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## Letter from the (New) Editor



Fourteen years ago, in June 2000, the first issue of the *IMF Research Bulletin* was published! It has been a great and successful ride. Indeed, I am pleased to let you know that to date the bulletin has more than 19,100 subscribers. The credit for this goes to the team that has tirelessly put together issue after issue and has managed to keep you captivated.

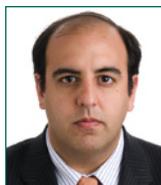
The objective of the *IMF Research Bulletin* is to present to a wider audience a sampling of the latest research conducted at the International Monetary Fund. The bulletin attempts to distill the main insights from IMF research in a friendly and accessible format, while keeping a keen eye on current economic policy issues. As I take over as the new editor of the bulletin, I believe, it is an opportune time to invite you, the readers, to discuss how to make the bulletin more visible and more interactive by getting your feedback. In particular, I would be interested in hearing about suggestions on the topics covered, and general ways to enhance your reading experience. If you have ideas that you would like to share, please feel free to e-mail the team at [resbulletin@imf.org](mailto:resbulletin@imf.org).

—Rabah Arezki

## Research Summaries

### A Primer on “Global Liquidity”

Eugenio Cerutti, Stijn Claessens, and Lev Ratnovski



“Global liquidity” is often used to describe the impact of low U.S. and euro area interest rates on the rest of the world. The concept is critical for understanding the global

financial cycle and international spillovers. This column defines global liquidity as the ease of financing in cross-border markets and points to its potential drivers. To limit their exposures to global liquidity fluctuations nations can embrace better macro policy frameworks, consider capital flow management tools, and more stringently regulate and supervise banks.

The financial cycle is becoming increasingly global, as highlighted in recent work (Rey 2013, Bruno and Shin 2014, Obstfeld 2014) and reflected in policy discussions (e.g., the increased talk of financial “spillovers”). The phenomenon is

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