Discussion of "Can Big Players Affect Aggregate Lending Fluctuations? Evidence From Banks' Acquisitions" by Charles Boissel

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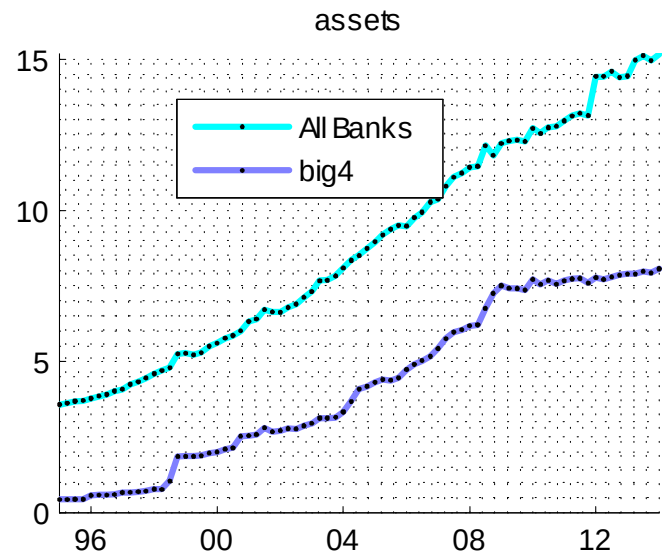
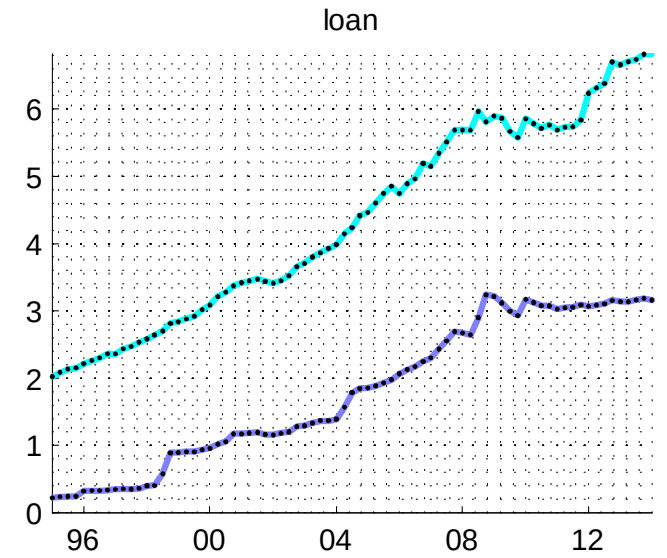
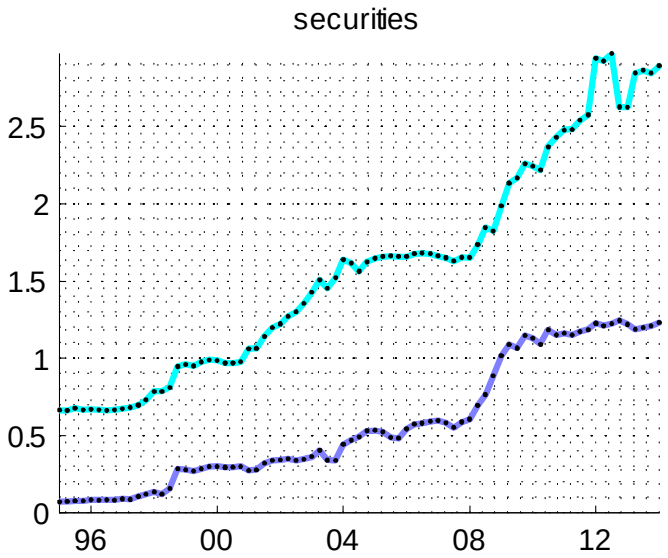
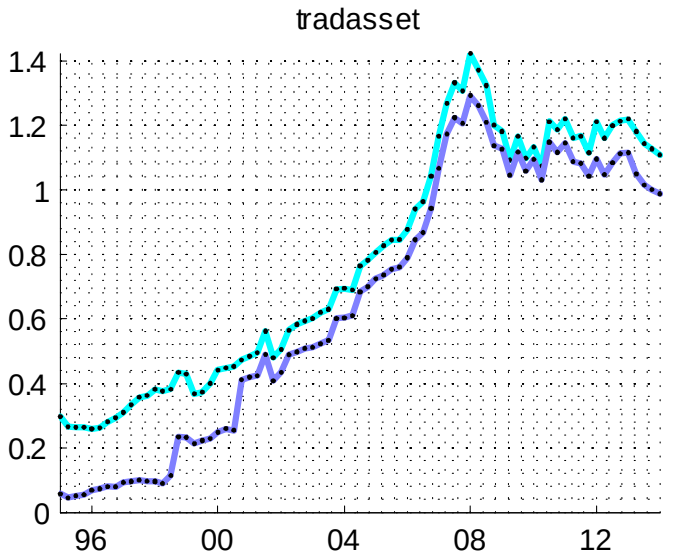
US banking system highly concentrated









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- Understanding effects of banking sector concentration important for modeling banks

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- Thoughtfully and transparently addresses identification issues

Comments

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- A structural approach might be helpful to uncover economic forces

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- Is that true for other market participants and for other financial products (e.g. liquidity provision)
- Idiosyncratic shocks matter in bad times as long as banks are interconnected - connectiveness is not necessarily contained to the same bank holding company.

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- If taken by face value BHC idiosyncratic shocks matters little for loan growth variation
- It'd be nice to parse out bank group specific shocks and understand economically what they do and how they affect banks
- Why not try a more structural approach to deal with the identification problems?