

## [A Tale of Two Global Monetary Policies](#)

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US monetary policy is not the only one with a global reach. We compare the international financial spillovers of the unconventional monetary policies of the Fed and the ECB. Monetary policy tightenings in both areas are followed by a global retrenchment in capital flows, a fall in global stock markets, and a rise in global risk measures. Thus, ECB and Fed monetary policies propagate internationally through equivalent transmission channels. ECB monetary policy shocks also affect significantly the US business and financial cycles. We produce tentative evidence that links the strength of the ECB international spillovers to the € exposure for both trade invoicing and the pricing of financial transactions.