)	(0.0586)	(0.0606)	(0.0495)	(0.0451)	(0.0448)	(0.0671)	(0.0624)
Global GDP Growth$_{t-1}$	-0.136*	0.0217	0.000755	-0.123***	-0.149**	-0.0302	-0.0639	0.0329
	(0.0573)	(0.0488)	(0.0769)	(0.0371)	(0.0551)	(0.0693)	(0.0431)	(0.0324)
Surge Contagion$_{i,t-1}$	0.166				-0.263*			
	(0.160)				(0.124)			
Stop Contagion$_{i,t-1}$		0.176				0.179		
		(0.162)				(0.152)		
Flight Contagion$_{i,t-1}$			-0.0630				0.173	
			(0.182)				(0.218)	
Retrenchment Contagion$_{i,t-1}$				0.0441				-0.101
				(0.190)				(0.169)
Observations	2534	2534	2386	2386	2531	2531	2436	2436

Note: This table reports the results from robustness checks that exclude local GDP growth from the set of control variables. The dependent variable equals 1 if a surge, stop, flight, or retrenchment episode occurs for a given flow type. Table A.21a reports the results for foreign direct investment ((1)–(4)) and banking flows ((5)–(8)), while Table A.21b reports those for debt ((1)–(4)) and equity flows ((5)–(8)). Unless otherwise specified, the estimation approach, and all other variables are as defined in Table 4.1. Statistical significance is represented by *, **, and *** , corresponding to 5%, 1%, and 0.1% confidence thresholds, respectively.

Table A.22: Flow-Type Decomposition of the Effects of Country-Specific GPR on Extreme Capital Flow Episodes: Excluding High-Volatility Periods in Global GPR

(a) Direct Investment and Banking Flows: Episode-Level Effects of Country-Specific GPR (DI, BK)

	(1) Surge_epiDI	(2) Stop_epiDI	(3) Flight_epiDI	(4) Retrenchment_epiDI	(5) Surge_epiBK	(6) Stop_epiBK	(7) Flight_epiBK	(8) Retrenchment_epiBK
Country-specific GPR$_{i,t-1}$	-0.233	0.774***	0.221	0.310	-0.304	0.165	0.596***	0.447**
	(0.568)	(0.199)	(0.215)	(0.328)	(0.288)	(0.273)	(0.167)	(0.136)
Financial Uncertainty$_{t-1}$	-0.0193	0.00573	-0.0351*	0.0232**	-0.0307*	0.0285***	-0.00679	0.0243*
	(0.0112)	(0.00932)	(0.0140)	(0.00776)	(0.0145)	(0.00797)	(0.0135)	(0.00954)
Liquidity$_{t-1}$	-0.0000552***	-0.0000533***	-0.0000445***	-0.0000642***	-0.0000541***	-0.0000549***	-0.0000503***	-0.0000482***
	(0.00000671)	(0.00000760)	(0.00000648)	(0.00000530)	(0.00000889)	(0.00000486)	(0.00000984)	(0.00000602)
Interest Rate$_{t-1}$	-0.158***	-0.158*	-0.116**	-0.275***	-0.209**	-0.185***	-0.182**	-0.267***
	(0.0403)	(0.0631)	(0.0416)	(0.0594)	(0.0736)	(0.0510)	(0.0686)	(0.0573)
Global GDP Growth$_{t-1}$	0.211***	-0.217***	0.110*	-0.0770	0.197*	-0.150***	-0.0209	-0.0881*
	(0.0446)	(0.0435)	(0.0499)	(0.0444)	(0.0841)	(0.0290)	(0.0667)	(0.0405)
Surge Contagion$_{i,t-1}$	0.319*				0.379*			
	(0.149)				(0.156)			
GDP growth$_{i,t-1}$	0.0184***	0.00242	0.00707	-0.0248	0.0126	-0.0197	0.00361	-0.00729
	(0.00409)	(0.0108)	(0.00832)	(0.0205)	(0.00903)	(0.0177)	(0.0124)	(0.0128)
Stop Contagion$_{i,t-1}$		0.365				0.106		
		(0.198)				(0.137)		
Flight Contagion$_{i,t-1}$			0.436*				0.122	
			(0.189)				(0.212)	
Retrenchment Contagion$_{i,t-1}$				0.495**				-0.0549
				(0.182)				(0.152)
Observations	2220	2220	2223	2223	2208	2202	2220	2220

(b) Debt and Equity Flows: Episode-Level Effects of Country-Specific GPR (DE, EQ)

	(1) Surge_epiDE	(2) Stop_epiDE	(3) Flight_epiDE	(4) Retrenchment_epiDE	(5) Surge_epiEQ	(6) Stop_epiEQ	(7) Flight_epiEQ	(8) Retrenchment_epiEQ
Country-specific GPR$_{i,t-1}$	-0.00387	-0.0155	0.0860	0.514***	-0.651	-0.477	0.274	0.557**
	(0.485)	(0.305)	(0.379)	(0.126)	(0.362)	(0.258)	(0.161)	(0.174)
Financial Uncertainty$_{t-1}$	-0.0443**	0.0301**	-0.0444**	0.00661	-0.0408***	0.0224*	-0.00664	0.0458***
	(0.0136)	(0.0111)	(0.0165)	(0.00784)	(0.0121)	(0.0109)	(0.0101)	(0.00994)
Liquidity$_{t-1}$	-0.0000284***	-0.0000542***	-0.0000302**	-0.0000492***	-0.0000216***	-0.0000612***	-0.0000333***	-0.0000577***
	(0.00000811)	(0.00000542)	(0.0000117)	(0.00000573)	(0.00000570)	(0.00000619)	(0.00000694)	(0.00000730)
Interest Rate$_{t-1}$	0.0277	-0.331***	-0.00272	-0.179***	0.0623	-0.196***	-0.170*	-0.513***
	(0.0610)	(0.0701)	(0.0643)	(0.0442)	(0.0632)	(0.0527)	(0.0698)	(0.0678)
Global GDP Growth$_{t-1}$	-0.167**	0.0500	-0.0241	-0.136***	-0.141**	0.0233	-0.0821*	0.0636
	(0.0622)	(0.0493)	(0.0885)	(0.0330)	(0.0533)	(0.0716)	(0.0410)	(0.0356)
Surge Contagion$_{i,t-1}$	0.0593				-0.487***			
	(0.156)				(0.143)			
GDP growth$_{i,t-1}$	0.0279**	-0.0158	-0.00825	0.0177*	0.0225***	-0.0327	0.00818	0.00278
	(0.0101)	(0.0159)	(0.0108)	(0.00731)	(0.00415)	(0.0232)	(0.00818)	(0.0155)
Stop Contagion$_{i,t-1}$		0.0916				0.0342		
		(0.185)				(0.159)		
Flight Contagion$_{i,t-1}$			-0.0607				0.179	
			(0.178)				(0.217)	
Retrenchment Contagion$_{i,t-1}$				0.228				0.0656
				(0.215)				(0.185)
Observations	2178	2178	2040	2040	2148	2148	2100	2100

Note: This table reports the results from robustness checks that exclude high-volatility periods in global GPR (221Q3-2003Q4). The dependent variable equals 1 if a surge, stop, flight, or retrenchment episode occurs for a given flow type. Table A.22a reports the results for foreign direct investment ((1)–(4)) and banking flows ((5)–(8)), while Table A.22b reports those for debt ((1)–(4)) and equity flows ((5)–(8)). Unless otherwise specified, the estimation approach, and all other variables are as defined in Table 4.1. Statistical significance is represented by *, **, and *** , corresponding to 5%, 1%, and 0.1% confidence thresholds, respectively.

Table A.23: Flow-Type Decomposition of the Effects of Country-Specific GPR on Extreme Capital Flow Episodes: Including Additional Country-Level Controls

(a) Direct Investment and Banking Flows: Episode-Level Effects of Country-Specific GPR (DI, BK)

	(1) Surge_epiDI	(2) Stop_epiDI	(3) Flight_epiDI	(4) Retrenchment_epiDI	(5) Surge_epiBK	(6) Stop_epiBK	(7) Flight_epiBK	(8) Retrenchment_epiBK
Country-specific GPR$_{i,t-1}$	-0.419	0.999***	-0.206	0.455*	-0.662	-0.296	0.744***	0.228
	(0.682)	(0.233)	(0.300)	(0.189)	(0.449)	(0.672)	(0.207)	(0.186)
Financial Uncertainty$_{t-1}$	-0.0215*	0.0117	-0.0174	0.0157	-0.0169	0.0214*	-0.00274	0.0187
	(0.0107)	(0.00882)	(0.0152)	(0.00995)	(0.0117)	(0.0104)	(0.0135)	(0.0112)
Liquidity$_{t-1}$	-0.0000533***	-0.0000512***	-0.0000562***	-0.0000585***	-0.0000521***	-0.0000582***	-0.0000471***	-0.0000435***
	(0.00000792)	(0.0000102)	(0.00000927)	(0.00000703)	(0.0000149)	(0.00000955)	(0.0000127)	(0.00000754)
Interest Rate$_{t-1}$	-0.202***	-0.0438	-0.199***	-0.137	-0.142	-0.170*	-0.313**	-0.298**
	(0.0487)	(0.0787)	(0.0446)	(0.0834)	(0.0803)	(0.0667)	(0.111)	(0.0933)
Global GDP Growth$_{t-1}$	0.139	-0.167**	0.115	-0.0809*	0.237**	-0.153***	-0.0545	-0.0543
	(0.0746)	(0.0518)	(0.0841)	(0.0388)	(0.0835)	(0.0283)	(0.0891)	(0.0574)
Surge Contagion$_{i,t-1}$	0.426**				0.560*			
	(0.163)				(0.220)			
GDP growth$_{i,t-1}$	0.0599*	0.00779	0.0504	-0.0390	0.0197	-0.0218	0.0210	-0.0128
	(0.0262)	(0.0233)	(0.0278)	(0.0272)	(0.0234)	(0.0225)	(0.0389)	(0.0227)
L.exrate	0.00000724	0.0000808***	0.00000719	0.0000912***	0.0000334	0.00000247	0.0000194	-0.000107
	(0.0000203)	(0.0000183)	(0.0000202)	(0.0000183)	(0.0000280)	(0.0000206)	(0.0000299)	(0.0000744)
L.policyrate	-0.0164	-0.0817	0.0173	0.0237	-0.0704	-0.0274	-0.0353	-0.0272
	(0.0218)	(0.0448)	(0.0189)	(0.0182)	(0.0404)	(0.0150)	(0.0448)	(0.0156)
L.cpi	0.00981	-0.00307	-0.000518	-0.0409	0.0253	0.0308	0.0143	0.0150
	(0.0165)	(0.0262)	(0.0212)	(0.0251)	(0.0214)	(0.0159)	(0.0261)	(0.0189)
L.equityindex	0.00000361	0.0000157*	-0.0000116	-0.00000444	0.00000316	0.00000183	0.00000626	0.000000623
	(0.00000220)	(0.00000734)	(0.00000654)	(0.00000551)	(0.00000627)	(0.00000479)	(0.00000640)	(0.00000335)
L.tradeopen	0.0775	-0.416	0.515**	-0.0123	-0.822*	0.254	-0.0688	0.0290
	(0.213)	(0.463)	(0.171)	(0.161)	(0.360)	(0.251)	(0.388)	(0.225)
Stop Contagion$_{i,t-1}$		0.245				0.198		
		(0.198)				(0.190)		
Flight Contagion$_{i,t-1}$			0.141				0.209	
			(0.190)				(0.262)	
Retrenchment Contagion$_{i,t-1}$				0.203				0.0705
				(0.276)				(0.206)
Observations	1602	1602	1602	1602	1590	1584	1602	1602

(b) Debt and Equity Flows: Episode-Level Effects of Country-Specific GPR (DE, EQ)

	(1) Surge_epiDE	(2) Stop_epiDE	(3) Flight_epiDE	(4) Retrenchment_epiDE	(5) Surge_epiEQ	(6) Stop_epiEQ	(7) Flight_epiEQ	(8) Retrenchment_epiEQ
Country-specific GPR$_{i,t-1}$	-0.0352	-0.132	0.0686	0.448**	-0.573	-1.115**	0.129	0.587*
	(0.508)	(0.265)	(0.331)	(0.148)	(0.584)	(0.406)	(0.233)	(0.231)
Financial Uncertainty$_{t-1}$	-0.0303*	0.0278**	-0.0214	0.0206	-0.0388**	0.0232*	-0.0000407	0.0487***
	(0.0147)	(0.00947)	(0.0231)	(0.0116)	(0.0132)	(0.0109)	(0.00813)	(0.00702)
Liquidity$_{t-1}$	-0.0000285*	-0.0000446***	-0.0000373*	-0.0000487***	-0.0000184*	-0.0000525***	-0.0000358***	-0.0000579***
	(0.0000143)	(0.00000690)	(0.0000158)	(0.0000101)	(0.00000839)	(0.0000105)	(0.00000823)	(0.00000677)
Interest Rate$_{t-1}$	0.0457	-0.322***	0.0235	-0.307***	0.0728	-0.152	-0.153	-0.510***
	(0.0701)	(0.0768)	(0.0803)	(0.0740)	(0.106)	(0.0874)	(0.0809)	(0.0815)
Global GDP Growth$_{t-1}$	-0.134*	0.0917	0.00771	-0.0481	-0.195**	0.0872	-0.0442	0.0806
	(0.0651)	(0.0525)	(0.0885)	(0.0563)	(0.0688)	(0.0799)	(0.0528)	(0.0462)
Surge Contagion$_{i,t-1}$	0.108				-0.322			
	(0.253)				(0.214)			
GDP growth$_{i,t-1}$	0.0382	-0.0406*	-0.0438	-0.0179	0.0680**	-0.0525*	0.00186	0.000402
	(0.0409)	(0.0194)	(0.0303)	(0.0238)	(0.0263)	(0.0218)	(0.0238)	(0.0345)
L.exrate	-0.0000841	0.0000219	-0.000385*	-0.000113	-0.00000125	0.00000936	-0.0000780	-0.0000859
	(0.0000816)	(0.0000207)	(0.000152)	(0.0000775)	(0.0000329)	(0.0000241)	(0.0000824)	(0.0000862)
L.policyrate	-0.0382	0.00174	-0.0497*	0.0109	-0.0109	0.00616	-0.0553*	-0.0329**
	(0.0497)	(0.0221)	(0.0235)	(0.0116)	(0.0409)	(0.0266)	(0.0277)	(0.0125)
L.cpi	0.0247	0.00488	0.0207	0.00325	0.00586	-0.0269	-0.000334	0.0172
	(0.0189)	(0.0217)	(0.0179)	(0.0124)	(0.0212)	(0.0245)	(0.0217)	(0.0157)
L.equityindex	-0.00000695	-0.00000185	-0.000000752	-0.00000379	0.00000226	0.00000323	0.00000520	0.00000892*
	(0.00000572)	(0.00000455)	(0.00000856)	(0.00000538)	(0.00000491)	(0.00000538)	(0.00000537)	(0.00000400)
L.tradeopen	-0.255	-0.491*	0.254	0.0712	-0.529	-0.521**	-0.0262	-0.215
	(0.396)	(0.230)	(0.230)	(0.239)	(0.373)	(0.182)	(0.188)	(0.258)
Stop Contagion$_{i,t-1}$		0.0401				0.0493		
		(0.201)				(0.268)		
Flight Contagion$_{i,t-1}$			-0.0532				0.485*	
			(0.259)				(0.239)	
Retrenchment Contagion$_{i,t-1}$				0.0443				0.124
				(0.272)				(0.178)
Observations	1553	1553	1515	1515	1571	1571	1566	1566

Note: This table reports the results from robustness checks that include additional country-level control variables. The dependent variable equals 1 if a surge, stop, flight, or retrenchment episode occurs for a given flow type. Table A.23a reports the results for foreign direct investment ((1)–(4)) and banking flows ((5)–(8)), while Table A.23b reports those for debt ((1)–(4)) and equity flows ((5)–(8)). Unless otherwise specified, the estimation approach, and all other variables are as defined in Table 4.1. Statistical significance is represented by *, **, and *** , corresponding to 5%, 1%, and 0.1% confidence thresholds, respectively.

Table A.24: Flow-Type Decomposition of the Effects of Country-Specific GPR on Extreme Capital Flow Episodes: Using a Probit Model

(a) Direct Investment and Banking Flows: Episode-Level Effects of Country-Specific GPR (DI, BK)

	(1) Surge_epiDI	(2) Stop_epiDI	(3) Flight_epiDI	(4) Retrenchment_epiDI	(5) Surge_epiBK	(6) Stop_epiBK	(7) Flight_epiBK	(8) Retrenchment_epiBK
Country-specific GPR$_{i,t-1}$	-0.103	0.418***	0.0982	0.117	-0.115	-0.125	0.349***	0.270***
	(0.256)	(0.110)	(0.0972)	(0.147)	(0.135)	(0.147)	(0.0999)	(0.0775)
Financial Uncertainty$_{t-1}$	-0.0110*	0.00189	-0.0135*	0.0102*	-0.0208**	0.00721	-0.00683	0.00870
	(0.00431)	(0.00572)	(0.00636)	(0.00515)	(0.00722)	(0.00507)	(0.00738)	(0.00585)
Liquidity$_{t-1}$	-0.0000302***	-0.0000269***	-0.0000275***	-0.0000333***	-0.0000288***	-0.0000235***	-0.0000266***	-0.0000242***
	(0.00000386)	(0.00000380)	(0.00000362)	(0.00000323)	(0.00000554)	(0.00000295)	(0.00000522)	(0.00000372)
Interest Rate$_{t-1}$	-0.0911***	-0.0893*	-0.0795***	-0.138***	-0.119**	-0.0703*	-0.103**	-0.142***
	(0.0249)	(0.0373)	(0.0221)	(0.0365)	(0.0411)	(0.0339)	(0.0356)	(0.0328)
Global GDP Growth$_{t-1}$	0.0969**	-0.143***	0.0617*	-0.0597*	0.0912	-0.123***	-0.0125	-0.0575*
	(0.0324)	(0.0331)	(0.0281)	(0.0280)	(0.0526)	(0.0235)	(0.0346)	(0.0286)
Surge Contagion$_{i,t-1}$	0.261**				0.283**			
	(0.0979)				(0.0953)			
GDP growth$_{i,t-1}$	0.0161*	0.00401	0.00841	-0.0145	0.0123	-0.0213	0.00387	-0.0107
	(0.00685)	(0.00731)	(0.00811)	(0.0134)	(0.0105)	(0.0149)	(0.00821)	(0.00691)
Stop Contagion$_{i,t-1}$		0.188				0.0326		
		(0.104)				(0.0768)		
Flight Contagion$_{i,t-1}$			0.256*				0.0459	
			(0.104)				(0.116)	
Retrenchment Contagion$_{i,t-1}$				0.239*				-0.0122
				(0.0968)				(0.0884)
Observations	2395	2395	2403	2403	2383	2377	2395	2395

(b) Debt and Equity Flows: Episode-Level Effects of Country-Specific GPR (DE, EQ)

	(1) Surge_epiDE	(2) Stop_epiDE	(3) Flight_epiDE	(4) Retrenchment_epiDE	(5) Surge_epiEQ	(6) Stop_epiEQ	(7) Flight_epiEQ	(8) Retrenchment_epiEQ
Country-specific GPR$_{i,t-1}$	-0.0595	-0.113	0.171	0.294**	-0.234	-0.336*	0.109	0.262*
	(0.272)	(0.201)	(0.157)	(0.106)	(0.180)	(0.163)	(0.116)	(0.103)
Financial Uncertainty$_{t-1}$	-0.0254***	0.00930	-0.0191*	0.000324	-0.0310***	0.00436	-0.00665	0.0206**
	(0.00746)	(0.00703)	(0.00840)	(0.00534)	(0.00748)	(0.00635)	(0.00546)	(0.00646)
Liquidity$_{t-1}$	-0.0000162***	-0.0000270***	-0.0000197**	-0.0000252***	-0.00000942**	-0.0000308***	-0.0000176***	-0.0000285***
	(0.00000458)	(0.00000339)	(0.00000621)	(0.00000359)	(0.00000341)	(0.00000352)	(0.00000382)	(0.00000422)
Interest Rate$_{t-1}$	0.00909	-0.174***	-0.0186	-0.0971***	0.0508	-0.0985**	-0.0971*	-0.272***
	(0.0374)	(0.0384)	(0.0335)	(0.0277)	(0.0426)	(0.0299)	(0.0408)	(0.0386)
Global GDP Growth$_{t-1}$	-0.0921*	0.0265	-0.0107	-0.0828***	-0.0906**	0.00480	-0.0439	0.0215
	(0.0373)	(0.0289)	(0.0401)	(0.0210)	(0.0335)	(0.0437)	(0.0232)	(0.0226)
Surge Contagion$_{i,t-1}$	0.0626				-0.287***			
	(0.0992)				(0.0836)			
GDP growth$_{i,t-1}$	0.0211*	-0.0127	-0.00367	0.00973	0.0185***	-0.0181	0.00539	0.00143
	(0.00824)	(0.0109)	(0.00715)	(0.00668)	(0.00514)	(0.0123)	(0.00636)	(0.00851)
Stop Contagion$_{i,t-1}$		0.0677				0.0373		
		(0.103)				(0.0879)		
Flight Contagion$_{i,t-1}$			-0.0150				0.0998	
			(0.114)				(0.131)	
Retrenchment Contagion$_{i,t-1}$				0.0689				-0.0256
				(0.112)				(0.103)
Observations	2358	2358	2210	2210	2318	2318	2260	2260

Note: This table reports the results from robustness checks using a probit model. The dependent variable equals 1 if a surge, stop, flight, or retrenchment episode occurs for a given flow type. Table A.24a reports the results for foreign direct investment ((1)–(4)) and banking flows ((5)–(8)), while Table A.24b reports those for debt ((1)–(4)) and equity flows ((5)–(8)). Unless otherwise specified, the estimation approach, and all other variables are as defined in Table 4.1. Statistical significance is represented by *, **, and *** , corresponding to 5%, 1%, and 0.1% confidence thresholds, respectively.

Table A.25: Flow-Type Decomposition of the Effects of Country-Specific GPR on Extreme Capital Flow Episodes: Using a Logit Model

(a) Direct Investment and Banking Flows: Episode-Level Effects of Country-Specific GPR (DI, BK)

	(1) surge_epiDI	(2) stop_epiDI	(3) flight_epiDI	(4) retrench_epiDI	(5) surge_epiBK	(6) stop_epiBK	(7) flight_epiBK	(8) retrench_epiBK
Country-specific GPR$_{i,t-1}$	-0.164	0.787***	0.209	0.216	-0.186	-0.230	0.644***	0.475***
	(0.452)	(0.187)	(0.158)	(0.312)	(0.271)	(0.288)	(0.181)	(0.134)
Financial Uncertainty$_{t-1}$	-0.0201*	0.00394	-0.0247*	0.0203*	-0.0404**	0.0168	-0.0111	0.0176
	(0.00811)	(0.0100)	(0.0123)	(0.00855)	(0.0143)	(0.00868)	(0.0141)	(0.0103)
Liquidity$_{t-1}$	-0.0000553***	-0.0000499***	-0.0000479***	-0.0000605***	-0.0000534***	-0.0000442***	-0.0000474***	-0.0000430***
	(0.00000722)	(0.00000749)	(0.00000699)	(0.00000585)	(0.0000108)	(0.00000536)	(0.0000103)	(0.00000664)
Interest Rate$_{t-1}$	-0.151***	-0.137*	-0.128**	-0.240***	-0.202*	-0.127*	-0.167*	-0.247***
	(0.0431)	(0.0669)	(0.0401)	(0.0661)	(0.0807)	(0.0607)	(0.0678)	(0.0614)
Global GDP Growth$_{t-1}$	0.213***	-0.264***	0.123*	-0.105*	0.219*	-0.200***	-0.0188	-0.101*
	(0.0576)	(0.0556)	(0.0525)	(0.0495)	(0.0970)	(0.0407)	(0.0729)	(0.0494)
Surge Contagion$_{i,t-1}$	0.439*				0.501**			
	(0.180)				(0.178)			
GDP growth$_{i,t-1}$	0.0258*	0.00677	0.0124	-0.0249	0.0180	-0.0364	0.00601	-0.0178
	(0.0123)	(0.0126)	(0.0131)	(0.0238)	(0.0183)	(0.0268)	(0.0135)	(0.0119)
Stop Contagion$_{i,t-1}$		0.407*				0.0839		
		(0.198)				(0.142)		
Flight Contagion$_{i,t-1}$			0.459*				0.0787	
			(0.194)				(0.218)	
Retrenchment Contagion$_{i,t-1}$				0.472*				-0.0137
				(0.192)				(0.165)
Observations	2395	2395	2403	2403	2383	2377	2395	2395

(b) Debt and Equity Flows: Episode-Level Effects of Country-Specific GPR (DE, EQ)

Note:

	(1) surge_epiDE	(2) stop_epiDE	(3) flight_epiDE	(4) retrench_epiDE	(5) surge_epiEQ	(6) stop_epiEQ	(7) flight_epiEQ	(8) retrench_epiEQ
Country-specific GPR$_{i,t-1}$	-0.139	-0.221	0.297	0.517**	-0.420	-0.645*	0.198	0.478**
	(0.544)	(0.381)	(0.265)	(0.179)	(0.353)	(0.321)	(0.198)	(0.184)
Financial Uncertainty$_{t-1}$	-0.0480**	0.0188	-0.0334*	0.000825	-0.0572***	0.00927	-0.0123	0.0394***
	(0.0151)	(0.0128)	(0.0161)	(0.00985)	(0.0139)	(0.0117)	(0.00985)	(0.0111)
Liquidity$_{t-1}$	-0.0000263**	-0.0000479***	-0.0000347**	-0.0000438***	-0.0000145*	-0.0000553***	-0.0000288***	-0.0000505***
	(0.00000916)	(0.00000620)	(0.0000123)	(0.00000657)	(0.00000651)	(0.00000690)	(0.00000699)	(0.00000731)
Interest Rate$_{t-1}$	0.0461	-0.310***	-0.0197	-0.158**	0.112	-0.161**	-0.155*	-0.494***
	(0.0690)	(0.0759)	(0.0639)	(0.0522)	(0.0740)	(0.0557)	(0.0749)	(0.0708)
Global GDP Growth$_{t-1}$	-0.178*	0.0506	-0.0117	-0.149***	-0.165*	0.0117	-0.0831	0.0456
	(0.0710)	(0.0541)	(0.0830)	(0.0380)	(0.0654)	(0.0821)	(0.0444)	(0.0402)
Surge Contagion$_{i,t-1}$	0.122				-0.522***			
	(0.179)				(0.156)			
GDP growth$_{i,t-1}$	0.0358*	-0.0217	-0.00601	0.0176	0.0327**	-0.0339	0.00852	0.00293
	(0.0144)	(0.0188)	(0.0118)	(0.0107)	(0.0110)	(0.0226)	(0.0100)	(0.0162)
Stop Contagion$_{i,t-1}$		0.147				0.0927		
		(0.190)				(0.162)		
Flight Contagion$_{i,t-1}$			-0.0225				0.187	
			(0.207)				(0.235)	
Retrenchment Contagion$_{i,t-1}$				0.141				-0.0271
				(0.206)				(0.186)
Observations	2358	2358	2210	2210	2318	2318	2260	2260

This table reports the results from robustness checks using a logit model. The dependent variable equals 1 if a surge, stop, flight, or retrenchment episode occurs for a given flow type. Table A.25a reports the results for foreign direct investment ((1)–(4)) and banking flows ((5)–(8)), while Table A.25b reports those for debt ((1)–(4)) and equity flows ((5)–(8)). Unless otherwise specified, the estimation approach, and all other variables are as defined in Table 4.1. Statistical significance is represented by *, **, and *** , corresponding to 5%, 1%, and 0.1% confidence thresholds, respectively.

Table A.26: Robustness: Including Oil Prices and US EPU in the Post-GFC Regressions

	(1) Surge	(2) Stop	(3) Flight	(4) Retrenchment
Country-specific GPR$_{i,t-1}$	-1.142	0.608***	0.211	0.425**
	(0.704)	(0.116)	(0.120)	(0.148)
Financial Uncertainty$_{t-1}$	0.00726	0.0823**	0.00894	0.0532
	(0.0275)	(0.0317)	(0.0323)	(0.0347)
US EPU$_{t-1}$	0.000296	-0.0166***	-0.00151	-0.0167***
	(0.00301)	(0.00403)	(0.00309)	(0.00343)
Oil Price$_{t-1}$	0.0243***	-0.0124*	0.0246***	-0.00113
	(0.00466)	(0.00591)	(0.00434)	(0.00616)
Liquidity$_{t-1}$	-0.0000225	-0.00000736	-0.00000810	0.00000560
	(0.0000135)	(0.0000145)	(0.0000220)	(0.0000107)
Interest Rate$_{t-1}$	-0.880***	-0.250	-1.114***	-0.500
	(0.250)	(0.231)	(0.331)	(0.298)
Global GDP Growth$_{t-1}$	-0.178***	-0.144*	-0.238**	-0.239*
	(0.0523)	(0.0646)	(0.0812)	(0.0975)
Surge Contagion$_{i,t-1}$	-0.301			
	(0.235)			
GDP growth$_{i,t-1}$	0.0494*	-0.0273	-0.00694	-0.0302
	(0.0251)	(0.0400)	(0.0341)	(0.0364)
Stop Contagion$_{i,t-1}$		-0.217		
		(0.358)		
Flight Contagion$_{i,t-1}$			-0.597*	
			(0.299)	
Retrenchment Contagion$_{i,t-1}$				0.568
				(0.358)
Observations	1156	1156	1156	1156

Note: This table reports the results from robustness checks including U.S. EPU as well as Oil Prices. U.S. EPU denotes the degree of Economic Policy Uncertainty in the United States. Oil prices are measured as the year-over-year percentage change in oil prices. Unless otherwise specified, the estimation approach, and all other variables are as defined in Table 4.2. Statistical significance is denoted by *, **, and ***, corresponding to 5%, 1%, and 0.1% confidence levels, respectively.