

# *EXCHANGE RATE ECONOMICS*

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- I. INTRODUCTION TO THE FX MARKET
  - 1. Institutions and trading protocols
  - 2. The choice of direct dealing or electronic brokerage
  - 3. Purchasing power parity
  - 4. Interest rate parity
  
- II. THE MICRO APPROACH TO EXCHANGE RATES
  - 1. What is "microstructure" and how does it differ from macro approaches?
  - 2. Overview of theoretical models
  - 3. "Public Information Arrival, Exchange Rate Volatility, and Quote Frequency"
  
- III. ASYMMETRIC INFORMATION AND ORDER FLOW
  - 1. Portfolio shifts model and the role of order flow
  - 2. "Asymmetric Information and Price Discovery in the FX Market: does Tokyo know more about the yen?"
  - 3. "Once in a Generation" Yen Volatility in 1998: Fundamentals, Intervention, and Order Flow"
  - 4. "Stop-Loss Orders and Price Cascades in Currency Markets"