1) **Title**: COVID-19 and Financial Markets: A Panel Analysis for European Countries

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4) **Abstract**: In order to fight the economic consequences of the COVID-19 pandemic, monetary and fiscal policy announced a large variety of support packages which are often unprecedented in size. In this paper, we provide an empirical analysis of the responses of European financial markets to these policy announcements. The key contribution is a very granular set of policy announcements, both at the national and the European level. We also differentiate between the first announcement in a series of policies and the subsequent announcements because the initial steps were often seen as bad news about the state of the economy. In a panel model we find that monetary policy, in particular through asset purchases, is effective in supporting the real economy and easing the pressure on governmental finances. Across all subsets of polices, it seems that monetary policy is more effective in supporting the stock market than national fiscal policy, though markets clearly distinguish between different types of policies.

5) **Data description**: rich set of fiscal and monetary policy announcements

6) **JEL codes**: E44, E52, E62

7) **Key words**: event study, announcements, fiscal policy, monetary policy, European Monetary Union