



Fachbereich VWL / Department of Economics

# EconNewsletter

Editorial Contact: Michael Paetz  
tel: +49 40 42838-5561; e-mail: econ.newsletter.Wiso@uni-hamburg.de

MAY 4 – MAY 8, 2020

NEWSLETTER 2020-7

## SEMINAR CALENDAR

### Quantitative Economics

[Philippe Mueller, Warwick Business School:](#)

*Foreign Exchange Fixings and Returns Around the Clock*

Tuesday May 5

12:15–13:45

The seminar will be held virtually this semester. Please register via the following link:

<https://uni-hamburg.zoom.us/meeting/register/tJYucu2rqj8tGNWr9oMgGntPoPvsSHmmyVtQ>

**All other seminars are cancelled until further notice.**

## ABSTRACTS

### Quantitative Economics

Philippe Mueller, Warwick Business School:

*Foreign Exchange Fixings and Returns Around the Clock*

#### *Abstract:*

This paper documents a new stylised fact in foreign exchange markets: intraday currency returns display prolonged reversals around the major benchmark fixings, characterised by an appreciation of the U.S. dollar pre-fixing and a depreciation thereafter. Tracing returns around the clock, the major fixing during Asian trading hours (Tokyo) and two major fixings during European and U.S. hours (Frankfurt and London) generate a distinct 'W' shaped return pattern over the 24-hour trading day. On either side of the reversal, price drifts persist for hours; moreover, they are a systematic feature of the data being present every day of the week, month of the year, and during each of the 20 years in our sample. We argue these findings require two ingredients (i) a structural demand for dollar immediacy at local currency fixing

If you are interested in meeting with one of the speakers, please contact the respective organizer. Further information can be found on our homepage:

<https://www.wiso.uni-hamburg.de/fachbereich-vwl/forschung/forschungsseminare.html>

times; and (ii) pre-fix hedging risk management practices by financial intermediaries. Consistent with this conjecture, we show our findings are unique to the U.S dollar numeraire, amplified in states of high anticipated volatility, low liquidity, and that arbitrageurs can exploit these patterns after taking transaction costs into account.

## ACTIVITIES OF DEPARTMENT MEMBERS

### Miscellaneous

- The scientific review panel of the Council for the Lindau Nobel Laureate Meetings has selected **Shushanik Margaryan** to participate in the 7th Lindau Meeting on Economic Sciences.

For more information on Lindau Nobel Laureate Meetings please visit this website:

<https://www.lindau-nobel.org/>

*The next EconNewsletter will be published on Monday, May 11, 2020.*

*Editorial deadline: Friday, May 8, 2020.*

### **EconNewsletter**

Department of Economics

University of Hamburg

Von-Melle-Park 5, 20146 Hamburg

To un/subscribe from/to this newsletter, please  
send an e-mail to [econ.newsletter.Wiso@uni-hamburg.de](mailto:econ.newsletter.Wiso@uni-hamburg.de)