

READ ME FILE

Title: Do Interest Rates Affect Business Investment? Evidence from Australian Company-level Data

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Description

This 'read me' file contains details of the code and data included in this archive that were used to generate the results reported in RDP 2018-05. Publically available plotting data for figures appearing in the RDP can be found in the spreadsheet 'rdp-2018-05-graph-data.xls'.

If you make use of any of these files you should clearly attribute the authors in any derivative work.

Data

The following data sources were used:

- Company-level data financial data:
 - Obtained from Morningstar – not available for release
 - Hand-collected data taken directly from company reports available on the ASX website – available for public release
- Company share price data:
 - Obtained from Center for Research in Security Prices (CRSP) – not available for release
- Sectoral forward-price earnings ratios:
 - Obtained from Bloomberg – not available for release
- Short-term interest rates:
 - Taken from RBA statistical table F1 'Interest Rates and Yields – Money Market – Daily'
- 10-year expected average real short-term interest rates
 - Taken from Hambur and Finlay (2018) 'Affine Endeavour: Estimating a Joint Model of the Nominal and Real Term Structures of Interest Rates in Australia'. Available at <https://www.rba.gov.au/publications/rdp/2018/2018-02.html>.

Figure data

Figure 1–3, 5–7: Public Availability Yes

Figure 4: Public Availability No

A copy of the hand-collected data is included in this archive (Hand_collected.csv). The data files as used by the code referenced below are not included in this archive due to licensing restrictions; as such the code will not run.

Code

The results reported in this RDP were generated using Stata 13.0. The package ivreg2 is required to produce Table B1 (a copy is found in the 'plus' folder).

Included in this archive are the following programs:

- Main table and figure construction.do:
 - This program produces most of the figures and results included in the paper. You must input the location of your data file. To produce Table B1, you must define the location of the ivreg2 package.

- `xt_irf.do`:
 - This program does the bootstrapping and produces the data for Figure 7. You must input the location of your data files.
- `Multiple imputation code.do`:
 - This program does the multiple imputation and produces the results for Table 3.
- `Series_construction_detail.do`:
 - This program gives details on the commands used to produce the different series in the main data file. It will not run, but is intended to give a detailed explanation of the series.