

---

[Download](#)

Keep in mind

In the journal Essays on Economic Policy (ESPE) - we disclose the results and policy proposals that arise from academic research carried out at the *Banco de la República*. When you read us, always keep in mind that the content of our articles, as well as the analyzes and conclusions derived from them, are the sole responsibility of their authors. The material disclosed in our ESPE magazine does not compromise or represent the opinion of *Banco de la República* or that of its Board of Directors.

AUTHORS AND/OR EDITORS

[Tenjo-Galarza, Fernando López-Piñeros, Martha Rosalba](#)

Publication Date:  
Friday, 31 of December 2010

## **Abstract**

We explore the performance of a set of early warning indicators for a group of Latin American economies under the endogenous cycle perspective. For this group of countries, the paper confirms the results of previous work on industrialized countries, which indicate that a combination of asset prices and credit provides valuable information of probable future financial crises. However, we go a step further in the analysis of emerging economies and find that a combination of capital flows from abroad and credit is an even superior leading indicator of such events.

