

Bibliography of Microstructure of Foreign Exchange Markets*

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Version 1
August 10, 2009

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

- [1] Akram, Q. Farooq, Dagfinn Rime, and Lucio Sarno. “Arbitrage in the foreign exchange market: Turning on the microscope”. *Journal of International Economics*, 76:237–253, 2008. doi:10.1016/j.jinteco.2008.07.004.

ANNOTATION: Data: D2000-2

- [2] Akram, Q. Farooq, Dagfinn Rime, and Lucio Sarno. “Does the law of one price hold in international financial markets? evidence from tick data”. *Journal of Banking and Finance*, 33(10):1741–1754, 2009. doi:10.1016/j.jbankfin.2008.10.012.

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/>.

- [3] Allen, Helen L. and Mark P. Taylor. "Charts, noise and fundamentals in the foreign exchange market". *Economic Journal*, **100**(400):49–59, 1990. doi:10.2307/2234183.
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- ANNOTATION: Data: High frequency indicative quotes
- [8] Andersen, Torben G., Tim Bollerslev, and Ashish Das. "Variance-ratio statistics and high-frequency data: Testing for changes in intraday volatility patterns". *Journal of Finance*, **56**(1):305–327, 2001. doi:10.1111/0022-1082.00326.
- ANNOTATION: On the Tokyo trading restrictions. Updated version of "Testing for Microstructure Effects in Intraday Volatility: A Reassessment of the Tokyo FX Experiment".
- [9] Andersen, Torben G., Tim Bollerslev, Francis X. Diebold, and Clara Vega. "Micro effects of macro announcements: Real-time price discovery in foreign exchange". *American Economic Review*, **93**(1):38–62, 2003. doi:10.1257/000282803321455151.
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ANNOTATION: Presented at SIFR-workshop on FX microstructure 03.

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

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

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ANNOTATION: Presented at BoC/NB 06

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ANNOTATION: Theory-model based on Bacchetta and van Wincoop (AER, 2006)

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ANNOTATION: Data: US Treasury data set

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ANNOTATION: Data: Yao dealer (all trades, inventories)

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3 Books, articles, PhD dissertations, etc.

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ANNOTATION: An overview of functioning of FX markets.

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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.

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ANNOTATION: Data: Norges Bank and Sveriges Riksbank data set

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ANNOTATION: Data: The Riksbank data

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ANNOTATION: Questionnaire survey. See also Cheung, Chinn and Marsh (2004, IJFE), Cheung and Wong (2000, JIE), and Cheung and Chinn (2001, JIMF).

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ANNOTATION: Nice overview on how currency trading were conducted in the old days.

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ANNOTATION: Survey

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

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

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ANNOTATION: Papers from a NBER conference

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ANNOTATION: Collection of Goodhart's papers

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ANNOTATION: Interviews with dealers in ch. 6.

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ANNOTATION: Papers from a NBER conference

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ANNOTATION: Data: Lyons' dealer (D2000-1, broker-traders, inventories, 1992)

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ANNOTATION: Survey

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ANNOTATION: Papers from a NBER conference

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

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