Appendices: Output Tables

Table [1] : evolution of debt-to-GDP ratios across Eurozone countries considered in our analysis. Data retrieved from Eurostat.

Geography/Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Belgium	87,3	93,2	100,2	100,3	103,5	104,8	105,5	107	105,2	104,9	101,8	100
Germany	64	65,5	73	82,4	79,8	81,1	78,7	75,7	72,1	69,2	65,3	61,9
France	64,5	68,8	83	85,3	87,8	90,6	93,4	94,9	95,6	98	98,4	98,4
Netherlands	43	54,7	56,8	59,2	61,7	66,2	67,7	67,8	64,6	61,9	56,9	52,4
Austria	65	68,7	79,9	82,7	82,4	81,9	81,3	84	84,9	82,9	78,3	74
Finland	33,9	32,6	41,5	46,9	48,3	53,6	56,2	59,8	63	62,6	60,9	59
Ireland	23,9	42,4	61,5	86	111,1	119,9	119,9	104,4	76,7	73,9	67,8	63,6
Greece	103,1	109,4	126,7	146,2	172,1	159,6	177,4	178,9	175,9	178,5	176,2	181,2
Spain	35,8	39,7	53,3	60,5	69,9	86,3	95,8	100,7	99,3	99,2	98,6	97,6
Italy	103,9	106,1	116,6	119,2	119,7	126,5	132,4	135,4	135,3	134,8	134,1	134,8
Portugal	72,7	75,6	87,8	100,2	114,4	129	131,4	132,9	131,2	131,5	126	122,2

*Expressed in gross debt as % of total national GDP

Output from our econometric analysis

Annotations :

Estimate
(Pr(>|t|))

Significance codes as determined by RStudio :

Annotation	p-value	Significance level
***	[0;0.001]	0.001
**	[0.001;0.01]	0.01
*	[0.01;0.05]	0.05
.	[0.05;0.1]	0.1
	[0.1;1]	1

Table [2] : Financial model computed for the subsample 2010-2019 including the European EPU index and average Quanto CDS variables for each respective country.

The regression consists of: $(Y^{i}_{t} - Y^{bd}_{t}) = B_{i0} + B_{i1}(Y^{i}_{t-1} - Y^{bd}_{t-1}) + B_{i2}(CDSsp^{i}_{t} - CDSsp^{bd}_{t}) + B_{i3}(EU\_QuantoCDS) + B_{i4}(KfW\_Bundsp_{t}^{bd}) + B_{i5}(VSTOXX_{t}) + B_{i6}(EU\_EPU_{t})$

	B_0	B_1	B_2	B_3	B_4	B_5	B_6	$\overline{R^2}$
Belgium	-1.54539e-01 (*0.0161*) *	7.71493e-01 *(< 2e-16)* ***	1.23233e-01 (*0.023*) *	2.68032e-02 *(0.841)*	4.27160e-03 *(0.090)* .	4.60672e-01 *(0.010)* *	5.05534e-06 *(0.983)*	0.945
Spain	-0.183 (*0.0736*) .	0.618 (< 2.22e-16) ***	0.394 (*4.7889e-09*) ***	0.909 *(0.0011)* **	-0.0006 *(0.874)*	0.209 *(0.434)*	0.0005 *(0.224)*	0.963
Portugal	-0.0033 *(0.990)*	0.825 *(< 2e-16)* ***	0.287 *(0.0057)* **	-1.287 *(0.093)* .	1.738 *(0.017)*	0.0004 *(0.964)*	-0.0016 *(0.120)*	0.965
Austria	-1.08872e-01 (*0.0066*) **	7.92819e-01 (< 2.22e-16) ***	-1.87252e-02 (*0.708*)	-9.07104e-03 *(0.916)*	4.48051e-01 *(5.725e-05)*	2.77961e-03 *(0.0702)*	-6.47436e-05 *(0.660)*	0.907
Italy	-0.149 *(0.269)*	0.712 *(< 2.22e-16)* ***	0.282 *(6.3785e-05)* ***	0.0739 (*0.7746*)	0.869 (*0.013*) *	-0.0014 *(0.799)*	0.00013 *(0.800)*	0.899
Ireland	0.559 *(0.003)* **	0.667 *(< 2.22e-16)* ***	0.498 *(9.9979e-08)* ***	0.0098 *(0.976)*	-1.107 (*0.0247*) *	-0.005 (*0.494*)	-0.0004 *(0.540)*	0.970
France	-0.1141 (0.0015*)* **	0.803 (*< 2.22e-16*) ***	0.204 (0.00042*)* ***	-0.014 *(0.863)*	0.225 *(0.014)* *	0.0011 *(0.419)*	0.0002 *(0.088)* .	0.925
Finland	-1.43720e-02 (*0.4102*)	8.88858e-01 *(< 2.22e-16)* ***	-2.95440e-02 *(0.271)*	-5.07279e-02 (*0.123*)	1.15121e-03 *(0.099)*	1.21823e-01 *(0.0075)* **	-9.38403e-06 *(0.889)*	0.895
Netherlands	-1.05991e-02 *(0.591)*	8.65045e-01 (< 2e-16*)* ***	4.84117e-03 (*0.818*)	4.44947e-02 *(0.282)*	6.86396e-02 *(0.158)*	4.28004e-04 *(0.538)*	-1.66427e-05 *(0.807)* .	0.931

Table [3] : Financial model computed for the subsample 2012-2019 including the European EPU index and average Quanto CDS variables for each respective country.

The regression consists of: $(Y^{i}_{t} - Y^{bd}_{t}) = B_{i0} + B_{i1}(Y^{i}_{t-1} - Y^{bd}_{t-1}) + B_{i2}(CDSsp^{i}_{t} - CDSsp^{bd}_{t}) + B_{i3}(EU\_QuantoCDS) + B_{i4}(KfW\_Bundsp^{bd}_{t}) + B_{i5}(VSTOXX^{i}_{t}) + B_{i6}(EU\_EPU^{i}_{t})$

	B_0	B_1	B_2	B_3	B_4	B_5	B_6	$\overline{R^2}$
Belgium	-0.1355 (*0.018*) *	0.720 (*< 2.22e-16*) ***	-0.0361 (*0.474*)	0.498 (*0.00019*) ***	0.004 (*0.0093*) **	0.389 (*0.0130*) *	-0.00029 (*0.0277*) *	0.946
Spain	-0.131 (*0.3637*)	0.506 (4.4036e-12*)* ***	0.598 (*2.4548e-09*) ***	1.220 (*0.023*) *	-0.0039 (*0.333*)	-0.170 (*0.664*)	0.00065 (*0.048*) *	0.977
Portugal	-0.699 (*0.034*) *	0.440 (*1.5696e-06*) ***	0.481 (*4.9582e-06*) ***	2.165 (*0.0099*) ** .	1.165 (*0.179*)	0.008 (*0.317*)	0.0006 (*0.363*)	0.943
Austria	5.17156e-02 (*0.203*)	8.06781e-01 (< 2e-16*)* ***	-8.27637e-02 (*0.152*)	-1.91851e-04 (*0.997*)	-4.04952e-02 (*0.711*)	8.84820e-04 (*0.451*)	-7.98551e-06 (*0.929*)	0.847
Italy	0.00722 (*0.969*)	0.591 (*2.2204e-16*) ***	0.550 (*8.1687e-08*) ***	0.126 (*0.694*)	-0.0123 (*0.981*)	-0.007 (*0.165*)	0.00019 (*0.649*)	0.919
Ireland	-9.44861e-02 (*0.405*)	9.27697e-01 (*< 2.22e-16*) ***	-2.96699e-01 (*0.00016*) ***	9.19176e-01 (*0.0280*) *	-1.45271e-01 (*0.628*)	5.45332e-03 (*0.075*) .	8.88777e-05 (*0.721*)	0.984
France	-0.0334 (0.535*)*	0.702 (*< 2e-16*) ***	0.134 (*0.027*) *	0.294 (*0.004*) **	0.036 (*0.804*)	0.0002 (*0.880*)	0.0001 (*0.347*)	0.902
Finland	3.83880e-02 (*0.21327*)	8.03047e-01 (*< 2e-16*) ***	-1.40108e-02 (*0.709*)	-1.18515e-02 (*0.785*)	1.14362e-03 (*0.193*)	-2.53356e-02 (*0.764*)	-1.59423e-05 (*0.816*)	0.748
Netherlands	-3.40177e-02 (*0.332*)	7.27065e-01 (*< 2.22e-16*) ***	3.46873e-02 (0.341*)*	2.15794e-01 (*0.0005*) ***	7.43529e-02 (*0.427*)	2.16312e-03 (*0.023*) *	-1.59829e-04 (*0.058*) .	0.887

Table [4] : Financial model computed for the subsample 2012-2019 including the national EPU index and national Quanto CDS variables for each respective country.

The regression consists of: $(Y^{i}_{t} - Y^{bd}_{t}) = B_{i0} + B_{i1}(Y^{i}_{t-1} - Y^{bd}_{t-1}) + B_{i2}(CDSsp^{i}_{t} - CDSsp^{bd}_{t}) + B_{i3}$ (National_QuantoCDS) $+ B_{i4}(KfW\_Bundsp^{bd}_{t}) + B_{i5}(VSTOXX^{i}_{t}) + B_{i6}(National\_EPU^{i}_{t})$

	B_0	B_1	B_2	B_3	B_4	B_5	B_6	$\overline{R^2}$
Belgium	-0.1663 (*0.015*) *	0.734 *(< 2.22e-16)* ***	-0.069 (*0.2067*)	0.250 *(0.0056)* **	0.003 *(0.032)* *	0.314 *(0.024)* *	0.0008 *(0.091)* .	0.948
Spain	-0.0098 (0.947*)*	0.501 (1.7590e-12*)* ***	0.567 (*8.5842e-09)* ***	0.837 *(0.00054)* ***	-0.005 *(0.243)*	-0.040 *(0.912)*	0.00047 *(0.100)*	0.975
Italy	-0.025 *(0.8736)*	0.454 *(1.5543e-15)* ***	0.413 *(6.6855e-07)* ***	1.172 (*3.3270e-09)* ***	-0.140 (*0.718)*	-0.001 *(0.728)*	0.0007 *(0.068)* .	0.941
Ireland	-7.41050e-03 *(0.944)*	9.21396e-01 *(< 2.22e-16)* ***	-3.34880e-01 *(8.7768e-05)* ***	9.15313e-01 *(0.002)* **	-6.63991e-02 (*0.803)*	3.62350e-03 (*0.236)*	-2.47269e-05 *(0.901)*	0.460
France	-2.67102e-02 (0.602*)*	5.70396e-01 (*1.1529e-09)* ***	4.48184e-02 (*0.509)*	3.74457e-01 *(0.0004)* ***	-2.25329e-02 *(0.869)*	1.13242e-03 *(0.430)*	2.61142e-04 *(0.0002)* ***	0.985
Netherlands	-0.0481 *(0.159)*	0.671 (*2.2204e-16)* ***	0.022 (0.543*)*	0.207 *(0.003)* **	0.019 *(0.806)*	0.0019 *(0.0299)* *	0.0002 *(0.0231)* *	0.894

Table [5] : Replication of the model of Favero (2013) for the period 2000-2009

The regression consists of : $\Delta(Y^{i}_{t} - Y^{bd}_{t}) = B_{i0} + B_{i1}(Y^{i}_{t-1} - Y^{bd}_{t-1}) + B_{i2}(Baa_{t-1} - Aaa_{t-1}) + B_{i3}(Debt^{i}_{t} - Debt^{bd}_{t}) + B_{i4}(Balance^{i}_{t} - Balance^{bd}_{t}) + B_{i5}\Delta(Baa_{t} - Aaa_{t})$

	B_0	**B_1**	**B_2**	**B_3**	**B_4**	**B_5**	$\overline{R^2}$
Belgium	-0.03953 (0.0240) *	-0.2389 *(1.2725e-11)* ***	0.0756 (*3.0480e-08*) ***	0.0230 *(0.2097)*	-0.0160 *(0.0357)* *	0.1058 *(0.0005)* ***	0.0126
Spain	-0.02372 (*0.0869*) .	-0.156 (*3.6484e-09*) ***	0.054 (*4.2840e-05*) ***	0.0051 *(0.8015)*	-0.00917 *(0.1348)*	0.125 *(2.6202e-05)* ***	0.0802
Portugal	-0.050 *(0.003)* **	-0.177 (*9.9833e-09*) ***	0.08427 *(6.1589e-07)* ***	0.05057 *(0.5639)*	-0.0174 *(0.1275)*	0.1362 *(0.00714)* ***	0.109
Austria	-0.0583 *(9.3876e-07)* ***	-0.2219 *(8.7486e-14)* ***	0.0891 *(3.2885e-12)* ***	0.0643 *(0.18943)*	-0.0086 *(0.12565)*	0.0691 *(0.02362)* *	0.172
Italy	0.0086 *(0.8111)*	-0.193 *(3.7665e-10)* ***	0.092 *(3.0962e-08)* ***	-0.064 (*0.1632)*	-0.0120 (*0.1479)*	0.1962 *(3.7641e-08)* ***	0.167
Ireland	0.1072 *(0.0003)* ***	-0.166 *(4.0722e-08)* ***	0.144 *(1.1963e-09)* ***	-0.0112 *(0.795)*	-0.035 *(0.0001)* ***	0.102 (*0.0743*) .	0.246
France	-0.020 (*0.0054605)* **	-0.220 (*6.5735e-10*) ***	0.0388 (*1.9763e-07*) ***	0.052 *(0.3225)*	-0.0034 *(0.457)*	0.0554 *0.0013)*	0,090
Finland	-0.0086 (*0.7083*)	-0.1494 *(4.8583e-06)* ***	0.0398 *(0.0004)* ***	0.0178 *(0.6653)*	-0.0089 *(0.3077)*	0.1065 *(0.0001)* ***	0.1222
Netherlands	-0.0375 *(1.6449e-05)* ***	-0.254 (*3.0581e-10*) ***	0.0672 (*6.6317e-09*) ***	0.0269 *(0.30889)*	-0.0062 *(0.25014)*	0.1074 *(2.2283e-07)* ***	0.2397

Table [6] : Model as established by Favero (2013) applied to the subsample 2001-2009, including the European EPU index

The regression consists of : $\Delta(Y^{i}_{t} - Y^{bd}_{t}) = B_{i0} + B_{i1}(Y^{i}_{t-1} - Y^{bd}_{t-1}) + B_{i2}(Baa_{t-1} - Aaa_{t-1}) + B_{i3}(Debt^{i}_{t} - Debt^{bd}_{t}) + B_{i4}(Balance^{i}_{t} - Balance^{bd}_{t}) + B_{i5}\Delta(Baa_{t} - Aaa_{t}) + B_{i6}(EU\_EPU^{i}_{t})$

	B_0	**B_1**	**B_2**	**B_3**	**B_4**	**B_5**	**B_6**	$\overline{R^2}$
Belgium	-7.25955e-02 (*0.0001*) ***	-2.88822e-01 *(8.8374e-14)* ***	9.53988e-02 (*1.1953e-10)* ***	4.03369e-02 *(0,052)*	-1.13915e-02 *(0,0947)*	1.62902e-01 *(1.2405e-07)* ***	3.89286e-05 *(0.6382)*	0,106
Spain	-4.61947e-02 (*0.0141968)* *	-3.06570e-01 (*2.2782e-13)* ***	1.02021e-01 (*5.1324e-10)* ***	4.0696 *(0.1161)*	-1.2289*(0.0566)* .	1.101 *(0.0017)* **	5.787 *(0.501)*	-0,071
Portugal	-0.0804 *(0.0012)* **	-0.263 *(4.5164e-10)* ***	0.138 *(1.5783e-09)* ***	-0.1286 *(0.275)*	-0.0257*(0.117)*	0.220 *(3.0139e-05)* ***	-0.0001 *(0.3778)*	0,233
Austria	-8.39657e-02 *(3.4176e-05)* ***	-2.80220e-01 *(5.2847e-14)* ***	1.16088e-01 *(5.4090e-12)* ***	5.27190e-02 *(0.461355)*	5.22138e-03 *(0.536161)*	1.06968e-01 *(0.005219)* **	-1.89653e-05 *(0.8938)*	0,118
Italy	0.0785 *(0.106)*	-0.211 *(8.6182e-09)* ***	0.109 *(7.2392e-08)* ***	-0.217 (*0.0034)* **	-0.0021 (*0.830)*	0.250 *(1.2724e-09)* ***	0.0001 *(0.5209*)	0,091
Ireland	-0.03598 *(0.547)*	-0.2932 *(1.4813e-10)* ***	0.2171 *(3.2354e-10)* ***	0.1299 *(0.086)* .	-0.0381 *(0.0128)* *	0.1203 (*0.1474)*	-0.0003 *(0.2425)*	0,1627
France	-3.74509e-02 (0.00033*)* ***	-3.03161e-01 (*5.8359e-11)* ***	5.54782e-02 (*1.1402e-08)* ***	7.04940e-02 *(0.22143)*	-5.65361e-03 *(0.28711)*	1.08474e-01 *(1.1910e-07)* ***	4.33189e-05 *(0.5344)*	0,2065
Finland	-0.0533 (*0.1362*)	-0.28708 *(4.2343e-11)* ***	8 0.0867 *(1.5893e-08)* ***	0.1017 *(0.049023)* *	0.01364 *(0.178)*	0.0656 *(0.0426)* *	0.00015 (*0.2487)*	0,0786
Netherlands	-5.64084e-02 *(6.8734e-05)* ***	-3.44000e-01 (*5.5733e-14)* ***	8.16528e-02 (*4.0166e-10)* ***	2.13319e-02 *(0.510813)*	-6.44209e-03 *(0.292848)*	8.74632e-02 *(0.001185)* **	8.70972e-05 *(0.2723)*	0,0708

Table [7] : model as established by Favero for the subsample 2001-2019 including the European EPU index

The regression consists of: $\Delta(Y^{i}_{t} - Y^{bd}_{t}) = B_{i0} + B_{i1}(Y^{i}_{t-1} - Y^{bd}_{t-1}) + B_{i2}(Baa_{t-1} - Aaa_{t-1}) + B_{i3}(Debt_{t}^{i}\text{-}Debt_{t}^{bd}) + B_{i4}(Balance_{t}^{i} - Balance^{bd}_{t}) + B_{i5}\Delta(Baa_{t} - Aaa_{t}) + B_{i6}(EU\_EPU_{t}^{i})$

	B_0	**B_1**	**B_2**	**B_3**	**B_4**	**B_5**	**B_6**	$\overline{R^2}$
Belgium	-0.01939 (*0.47839*)	-0.0942 *(4.7944e-11)* ***	0.02118 (*0.1774*)	0.00503 *(0.5702)*	-0.06889 *(0.0137)* *	0.1367 *(0.01114)* *	0.0004 *(0.0001597)* ***	0.029
Spain	-0.08961 (*0.05955*) .	-0.04400 (0.00018*)* ***	0.01435 (*0.6486*)	-0.0731 *(0.0853)* .	-0.0131 *(0.3144)*	0.1877 *(0.0717)* .	0.0007 *(0.0023)* **	0.047
Portugal	-0.05913 *(0.572)*	-0.0280 *(0.0139)* *	-0.0270 *(0.699)*	-0.1487 *(0.0842)* .	-0.1179 *(0.0525)* .	0.2395 *(0.3059)*	0.0007 *(0.2034)*	0.007
Austria	-6.48283e-02 *(0.00047)* ***	-1.24815e-01 *(2.8376e-10)* ***	5.49961e-02 *(1.6546e-05)* ***	-4.66704e-03 *(0.8756)*	-1.19847e-03 *(0.87520)*	1.17441e-01 *(0.00359)* **	2.65591e-04 *(0.00341)* **	0.091
Italy	-0.07294 *(0.38483)*	-0.05974 *(3.4515e-05)* ***	0.0105 *(0.77819)*	-0.0256 (*0.7837*) **	-0.04221 (*0.1022*)	0.2501 *(0.0498)* *	0.0009 *(0.0029*) **	0.046
Ireland	-0.00818 *(0.9197)*	-0.0649 *(1.566e-05)* ***	0.0021 *(0.9703)* ***	-0.1140 *(0.09095)* . .	-0.0706 *(0.00684)* **	0.027 (*0.873*)	0.0002 *(0.4547)*	-0.028
France	-4.07310e-02 (0.011322*)* *	-8.28119e-02 (*3.5573e-08)* ***	1.28389e-02 (*0.225487)*	-2.13102e-02 *(0.205603)*	-3.39562e-03 *(0.541204)*	7.67047e-02 *(0.034384)* *	3.47622e-04 *(3.6890e-05)* ***	0.0769
Finland	-2.70487e-02 (*0.013003*) *	-1.29998e-01 *(1.6291e-10)* ***	3.77835e-02 *(4.6530e-07)* ***	1.12915e-02 (*0.479249)*	-3.09692e-03 *(0.308687)*	8.76576e-02 *(2.9670e-05)* ***	1.23878e-04 (0.012804*)*	0.112
Netherlands	-2.98421e-02 *(0.00097359)* ***	-1.07217e-01 (*6.4416e-08)* ***	2.50757e-02 (*0.0002244 7)* ***	-2.98415e-02 *(0.1602406 7)*	-6.63623e-03 *(0.1349146 9)*	7.20095e-02 *(0.0002067 8)* ***	1.06462e-04 *(0.0081902)* **	0.093

Table [8] : model as established by Favero for the subsample 2010-2019 including the European EPU index and the Quanto CDS variable

The regression consists of: $\Delta(Y^{i}_{t} - Y^{bd}_{t}) = B_{i0} + B_{i1}\,(Y^{i}_{t-1} - Y^{bd}_{t-1}) + B_{i2}\,(Baa_{t-1} - Aaa_{t-1}) + B_{i3}\,(Debt_{t}^{i}\text{-}Debt_{t}^{bd}) + B_{i4}\,(Balance_{t}^{i} - Balance^{bd}_{t}) + B_{i5}\,\Delta(Baa_{t} - Aaa_{t}) + B_{i6}\,(EU\_EPU_{t}^{i}) + B_{i7}\,(EU\_QuantoCDS_{t}^{i})$

	B_0	B_1	B_2	B_3	B_4	B_5	B_6	B_7	$\overline{R^2}$
Belgium	0.1891 *(0.022)* *	-0.0825 *(0.0095)* **	0.0239 *(0.677)*	0.0371 *(0.279)*	-0.3712 *(0.0008)* ***	0.47286 *(0.0031)* **	0.0006 *(0.0050)* **	-0.1972 *(0.1211)*	0.200
Spain	-0.368 *(0.0289)* *	-0.163 (1.5669e-05*)* ***	0.166 *(0.1504)*	-0.054 *(0.5990)* .	-0.093 *(0.1228)*	0.901 *(0.0038)* **	0.0006 *(0.139)*	0.8669 *(0.0030)* **	0.155
Portugal	1.0096 *(0.0157)* *	0.0552 *(0.191)*	-0.0124 *(0.9633)*	-0.7935 *(0.0019)* ** .	-0.0031 *(0.9830)*	0.466 *(0.528)*	0.0003 *(0.766)*	-2.173 *(0.007)* **	0.122
Austria	-0.05107 *(0.2951)*	-0.0883 *(0.0846)* .	0.0541 *(0.207)*	-0.1282 *(0.0732)* .	-0.0293 *(0.4102)*	0.2729 *(0.0142)* *	0.0003 *(0.0558)* .	-0.1034 *(0.315)*	0.112
Italy	0.0027 *(0.9931)*	-0.066 *(0.0697)* .	0.0284 *(0.8537)*	-0.2848 *(0.3022)*	-0.1794 *(0.1288)*	0.84169 *(0.0408)* *	0.00117 *(0.0427)*	0.07848 *(0.83072)*	0.064
Ireland	1.24448e-01 *(0.599)*	-1.41202e-01 *(0.0001)* ***	-1.02022e-01 *(0.5873)*	-6.11048e-01 *(0.0003)* *** . .	-4.46078e-01 *(4.9455e-05)* ***	-7.59783e-01 *(0.1406)*	-2.18189e-05 *(0.978)*	-1.47740e-01 *(0.709)*	0.104
France	-0.05217 (0.3187*)*	-0.11432 *(0.0068)* **	0.01772 *(0.6647)*	-0.0570 *(0.3204)*	-0.00688 *(0.4855)*	0.25416 *(0.0249)* *	0.0004 *(0.0105)*	0.0712 *(0.4854)* *	0.1131
Finland	-1.02063e-02 *(0.6171041)*	-1.34431e-01 *(0.0021154)* **	2.56132e-02 *(0.174150)*	-3.84927e-02 *(0.253358)*	-4.80320e-03 *(0.580516)*	1.18880e-01 *(0.017874)* *	8.63201e-05 *(0.2248316)*	-1.27328e-02 *(0.760832)*	0.051
Netherlands	-1.38297e-02 *(0.459650)*	-1.56346e-01 *(0.012562)* *	3.51254e-03 (0.830948*)*	-1.10508e-01 *(0.055432)* .	-2.76069e-02 *(0.093239)* .	9.43449e-02 *(0.042787)* *	5.27696e-05 *(0.403786)* **	3.17030e-02 *(0.529330)*	0.056

Table [9] : model as established by Favero for the subsample 2012-2019 including the European EPU index and the Quanto CDS variable

The regression consists of: $\Delta(Y^{i}_{t} - Y^{bd}_{t}) = B_{i0} + B_{i1}(Y^{i}_{t-1} - Y^{bd}_{t-1}) + B_{i2}(Baa_{t-1} - Aaa_{t-1}) + B_{i3}(Debt^{i}_{t}\text{-}Debt^{bd}_{t}) + B_{i4}(Balance^{i}_{t} - Balance^{bd}_{t}) + B_{i5}\Delta(Baa_{t} - Aaa_{t}) + B_{i6}(EU\_QuantoCDS^{i}_{t}) + B_{i7}(EU\_EPU^{i}_{t})$

	B_0	B_1	B_2	B_3	B_4	B_5	B_6	B_7	$\overline{R^2}$
Belgium	0.1775 (*0.0616*) .	-0.2911 *(2.8378e-07)* **	0.0854 (*0.0172*)	-0.2035 *(0.0616)* .	0.1369 *(0.0148)* *	0.2957 *(0.0165)* *	0.4156 *(0.002)* **	0.00002 *(0.868)*	0.192
Spain	0.227 (*0.471*)	-0.293 (2.7986e-06*)* ***	0.110 (*0.251*)	-0.558 *(0.113)* .	0.118 *(0.1005)*	0.774 *(0.037)* *	1.956 *(0.006)* **	0.0004 *(0.286)*	0.348
Portugal	0.943 *(0.212)*	-0.248 *(1.489e-05)* ***	-0.126 *(0.418)*	-0.966 *(0.135)* .	-0.183 *(0.058)* .	-1.219 *(0.045)* *	0.413 *(0.702)*	0.002 *(0.0032)* ***	0.456
Austria	-1.07408e-02 *(0.85460)*	-5.29671e-01 *(4.0362e-09)* *** .	1.16074e-01 *(0.0034)* **	-1.53364e-01 *(0.132)* .	-3.27227e-02 *(0.592)*	7.89624e-02 *(0.530)*	2.26789e-01 *(0.106)*	1.39545e-05 *(0.915)*	0.254
Italy	-0.7390 *(0.327)*	-0.1586 *(0.0033)* ** .	-0.016 *(0.903)*	0.439 (*0.455*)	-0.211 (*0.223*)	0.444 *(0.413)*	0.936 *(0.135)*	0.0008 *(0.286)*	0.107
Ireland	-0.3298 *(0.001)* **	-0.328 *(2.0887e-08)* ***	0.052 *(0.432)*	-0.093 *(0.219)* *** . .	-0.158 (*0.009*) **	0.401 (*0.133*)	1.905 *(9.0288e-05)* ***	0.0001 *(0.5624)*	0.433
France	-6.75956e-02 (0.29550*)*	-3.52237e-01 (*8.6102e-10*) ***	1.60576e-02 (*0.63100*)	2.22352e-02 *(0.80525)*	-1.34291e-02 *(0.10830)*	1.55200e-01 *(0.21493)* *	5.89696e-01 *(6.9252e-05)* ***	9.45318e-05 *(0.46896)*	0.21
Finland	2.47305e-02 (*0.3965*)	-4.51755e-01 *(4.7623e-10)* ***	8.82045e-02 *(0.00059)* ***	-9.30096e-02 (*0.1235)*	9.57758e-03 *(0.4785)*	2.68684e-02 *(0.7631)*	-4.37526e-02 *(0.6463)*	4.44030e-05 *(0.644)*	0.184
Netherlands	-2.93406e-02 *(0.1987193)*	-4.64216e-01 (*9.1710e-11*) ***	1.76349e-02 (0.338627*)*	-2.32182e-01 *(0.00863)* ** .	-1.14395e-01 *(1.2962e-05)* *** .	9.39143e-02 *(0.1944)*	7.01035e-02 *(0.43169)*	1.75259e-05 *(0.8129)*	0.212

Table [10] : model as established by Favero for the subsample 2012-2019 including the national EPU index and the national Quanto CDS variables for each respective country.

The regression consists of: $\Delta(Y^{i}_{t} - Y^{bd}_{t}) = B_{i0} + B_{i1}(Y^{i}_{t-1} - Y^{bd}_{t-1}) + B_{i2}(Baa_{t-1} - Aaa_{t-1}) + B_{i3}(Debt^{i}_{t}\text{-}Debt^{bd}_{t}) + B_{i4}(Balance^{i}_{t} - Balance^{bd}_{t}) + B_{i5}\Delta(Baa_{t} - Aaa_{t}) + B_{i6}(National\_QuantoCDS^{i}_{t}) + B_{i7}(National\_EPU^{i}_{t})$

	B_0	B_1	B_2	B_3	B_4	B_5	B_6	B_7	$\overline{R^2}$
Belgium	0.1396 *(0.210)*	-0.260 *(1.5033e-05)* ***	0.080 *(0.032)* *	-0.210 *(0.084)* .	0.0983 *(0.159)*	0.1649 *(0.153)*	0.1083 *(0.239)*	0.0008 *(0.074)* .	0.208
Spain	0.6129 *(0.0774)* .	-0.205 (0.00040) ***	0.0309 *(0.772)*	-0.715 *(0.058)* .	0.130 *(0.123)*	0.421 *(0.250)*	0.4913 *(0.081)* .	0.0003 *(0.312)*	0.251
Italy	0.504 *(0.0940)*	-0.444 *(5.4445e-13)* *** .	-0.053 *(0.6006)*	-0.274 *(0.169)*	0.045 *(0.740)*	0.321 *(0.355)*	1.582 *(8.2367e-11)* ***	0.001 *(0.0026)* **	0.450
Ireland	-5.17719e-02 *(0.486)*	-3.13986e-01 *(6.3421e-11)* ***	-4.82766e-02 *(0.473)*	-1.39189e-01 *(0.069)* .	-1.68842e-01 *(0.002)* **	1.99600e-01 *(0.406)*	1.41366e+00 *(7.7608e-07)* ***	-5.41909e-05 *(0.778)*	0.460
France	1.89306e-03 (0.973)	-4.77922e-01 *(1.6386e-11)* ***	5.27030e-02 *(0.075)* .	-9.19651e-02 *(0.286)*	-3.73470e-03 *(0.656)*	2.31597e-03 *(0.982)* *	4.40780e-01 *(2.5806e-05)* ***	2.39428e-04 *(3.9953e-05)* ***	0.33
Netherlands	-0.027 *(0.169)*	-0.398 *(2.1851e-07)* ***	0.022 (0.237)	-0.097 *(0.189)* .	-0.073 *(0.005)* ** .	0.066 *(0.315)*	0.080 *(0.295)*	0.00018 *(0.085)*	0.237

Table [11] : Correlation computation between the Italian EPU index and Quanto CDS variables, as well as for the French EPU index and Quanto CDS variables respectively

	Correlation factor between the national EPU index and national Quanto CDS measure
Italy	0,22663964
France	-0,0668971

Table [12] : Comparison of the performance of our macroeconomic model computed for the period 2012-2019 including the national EPU index and national Quanto CDS variables for France, Belgium, Spain, the Netherlands, Ireland and Italy with the performance of Favero's model computed for the sample 2000-2009, as measured by the $\overline{R^2}$ produced for both models

	$\overline{R^2}$ produced by our macroeconomic model for the sample 2012-2019, based off the specification of Favero	$\overline{R^2}$ produced by Favero's model as computed for the period 2000-2009
France	0.33	0.09
Ireland	0.46	0.23
Italy	0.45	0.20
Belgium	0.21	0.03
The Netherlands	0.24	0.26
Spain	0.25	0.09