

[One Money, Many Markets](#)

CFM-DP2018-05

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We reconsider the effects of common monetary policy shocks across countries in the euro area, using a data-rich factor model and identifying shocks with high-frequency surprises around policy announcements. We show that the degree of heterogeneity in the response to shocks, while being low in financial variables and output, is significant in consumption, consumer prices and macro variables related to the labour and housing markets. Mirroring country-specific institutional and market differences, we find that home ownership rates are significantly correlated with the strength of the housing channel in monetary policy transmission. We document a high dispersion in the response to shocks of house prices and rents and show that, similar to responses in the US, these variables tend to move in different directions.