The financial crisis of 2007-09 was an extreme event which led to a profound reform of the regulatory framework for financial institutions that aims to reduce the probability of a new crisis. This thesis is composed of three essays that investigate some vulnerabilities of financial markets that became apparent during the global financial crisis such as the interconnectedness of financial institutions, the effect of credit supply on house prices, and the run on nonbank financial intermediaries. The first essay analyses the unsecured and the secured interbank lending networks of Brazilian banks using the dynamic latent space approach. The second essay exploits the regulatory framework that governs housing lending in Brazil to estimate the effect of credit supply on house prices and loan terms. The third essay examines the flow and performance of mutual funds in Brazil and their portfolio allocations during the financial crisis.

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Empirical essays on the stability of the Brazilian financial system
Empirical essays on the stability of the Brazilian financial system

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