

Online Appendix for “The dollar, bank leverage and deviations from covered interest parity”*

Stefan Avdjiev

Bank for International Settlements

Cathérine Koch

Bank for International Settlements

Wenxin Du

Federal Reserve Board

Hyun Song Shin

Bank for International Settlements

August 2018

Abstract

In this online appendix, we present regression results of the changes in the cross-currency basis and changes in the broad dollar index for individual currencies.

*Stefan Avdjiev, Cathérine Koch, and Hyun Song Shin are at the Bank for International Settlements, Centralbahnplatz 2, 4051 Basel, Switzerland, CH-4002. Wenxin Du is at the Federal Reserve Board, 20th and C Streets NW, Washington, D.C. 20551. The views expressed in this online appendix are those of the authors and do not necessarily reflect those of the Bank for International Settlements, the Board of Governors of the Federal Reserve System or any other persons associated with the Federal Reserve System. Any remaining errors are solely our responsibility.

Table 1: Dollar beta by currency

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	AUD	CAD	CHF	DKK	EUR	GBP	JPY	NOK	NZD	SEK
Panel (A): Three-month basis, daily frequency										
$\Delta Broad_t$	-1.465 (0.811)	-1.866 (0.619)	-2.754 (0.896)	-4.109 (0.951)	-3.351 (0.683)	-2.156 (0.769)	-3.102 (0.735)	-2.164 (0.700)	-0.465 (0.638)	-2.934 (0.513)
Panel (B): Five-year basis, quarterly frequency										
$\Delta Broad_t$	-0.0162 (0.378)	-0.534 (0.475)	-1.554 (0.377)	-1.937 (0.609)	-1.826 (0.485)	-1.308 (0.296)	-2.299 (0.512)	-1.193 (0.282)	-0.0977 (0.414)	-1.116 (0.238)

Notes: This table reports regression coefficients of changes in the cross-currency basis of currency i on the changes in the broad dollar. Panel A shows regressions based on daily changes using the three-month cross-currency basis and Panel B shows results based on quarterly changes using the five-year cross-currency basis. The sample period is January 1, 2007 to December 8, 2017. Robust standard errors are shown in the parentheses.