Data Read-Me File for "Contractionary Devaluation Risk: Evidence from the Free Silver Movement, 1878-1900"

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This file describes the data files underlying the analysis performed in "Contractionary Devaluation Risk: Evidence from the Free Silver Movement, 1878-1900." I have included the files used in the quantitative analysis in both .dta and .csv formats. I have also included .csv files for Figure 3 in the main text and Figures A1-A3 in the Online Appendix, as these cannot be constructed from the files used in the quantitative analysis. Note that all event study files are aggregated at the daily-level. If you would like to access the daily bond-level data as well as the firm and bond-level data necessary to calculate exposures, please e-mail me.

The file for the preliminary analysis subsection is **devaluationrisk_preliminary.dta**. The file contains five variables: hpr, event, post_panic, reserves, month. HPR is the average holding period return across all bonds traded on a given day. Event is the event variable that takes the values described in the main text. Post_panic is an indicator variable that takes a value of one for all events occurring after the Panic of 1893 in May of that year. Reserves are the Treasury's gold reserves. Month denotes the month-year combination (e.g. January 1891, February 1891, etc.)

Next, there are two files for the differences-in-differences analysis subsection. For the main regression specification, there is **devaluationrisk_eventmain.dta**. This file contains five variables: hpr, event, pre_panic, dep_bust, month. HPR is the average holding period

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return for all bonds traded within either the "safe" or "exposed" categories described in the text (the average for each category is a separate entry.) Event is the event variable that takes the values described in the main text. Pre_panic is an indicator variable that takes a value of one for all events occurring before May, 1893 (the beginning of the Panic of 1893). Dep_bust is a dummy variable that takes a value of one when the average HPR is for the exposed bond group. Month denotes the month-year combination (e.g. January 1891, February 1891, etc.) The other file corresponds to the "market-return" style specification, **devaluationrisk_eventcapm.dta**. It contains five variables: safe˙hpr, exposed˙hpr, event, pre˙panic, month. Relative to **devaluationrisk_eventmain.dta**, the only difference of **devaluationrisk˙eventcapm.dta** is that the average daily holding period returns for the safe and exposed bond groups are separate variables, allowing the user to easily regress exposed bond HPR on safe bond HPR as in Equation 3 of the main text.

The next file for analysis is used in the default risk mechanism subsection: **devaluationrisk_mechanism.dta**. In this file there are six variables: hpr, event, firm, earningschange_dep, earningschange_act, zero_day1891. Each observation is a bond-event pair. As described in the main text, HPR is the cumulative holding period return across days in the event for each bond in my sample. Firm identifies the parent firm issuing the bond. The next three variables correspond to the main covariates described in the main text and online appendix for Equation 4. For brevity, I will simply map each variable name in the file to those used in the text: earningschange_dep corresponds to $EarningsDepreciation$, earningschange_act corresponds to $EarningsChange$, and zero˙corresponds to $ZeroReturn$.

The final main file is used for the local projections impulse response functions: **devaluationrisk_monthlydata.dta**. Data is at the monthly frequency, and date is the variable that denotes the month. Price_Level is the natural logarithm of the general price level, while General_Inflation is the first difference of Price_Level. MRIP_Smooth is the natural logarithm of the adjusted Miron-Romer industrial production index, and IP_Smooth_Change is the first difference of MRIP_Smooth. Expect_Depreciation is the 60-day currency risk pre-

mium described in the text, and Delta_Exp_Dep is the first difference of Expect_Depreciation. Pig_Iron is the natural logarithm of seasonally-adjusted pig iron production (NBER macrohistory series m01130aa). Fact_Emp is the natural logarithm of the factory employment index (NBER macrohistory sries m08005). Net_Gold is the net gold inflow into the United States. Finally, Silver_HPR is the average excess holding period return of exposed bonds over safe corporate bonds due to silver coinage news in a given month.