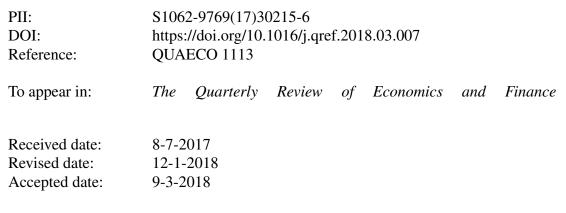
### Accepted Manuscript

Title: Extreme co-movements and dependencies among major international exchange rates: a copula approach

Authors: Claudiu Tiberiu Albulescu, Christian Aubin, Daniel Goyeau, Aviral Kumar Tiwari



Please cite this article as: Albulescu, Claudiu Tiberiu., Aubin, Christian., Goyeau, Daniel., & Tiwari, Aviral Kumar., Extreme co-movements and dependencies among major international exchange rates: a copula approach.*Quarterly Review of Economics and Finance* https://doi.org/10.1016/j.qref.2018.03.007

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.



## ACCEPTED MANUSCRIPT

# Extreme co-movements and dependencies among major international exchange rates: a copula approach

Claudiu Tiberiu Albulescu<sup>a\*</sup>, Christian Aubin<sup>b</sup>, Daniel Goyeau<sup>b</sup>, Aviral Kumar Tiwari<sup>cd</sup>

<sup>a</sup> Management Department, Politehnica University of Timisoara, 2, P-ta. Victoriei, 300006 Timisoara, Romania

<sup>b</sup> CRIEF, University of Poitiers, 2 rue Jean Carbonnier, 86022 Poitiers, France

<sup>c</sup> CESD, Montpellier Business School, Montpellier, France

<sup>d</sup> Department of Economics, IBS-Hyderabad, IFHE University, Hyderabad, India

\* Correspondence: Claudiu Tiberiu Albulescu, Politehnica University of Timisoara, P-ta. Victoriei, No. 2, 300006, Timisoara, Romania. Tel: 0040-743-089759. Fax: 0040-256-403021. E-mail: claudiu.albulescu@upt.ro, claudiual@yahoo.com.

#### Highlights

- We assess the bivariate dependence structure between international exchange rates
- We use different time-invariant and time-varying copula functions
- We discover a positive symmetric tail dependence between all exchange rates
- Co-movements and dependencies are less strong for the JPY-pairs of exchange rates
- The dependence is time-varying and intensifies after the onset of the crisis

#### Abstract

This paper investigates the bivariate dependence structure between four international exchange rates (EUR, GBP, CAD, JPY), against the US Dollar, using daily data for the time-span 1999-2014. We use different time-invariant and time-varying copula functions with different forms of tail dependence, and discover a positive dependence between all exchange rates, although the dependence is less strong for the JPY-pairs of exchange rates. Furthermore, we find evidence of symmetric tail dependence. Finally, the dependence is time-varying and intensifies after the onset of the recent global financial crisis, with the exception of the JPY-pairs. These findings provide additional insight for policy makers and

Download English Version:

# https://daneshyari.com/en/article/7383216

Download Persian Version:

https://daneshyari.com/article/7383216

Daneshyari.com