Bibliography of Microstructure of Foreign Exchange Markets*

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Abstract

This file provides a bibliography of the literature on the Microstructure of Foreign Exchange Markets. It includes clickable links to some of the working papers, and also clickable URL or DOI-links1 to most of the published papers. I will add more annotations over time. The BibTeX database used for this file is available from my homepage.

The references are organized in three sections: 1) Journal papers; 2) Working papers; and 3) Books, book-chapters, PhD dissertations, etc.

1 Journal papers


ANNOTATION: Data: D2000-2


ANNOTATION: Data: D2000-2

*Please email me paper-details, including links to paper (either DOI or URL), if you miss a paper on the list, yours or others. The links should preferably be stable links, e.g., links from IDEAS, SSRN, NBER, CEPR, and other institutions.

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1DOI, short for Document Object Identifier, is a system for identifying scientific work in the digital environment, and is supposed to be more stable than URLs. Most publishers identify their journal-articles with DOI’s. Any DOI can be resolved into a URL by entering it at http://dx.doi.org. See http://doi.org for more information. The DOI of a paper can be found by making a search at http://www.crossref.org/guestquery/

Annotation: Questionnaire survey. See also Taylor and Allen, 1992.


Annotation: Data: High frequency indicative quotes


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Annotation: Presented at SIFR-workshop on FX microstructure 03.


Annotation: Data: EBS (Board data set). Presented at the 1st Annual CB Workshop (BI/NB 05).


Annotation: Data: EBS (Board data set). Presented at 3rd Annual CB Workshop (MNB 07).


Annotation: Data: D2000-1, D2000-2 and EBS (Bjønnes-Rime dealers, all trades, inventories etc.)


Annotation: Data: Sveriges Riksbank data set. Presented at SIFR-workshop in FX microstructure, 03.


**Annotation**: Data: High frequency indicative quotes


**Annotation**: Data: High frequency indicative quotes


**Annotation**: Data: D2000–1 (Evans-Lyons JIMF 2002 data set)


**Annotation**: Data: EBS (Board data set)

Annotation: Data: EBS (Board data set)


Annotation: Data: D2000-1 (Evans data set)


Annotation: Data: D2000-2 (LSE 1-week data set)


Annotation: Data: Daily Mexican Peso Inventories, order flow and volume (Carrera data set)


Annotation: Data: High frequency indicative quotes


Annotation: Questionnaire survey. Combined revision of NBER Working Papers 7416 and 7417


Annotation: Questionnaire survey


Annotation: Questionnaire survey


Annotation: Tokyo trading restrictions


Annotation: Tokyo trading restrictions


**Annotation:** Data: D2000-2 (LSE 99-00 data set)


**Annotation:** Data: D2000-2 (LSE 1-week data set)


**Annotation:** Data: D2000-2 (LSE 99-00 data set).


Annotation: Data: D2000-1 (4 months of high-frequency data, 1996). Estimate a structural model with GMM which distinguish between Common Knowledge news and Non-Common Knowledge (NCK) news, where order flow is a function of NCK-news. Evans finds that the importance of order flow increases with horizon and trading intensity. CK-news are rarely important.


Annotation: Data: D2000-1 (4 months, 1996)


Annotation: Data: D2000-1 (4 months, 1996)


Annotation: Data: D2000-1 (4 months, 1996). Comments by Hodrick


Annotation: Data: D2000-1 (4 months, 1996)

**Annotation:** Data: CitiBank customer order flow


**Annotation:** Data: StateStreet


**Annotation:** Questionnaire survey


**Annotation:** Questionnaire survey. Compares FX traders with fund managers.


**Annotation:** Questionnaire survey


Annotation: First FX microstructure paper?


Annotation: Data: D2000-2. The euro-spread debate


Annotation: Data: D2000-2 (LSE one-day data set)


Annotation: Data: EBS. Previously NBER WP 12413


Annotation: Tokyo trading restrictions


Annotation: Data: EBS


Annotation: Data: D2000-2 (LSE 99-00 data set)


Annotation: Data: D2000-2 (LSE 99-00 data set)


Annotation: Questionnaire survey


**Annotation:** Data: The Menkhoff-dealer


**Annotation:** Data: Complete trading records of dealer in a “median-sized” bank (the “Menkhoff-dealer”). Presented at SIFR 03


**Annotation:** Questionnaire survey


**Annotation:** Questionnaire survey


Annotation: Data: Royal Bank of Scotland price-contingent orders


**Annotation:** Survey


**Annotation:** Data: D2000-2, one week in oct. 1997 (LSE 1-week data set). Use Hasbrouck (JF, 91) SVAR-approach and Hasbrouck (RFS, 91) variance decomposition. Results: Finds that the permanent impact of order flow can account for 60% of spread.


**Annotation:** Presented at SIFR workshop on FX microstructure (03)


**Annotation:** Data: High frequency indicative quotes


**Annotation:** Data: D2000-2. Presented at 2nd Annual CB Workshop (BoC/NB 06).


**Annotation:** Survey. Describe the market in detail


**Annotation:** Survey. Critically study several data sets.


Annotation: Questionnaire survey


Annotation: Survey


Annotation: Survey


2 Working papers


**Annotation:** Data: Norges Bank and Sveriges Riksbank data set. Presented at BoC/NB 06


**Annotation:** Data: D2000-1, D2000-2 and EBS (Bjønnes-Rime data set). Presented at the 3rd CB Workshop (MNB 07).


**Annotation:** Data: 10 years of EBS order flow


ANNOTATION: Presented at 1st Annual CB Workshop (BI/NB 05).


ANNOTATION: Data: Daily Mexican Peso Inventories, order flow and volume (Carrera data set)


ANNOTATION: Data: UBS customer order flow


ANNOTATION: Data: EBS (Board data set)


ANNOTATION: Data: EBS (Board data set)


Annotation: Questionnaire survey


Annotation: Questionnaire survey


Annotation: Data: D2000-2 (LSE 1-week data set)


Annotation: Data: D2000-2 (LSE 1-week data set)


   Annotation: Data: D2000-1 (4 months, 1996)


   Annotation: Data: D2000-1 (4 months, 1996)


   Annotation: Data: D2000-1 (4 months, 1996).


   Annotation: Data: CitiBank customer order flow. Presented at 1st Annual CB Workshop (BI/NB 05).

Annotation: Presented at SIFR 03


Annotation: Data: StateStreet (7 years)


Annotation: Data: Bank of Hungary customer flows. Presented at 2nd Annual CB Workshop (BoC/NB 06)


Annotation: Data: CitiBank customer order flow. Presented at MNB 07


Annotation: Data: EBS


Annotation: Data: EBS


Annotation: Data: US Treasury


Annotation: Data: OANDA customer flows


Annotation: Data: The LSE D2000-2 99-00 data set. Presented at the 1st Annual CB Workshop (BI/NB 05)


Annotation: Data: D2000-2 (LSE 99-00 data set)


  ANNOTATION: Presented at the 4th Annual CB Workshop (BIS/HKMA 08)


  ANNOTATION: Presented at BoC/NB 06. Previously “Asymmetric Information and Currency Spreads”


  ANNOTATION: Data: Royal Bank of Scotland price-contingent orders.

  Presented at MNB 07


   
   ANNOTATION: Data: Norges Bank data set

   
   ANNOTATION: Data: US Treasury data set


3 Books, articles, PhD dissertations, etc.


Annotation: Every three years, in april, the BIS coordinates a global central bank survey of foreign exchange and derivatives market activity. In March 1986 the central banks BoE, Fed, BoJ and BoC conducted surveys of their respective markets. Since 1989, the BIS has conducted the survey with a much wider coverage every third year, and the full report is published the year after. The first (1989) was called “Survey of Foreign Exchange Market Activity”. From 1992 until 1998 the survey was called (a variant of) “Central Bank Survey of Foreign Exchange and Derivative Market Activity in April 199?”. Since 2002 the survey is named “Triennial Central Bank Survey of Foreign Exchange and Derivative Market Activity in 200?”. The first three surveys were limited to the foreign exchange markets (1989, 1992, 1995). Subsequently both the foreign exchange and the derivatives markets have been surveyed (1998, 2001, 2004, 2007). For the survey, each participating central bank collects data from the banks and dealers in its jurisdiction and calculates aggregate national data. These are provided to the BIS, which compiles global aggregates. See link for more information. See also the summary papers by Galati.


Annotation: Data: Norges Bank and Sveriges Riksbank data set

[304] Bjønnes, Geir H., Dagfinn Rime, and Haakon O. Aa. Solheim. “Volume and volatility in the FX market: Does it matter who you are?” In


[310] de Cecco, Marcello. “Genoese exchange fairs”. In Newman et al. (332), 221–22.


ANNOTATION: Data: D2000-1 (4 months, 1996)


ANNOTATION: Data: CitiBank customer order flow. First published paper on these data (?)


ANNOTATION: Nice discussion on how markets work.


ANNOTATION: Papers from a NBER conference

[319] Gereben, Aron. “Using the microstructure approach to foreign exchange markets at a central bank”. In Liebscher et al. (328).


ANNOTATION: Data: D2000-2 (LSE one-day data). First study of electronic brokers in FX


ANNOTATION: Collection of Goodhart’s papers


ANNOTATION: Interviews with dealers in ch. 6.
[326] Hsieh, David A. and Allan W. Kleidon. “Bid-ask spreads in foreign exchange markets: Implications for models of assymmetric information”. In Frankel et al. (318), 41–65. URL http://www.press.uchicago.edu/cgi-bin/hfs.cgi/00/13113.ctl

Annotation: Papers from a NBER conference

[327] Jorion, Phillipe. “Risk and turnover in the foreign exchange market”. In Frankel et al. (318), 19–37. URL http://www.press.uchicago.edu/cgi-bin/hfs.cgi/00/13113.ctl

Annotation: Papers from a NBER conference


[330] Lyons, Richard K. “Foreign exchange volume: Sound and fury signifying nothing?” In Frankel et al. (318), 183–201. URL http://www.press.uchicago.edu/cgi-bin/hfs.cgi/00/13113.ctl

Annotation: Data: Lyons’ dealer (D2000-1, broker-traders, inventories, 1992)


Annotation: Survey

[334] Perraudin, William and Paolo Vitale. “Interdealer trade and information flows in a decentralized foreign exchange market”. In Frankel et al. (318), 73–98. URL http://www.press.uchicago.edu/cgi-bin/hfs.cgi/00/13113.ctl

Annotation: Papers from a NBER conference


Annotation: Survey, with a special focus on electronic trading systems.


Annotation: Survey


Annotation: Chapter on FX microstructure.


Annotation: Among the first to apply microstructure tools to FX!