

DOI: [https://doi.org/10.18371/fp.3\(35\).2019.190096](https://doi.org/10.18371/fp.3(35).2019.190096)

JEL Classification E52, E58, F21, F31, G15

THE INFLUENCE OF THE MONETARY AND CREDIT POLICY OF THE FEDERAL RESERVE SYSTEM OF THE USA ON INTERNATIONAL FINANCIAL MARKETS: THE ASPECT OF DEVELOPING COUNTRIES

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Abstract. *In the article the bank regulator of the USA - the Federal Reserve System (FRS) is considered. Based on a study of monthly data for the period from January 2000 to March 2019, using the methods of statistical and correlation-regression analysis, the influence of the FRS monetary policy on international financial markets is estimated. The forward reaction of monetary policy of the other bank regulators on decisions of FRS after crisis of 2008-2009 was revealed. Key trends of the world financial platforms because of change of monetary policy of FRS and possible consequences for actual and financial sectors of the world economy were allocated.*

Keywords: *The Federal Reserve System, monetary policy, quantitative easing, financial markets, securities market, interest rate, capital.*

After the financial crisis of 2008-2009, the Federal Reserve System was the most important player in shaping the main trends in international financial markets. The scale, tools and transboundary impact of the policy of this regulator are of interest and discussion in the scientific community, which determines the relevance of the study of the reactions of world financial markets and national banks to the actions of the American regulator.

The aim of the study is to analyze the impact of the US Federal Reserve monetary policy, in particular, non-traditional monetary incentive measures on world financial markets with a focus on developing countries. Research by other scientists did not cover the last period - the increase in interest rates in the United States (after December 2015) and the general picture over the past 20 years, which is what the study is aimed.

In the article the influence FRS monetary policy on the international financial markets, including the stock, currency and commodity markets is estimated. For the analysis of data, the statistics indicators characterizing dynamics of driving of major financial instruments and the markets since 2007 and finishing with the beginning of 2019 are used. As comparison, the analysis of dynamics of the Federal Reserve interest rates and the S&P500 market index was used. The influence of FRS on the American, German and bonds of individual developing countries is defined. On this basis, the conclusion is drawn that securities have high correlation, but the other Central banks take part in it. The forward reaction of the other bank monetary policy regulators on decisions of FRS after crisis of 2008-2009 was revealed.

In conclusion, key trends of the world financial platforms because of change of the FRS monetary policy and possible consequences for actual and financial sectors of the world economy were allocated.

The monetary policy of the United States affected the developing countries, and this influence was stronger during the implementation of the quantitative easing policy (2008-2014). Influence was carried out mainly through the prices of financial assets (primarily, bonds, as well as shares) through the movement of international capital flows. From macroeconomic indicators, the greatest impact of changes in US monetary policy was experienced by exchange rates and interest rates.

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