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# THE CROSS SECTION OF INTERNATIONAL GOVERNMENT BOND RETURNS

## Abstract:

The study offers a four-factor pricing model for international government bonds. It is based on four grand return drivers in the fixed-income universe: volatility risk, credit risk, value effect, and momentum. The model explains the variation of government bond returns very well and covers a range of cross-sectional return patterns in government bond markets, verifying its usefulness for asset pricing. The research was conducted within a sample of bonds from 25 developed and emerging markets for years 1992–2016. - - - - - - - - - - - - - - - - - - - - - - - -

## Keywords:

asset pricing, government bonds, sovereign bonds, fixed-income securities, international markets, the cross section of returns, value, momentum, credit risk, volatility

**JEL Classification:** G12, G15