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Good and Bad Spillovers of Economic Policy Uncertainty

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Abstract

We examine the spillover networks of good and bad economic policy uncertainty (EPU) across the world. Bad EPU spillovers differ substantially from good EPU spillovers, implying the EPU spillover network's asymmetric behaviour. Overall, bad EPU spillovers are more pronounced than good EPU spillovers, both statically and dynamically

Keywords: Economic policy uncertainty; Asymmetric spillovers; Good and bad news