

README

Manuscript title: The Demand for Government Debt

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1. Overview

This README documents the replication package for the paper “The Demand for Government Debt” (Eren, Schrimpf, and Xia, 2025). It follows the structure of the master do-file (master_do_ESX.do), which builds cross-country monetary policy shocks, country-level datasets, sectoral bondholder panels, U.S. regressions and counterfactuals, and appendix analyses. All scripts rely on relative paths and expect the directory layout described below.

Quick start (end-to-end):

- 1) Open master_do_ESX.do and run from top to bottom.
- 2) The scripts will: (i) build cross-country MP shocks and FX returns; (ii) construct country datasets (US, UK, JP, EA); (iii) generate holders panels; (iv) transform data for US regressions; (v) estimate elasticities; (vi) run counterfactuals; and (vii) produce appendix outputs (Japan, UK, PCA).
- 3) Outputs: figures in \$path/graphs_paper/, tables in \$path/tables_paper/, .dta files in \$path/generated_data/.

Folder layout (relative to \$path)

raw_data/ — Excel/CSV inputs

generated_data/ — Stata .dta outputs

graphs_paper/ — figures for paper/appendix

tables_paper/ — LaTeX tables for paper/appendix

*.do — Stata scripts

2. Data availability and provenance

Inputs include public, restricted, and licensed data. Filenames and expected locations follow the do-files. Licensed Bloomberg/market data require subscription; public sources (FRED, IMF, TIC, MSPD, ONS, BoE, BoJ, BIS) are freely accessible.

Cross-country MP shocks and FX

responses_v15b_w3090_MPDPCsum.xlsx — MP shocks for US, EU, JP, GB (OIS/futures). Source: BRW, Swanson, Jarocinski-Karadi, NS, KSX, country-specific shocks (see references in the paper).

Broad_currency_index_updated.xlsx (Nominal sheet) — Broad FX indexes for USD, EUR, JPY, GBP. Source: BIS.

Outputs: mon_pol_shocks_v202507.dta; broad_nominal_FX_v202507.dta

United States

Data.xlsx — Flow of Funds sectoral UST holdings (FRED).

USTHoldings_20240924.xlsx — TIC foreign holdings (official/private).

MSPD_SumSecty_20010131_20241031.xlsx — Treasury supply (MSPD).

BRW2024-08.xlsx, Swanson_shocks.xlsx, shocks_fed_jk_m_202409.xlsx, MPshocksAcosta.xlsx — MP shocks.

outside_assets_updated.xlsx — SP500 dividend yield, German ZC yields.

IMFCOFER.xlsx — IMF reserve currency shares.

Preprocessed: FoF_fred_20240923.dta, US_FRED_macrofin.dta, US_FRED_FoF.dta, US_FRED_FoF_debt.dta.

Outputs: US_data_v202507.dta, us_regression_cf_v202507.dta.

United Kingdom

Gilt_holdings_data_updated.xlsx — ONS gilt holdings by sector.

DBSonline_BBG_UK_updated.xlsx — Bloomberg yields, FTSE, FX, CIP.

DBSonline_BoEassets_UK_updated.xlsx — BoE balance sheet (USD).

DBSonline_MACRO_UK_updated.xlsx — Macro (CPI, GDP).

series-260924.xls — Debt/GDP ratio.

data_ZCYield.xlsx (GB) — ZC curve.

MP_shocks_other.xlsx — BMAS UK MP shocks.

Preprocessed: UK_FRED.dta.

Outputs: UK_data_v202507.dta.

Japan

JGB_holdings_data_updated.xlsx — BoJ FoF JGB holdings.

DBSonline_BBG_JP_updated.xlsx — Bloomberg JGB yields, Nikkei, FX, CIP.

DBSonline_MACRO_JP_updated.xlsx — GDP, CPI, debt/GDP.

data_ZCYield.xlsx (JP) — ZC curve.

MP_shocks_other.xlsx — Kubota-Shintani BoJ shocks.

Preprocessed: JP_FRED.dta.

Outputs: JP_data_v202507.dta.

Euro Area

Euroarea_holdings_data_updated.xlsx (EA_holdings_short) — EA gov bond holdings.

Preprocessed: EU_FRED.dta (GDP).

Outputs: EA_data_v202507.dta.

3. Variable dictionaries (key files)

mon_pol_shocks_v202507.dta — quarterly MP shocks (Ch3m, Ch2y, Ch10y, slope measures).

broad_nominal_FX_v202507.dta — quarterly FX returns (USD, EUR, JPY, GBP).

US_data_v202507.dta — sectoral UST holdings, TIC, GDP, CPI, VIX, shocks, issuance, refunding shocks.

UK_data_v202507.dta — gilt holdings, macro, yields, BMAS shocks.

JP_data_v202507.dta — JGB holdings, macro, BoJ assets, KS shocks.

EA_data_v202507.dta — EA gov holdings, GDP, debt/GDP.

us_regression_cf_v202507.dta — valuation-adjusted US dataset with PCA shocks.

4. Computational requirements

Stata 17+, Excel import. No extra packages. 16GB RAM suggested. No randomness.

5. Programs/Code (execution order and outputs)

do \$path/create_cross_country_v202507.do -> mon_pol_shocks_v202507.dta,
broad_nominal_FX_v202507.dta

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do $path/create_us_v202507.do -> US_data_v202507.dta

do $path/create_uk_v202507.do -> UK_data_v202507.dta

do $path/create_jp_v202507.do -> JP_data_v202507.dta

do $path/create_eu_v202507.do -> EA_data_v202507.dta

do $path/holders_us_v202507.do -> US holders figures/tables

do $path/holders_uk_v202507.do -> UK_volumes.pdf, UK_shares.pdf, UK_marginal_holders.tex,
UK_avg_by_time.tex

do $path/holders_jp_v202507.do -> JP_volumes.pdf, JP_shares.pdf, JP_marginal_holders.tex,
JP_avg_by_time.tex

do $path/holders_eu_v202507.do -> EU_volumes.pdf, EU_shares.pdf, EU_marginal_holders.tex,
EU_avg_by_time.tex

do $path/transform_us_v202507.do -> us_regression_cf_v202507.dta

do $path/elasticity_us_v202507.do -> MaSc_US_*.tex tables

do $path/ts_counterfactuals_us_v202507.do -> US counterfactual graphs

do $path/qe_effect_counterfactual_v202507.do -> shr_cb.pdf, qe_qt_effect.pdf,
change_cb_share.pdf

do $path/us_inv_funds_v202507.do -> US_inv_funds.pdf, US_inv_funds_pca.tex

do $path/elasticity_jp_v202507.do -> MaSc_JP_*.tex, JP_yield_impact.pdf

do $path/elasticity_uk_v202507.do -> MaSc_GB_pca_fs.tex, MaSc_GB_pca_2sls.tex

do $path/pca_v202507.do -> US_pca_ts.pdf, summary_pca.tex, pca_correlation.tex,
pca_eigenvalue.tex, pca_eigenvector.tex
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