

Keep in mind

The series Working Papers on Economics is published by the Office for Economic Studies at the *Banco de la República* (Central Bank of *Colombia*). It contributes to the dissemination and promotion of the work by researchers from the institution. This series is indexed at Research Papers in Economics (RePEc).

On multiple occasions, these works have been the result of collaborative work with individuals from other national or international institutions. The works published are provisional, and their authors are fully responsible for the opinions expressed in them, as well as for possible mistakes. The opinions expressed herein are those of the authors and do not necessarily reflect the views of Banco de la República or its Board of Directors.

AUTHOR OR EDITOR

Juan Andrés Espinosa

Jose E. Gomez

Luis Fernando Melo

José Fernando Moreno

AUTHORS AND/OR EDITORS

[Juan Andrés Espinosa](#)

[Gómez-González, José Eduardo](#)

[Melo-Velandia, Luis Fernando](#)

We study the effect of shocks to the United States government bonds term premium on Latin American government bonds term premia. For doing so, we compute dynamic multipliers. Our main findings indicate that Latin American countries' term premia respond permanently to changes in United States term premium. However, impulse-response functions vary depending on the country and particular time-length for which premia are computed. Responses are larger for Brazil and Colombia. Mexico exhibits the lowest responses for the four economies in our study.

The opinions expressed here do not necessarily correspond neither to the Banco de la República nor its Board of Directors.