

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-links[‡] to most of the published papers. I will add more annotations over time. The B_BT_EX 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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[‡]DOI, 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.

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

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ANNOTATION: Data: High frequency indicative quotes

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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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- [14] Baillie, Richard T. and Tim Bollerslev. "Intra-day and inter-market volatility in foreign exchange rates". *Review of Economic Studies*, 58(3):565–585, 1991. URL <http://links.jstor.org/sici?sici=0034-6527%28199105%2958%3A3%3C565%3AIAIVIF%3E2.0.CO%3B2-H>.

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

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

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ANNOTATION: Data: High frequency indicative quotes

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ANNOTATION: Data: High frequency indicative quotes

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ANNOTATION: Data: EBS (Board data set)

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

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

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

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ANNOTATION: Questionnaire survey

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ANNOTATION: Questionnaire survey

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ANNOTATION: Tokyo trading restrictions

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ANNOTATION: Tokyo trading restrictions

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ANNOTATION: Presented at Workshop Norges Bank and BI in 2005.

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

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

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

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ANNOTATION: Data: CitiBank customer order flow

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ANNOTATION: Data: StateStreet

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ANNOTATION: Questionnaire survey

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ANNOTATION: Questionnaire survey. Compares FX traders with fund managers.

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ANNOTATION: Questionnaire survey

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ANNOTATION: First FX microstructure paper?

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

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

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ANNOTATION: Questionnaire survey

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ANNOTATION: Survey

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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.

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ANNOTATION: Presented at SIFR workshop on FX microstructure (03)

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ANNOTATION: Data: High frequency indicative quotes

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ANNOTATION: Survey. Describe the market in detail

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ANNOTATION: Survey. Critically study several data sets.

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ANNOTATION: Questionnaire survey

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ANNOTATION: Survey

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

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

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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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