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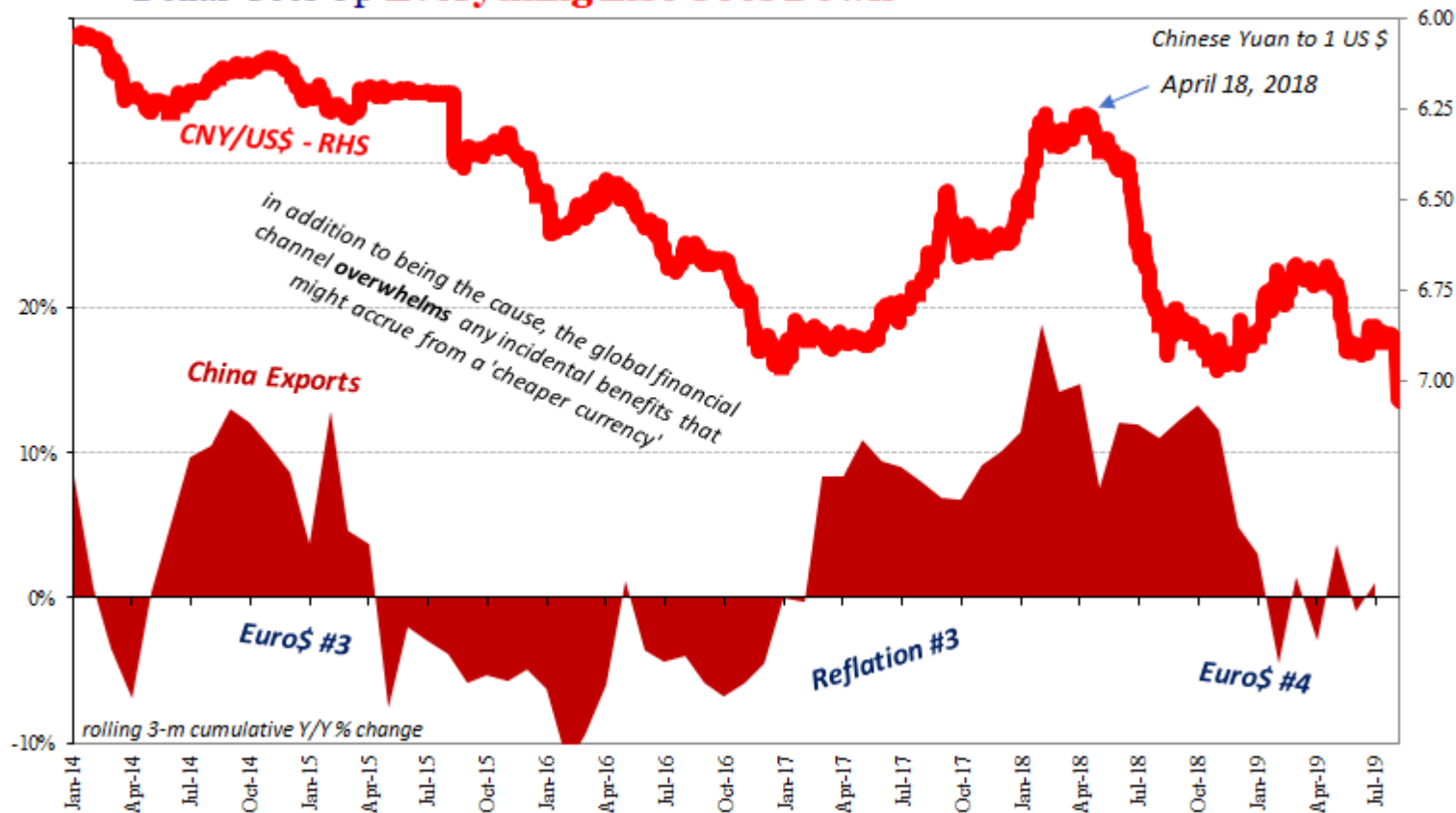
Dollar Goes Up Everything Else Goes Down

(‘dollars’ and economy)





Dollar Goes Up Everything Else Goes Down





Rising Dollar Squeeze



The focus on the US dollar as the currency underpinning global banking lends support to studies that have emphasized the US dollar as a bellwether for global financial conditions.

Bruno, Valentina and H Shin

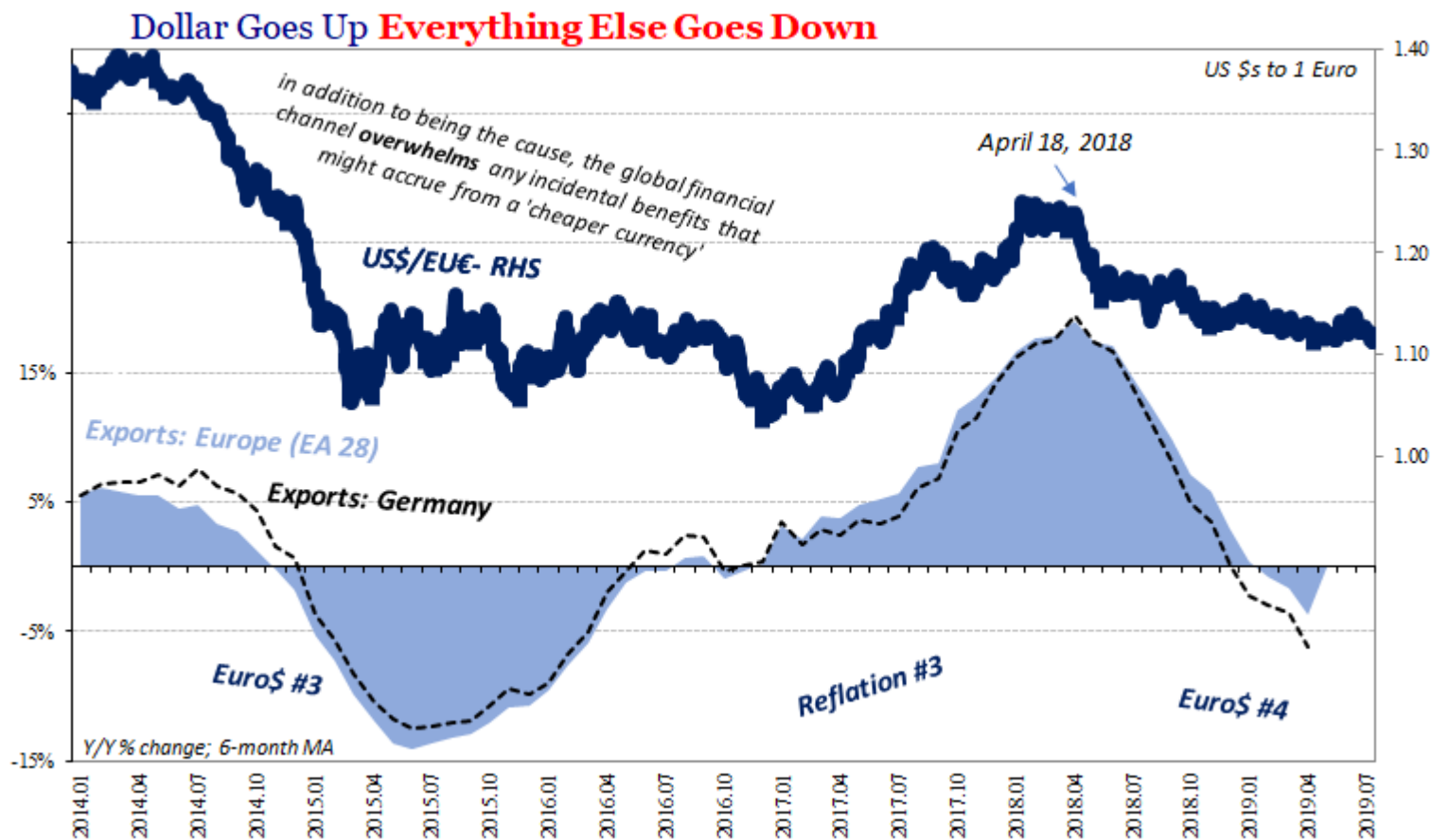
Capital Flows and the Risk-Taking Channel of Monetary Policy (2013)



First, there is **a strong negative relationship between the US dollar and cross-border bank lending denominated in US dollars**. Second, an increase in US dollar denominated cross-border lending to a given EME is associated with greater real investment in that EME. Finally, a decline in the value of a country's currency against the US dollar triggers a decline in real investment in that country.

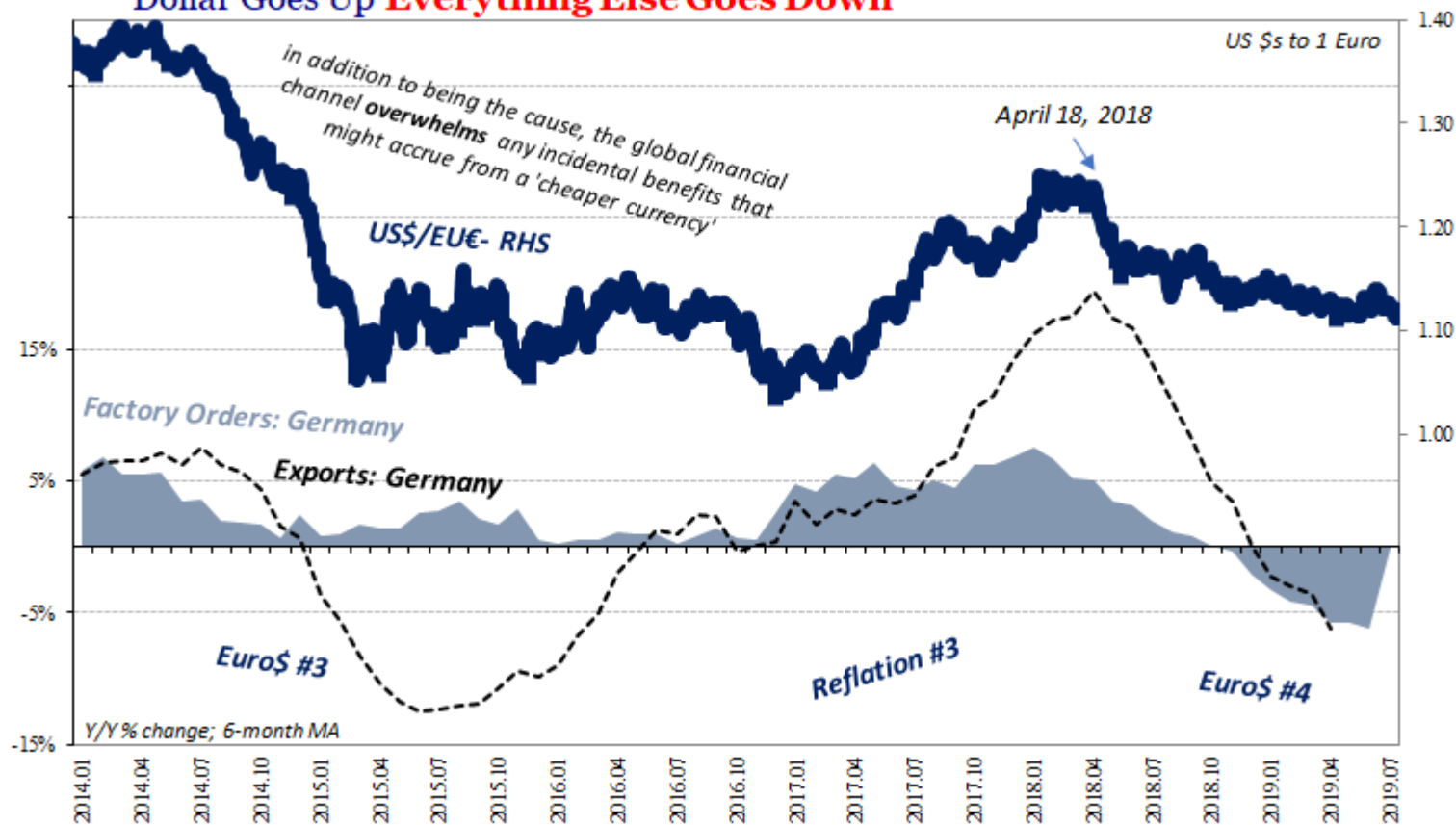
Avdjiev, Stefan, V Bruno, C Koch, and H Shin

The dollar exchange rate as a global risk factor: evidence from investment (2018)





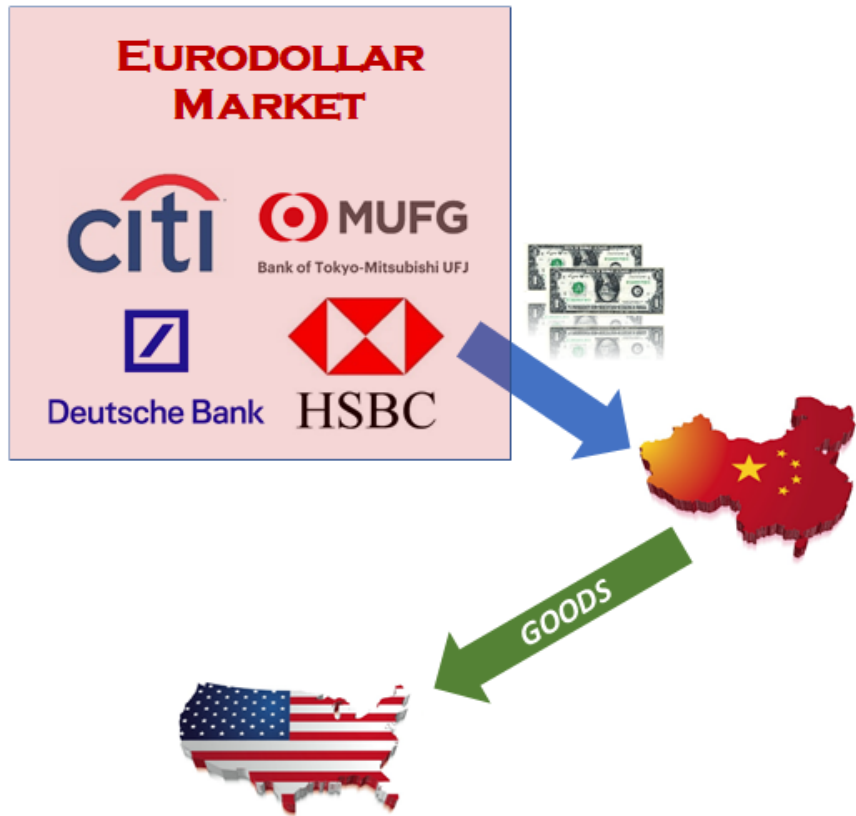
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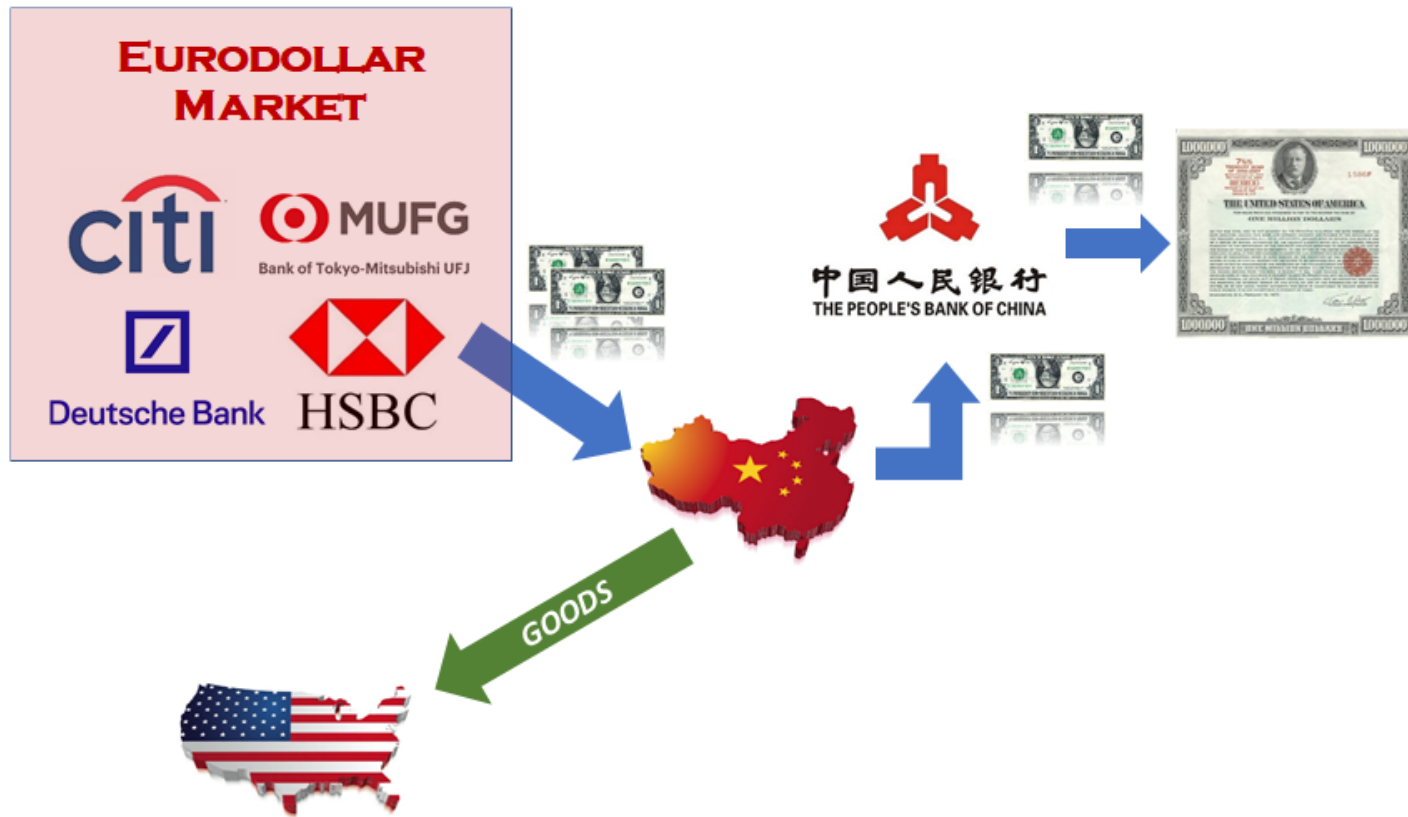
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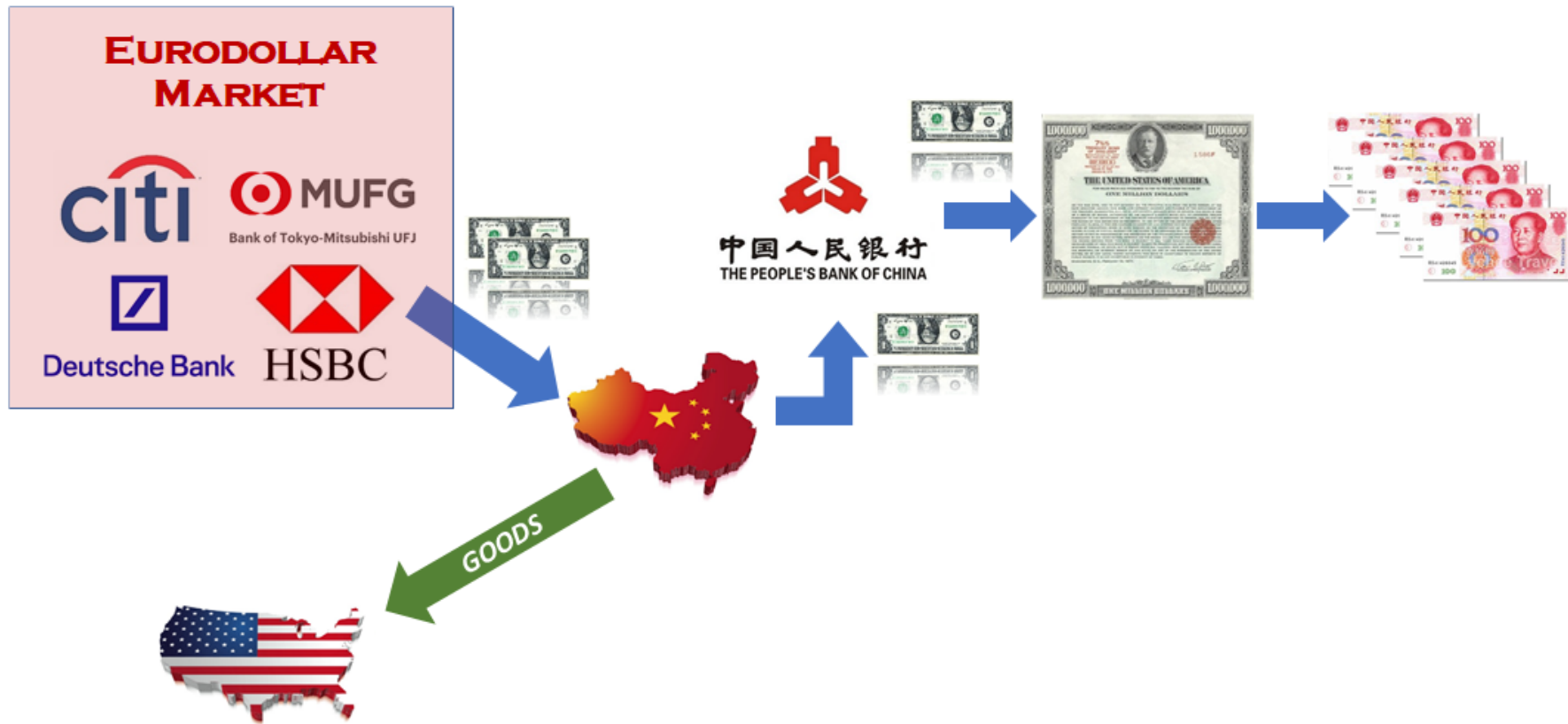
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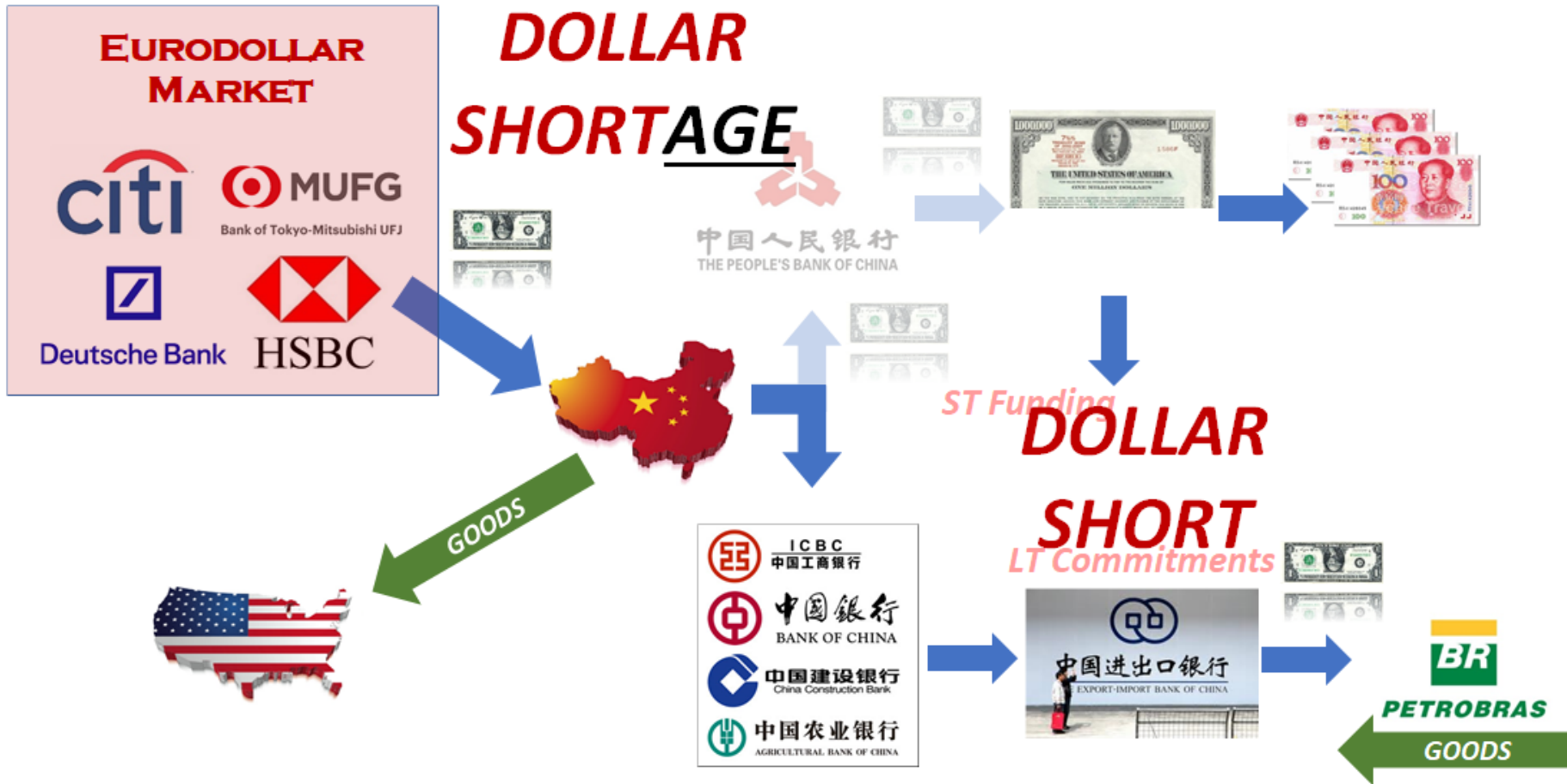
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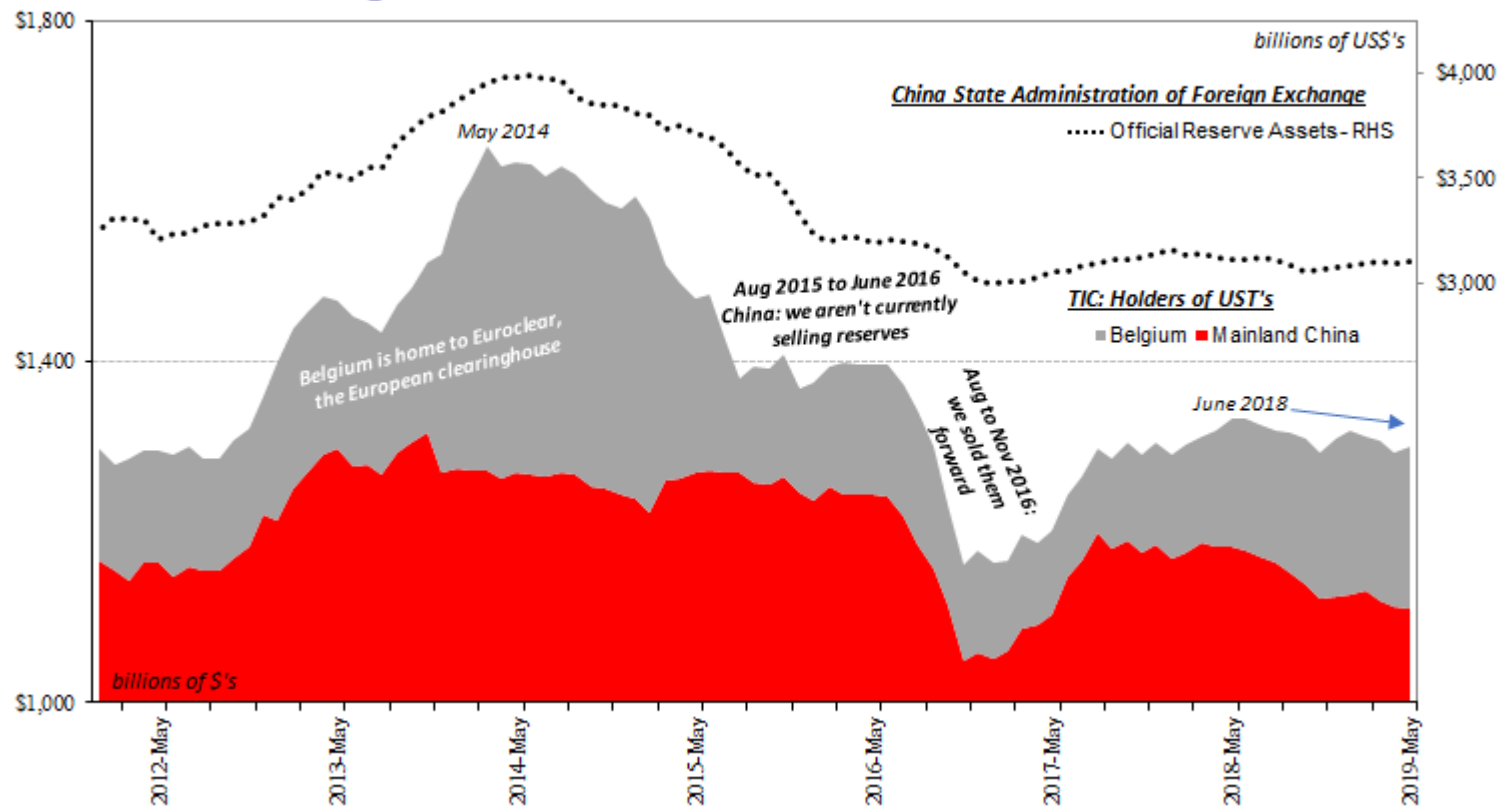
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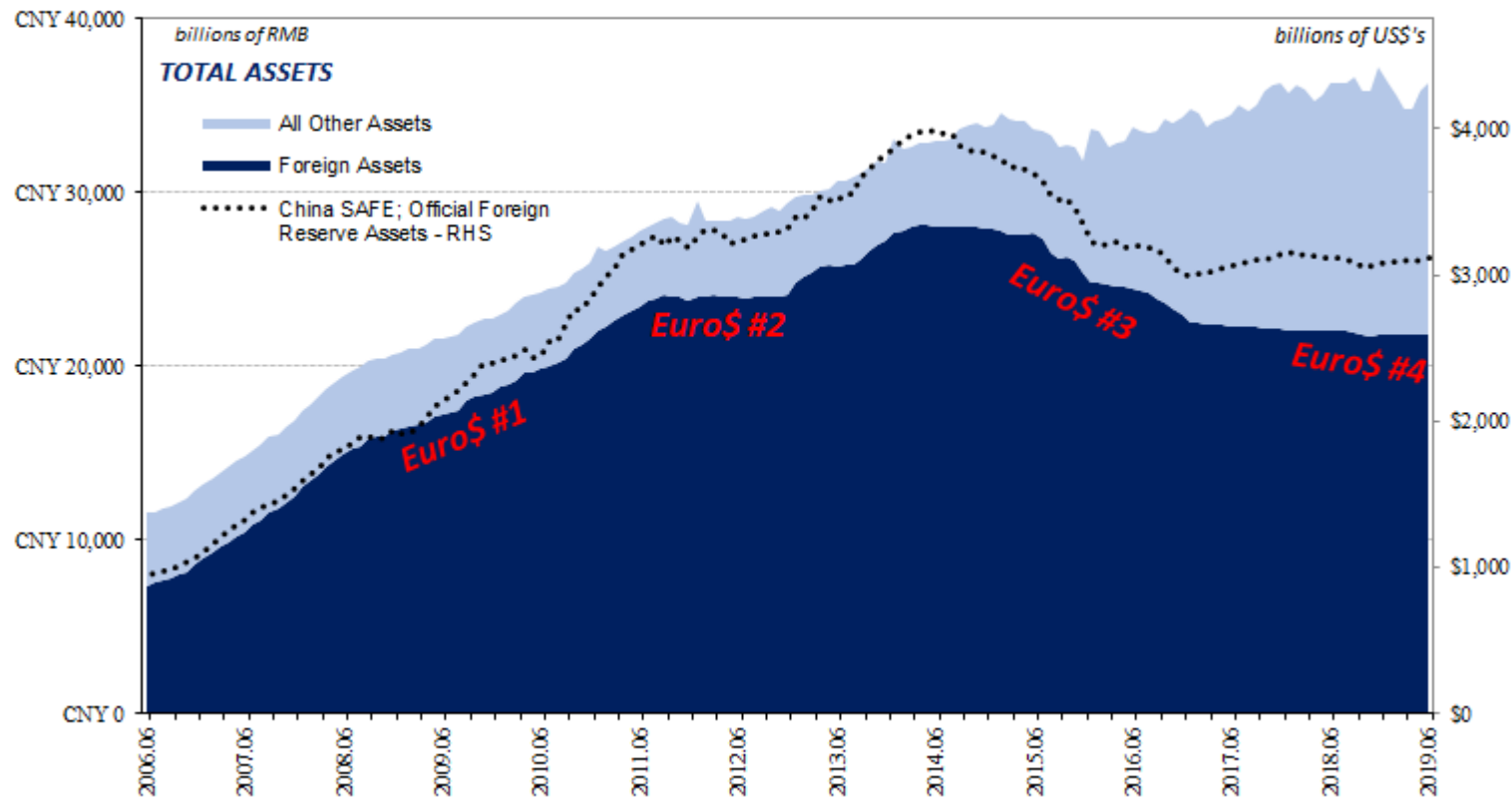


China: Foreign Reserves



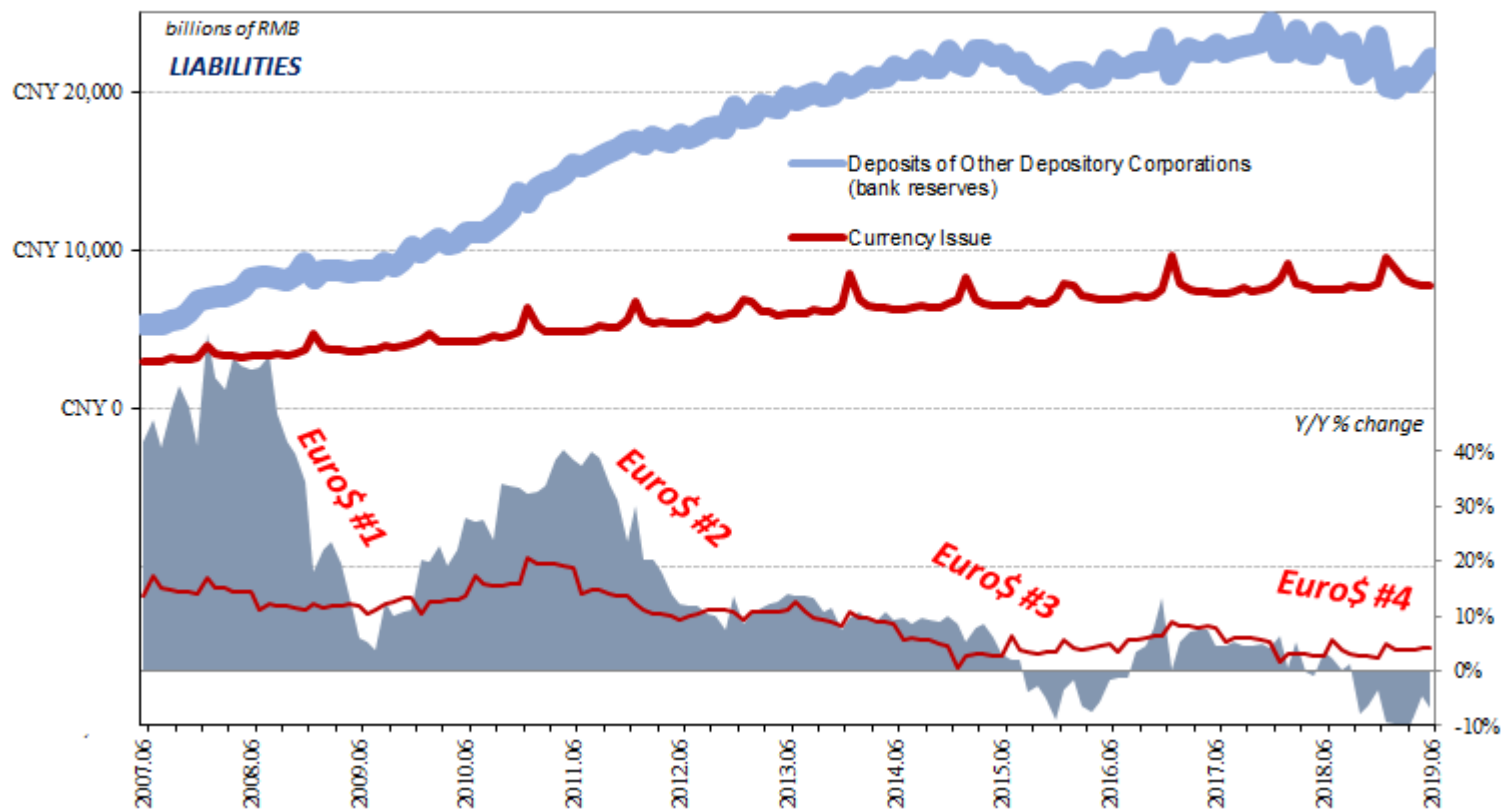


Balance Sheet People's Bank of China





Balance Sheet People's Bank of China





Shadow Liabilities



A well known advantage of issuing such **contingent liabilities** as currency swaps is that authorities become able to intervene in the exchange market indirectly, without affecting the money supply or varying the stock of foreign exchange reserves.



**BANCO CENTRAL
DO BRASIL**

Banco Central Do Brasil

*Official Interventions Through Derivatives; affecting the demand for forex
Working Papers #317
July 2013*

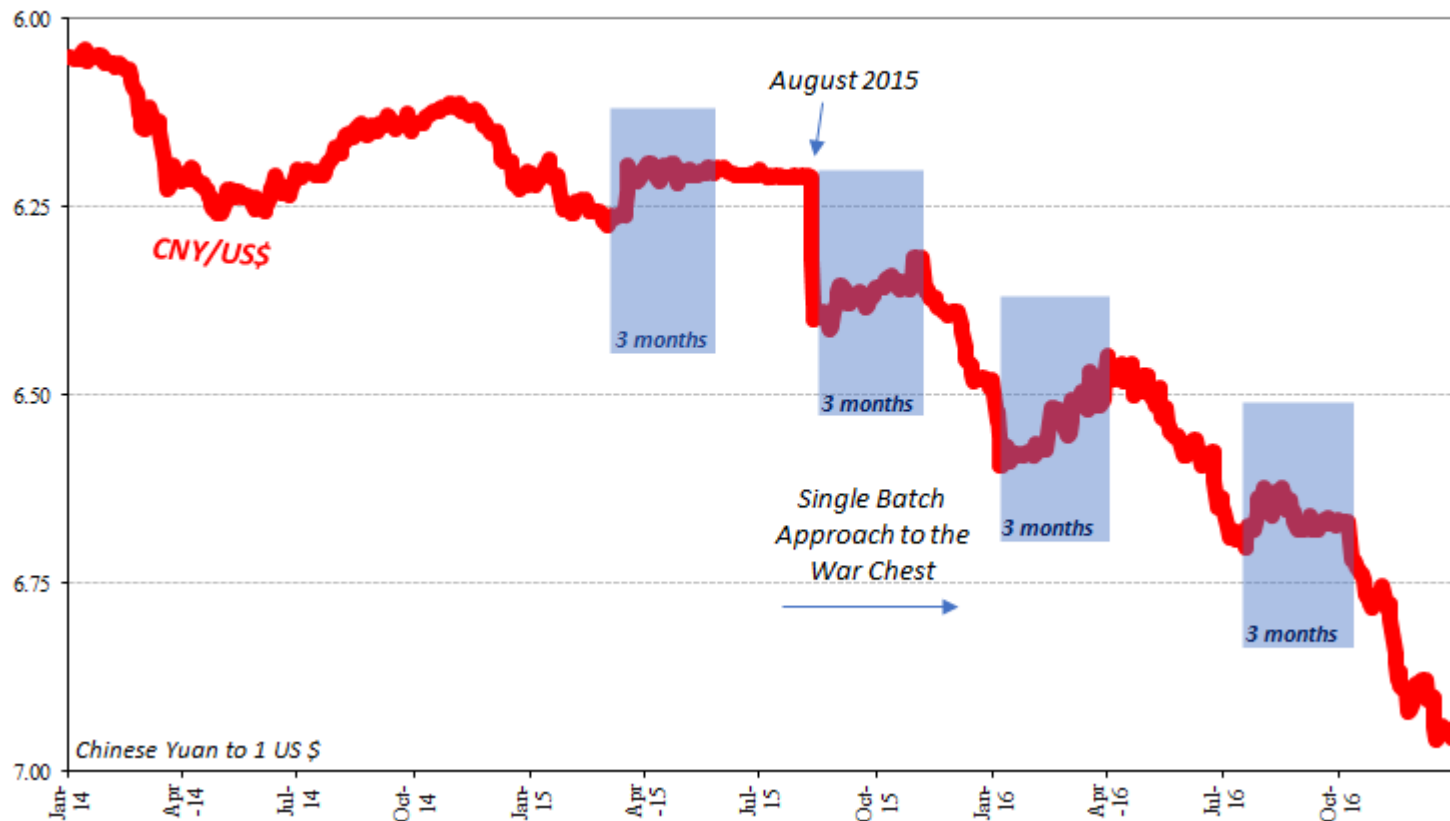
Working Papers

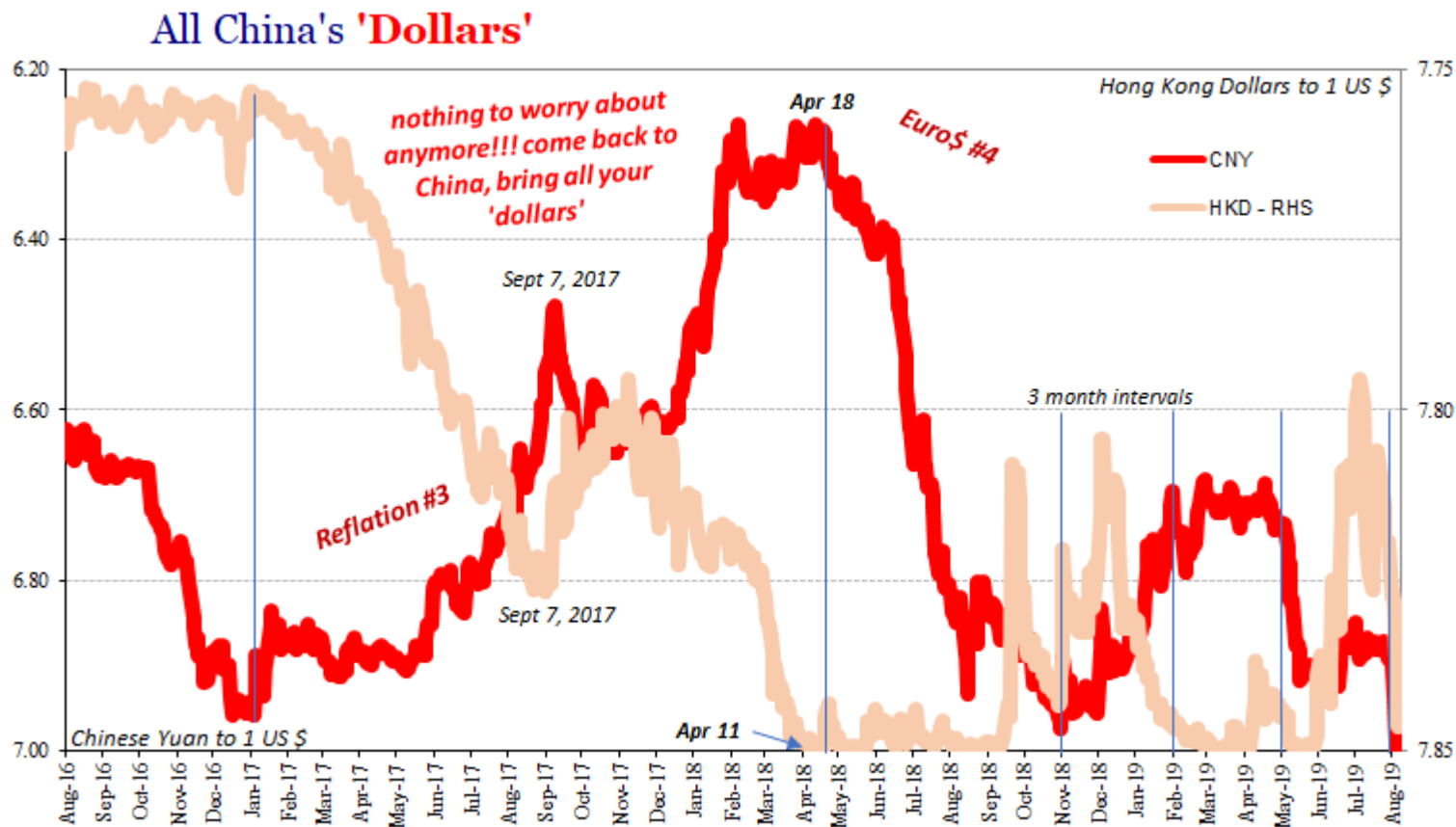


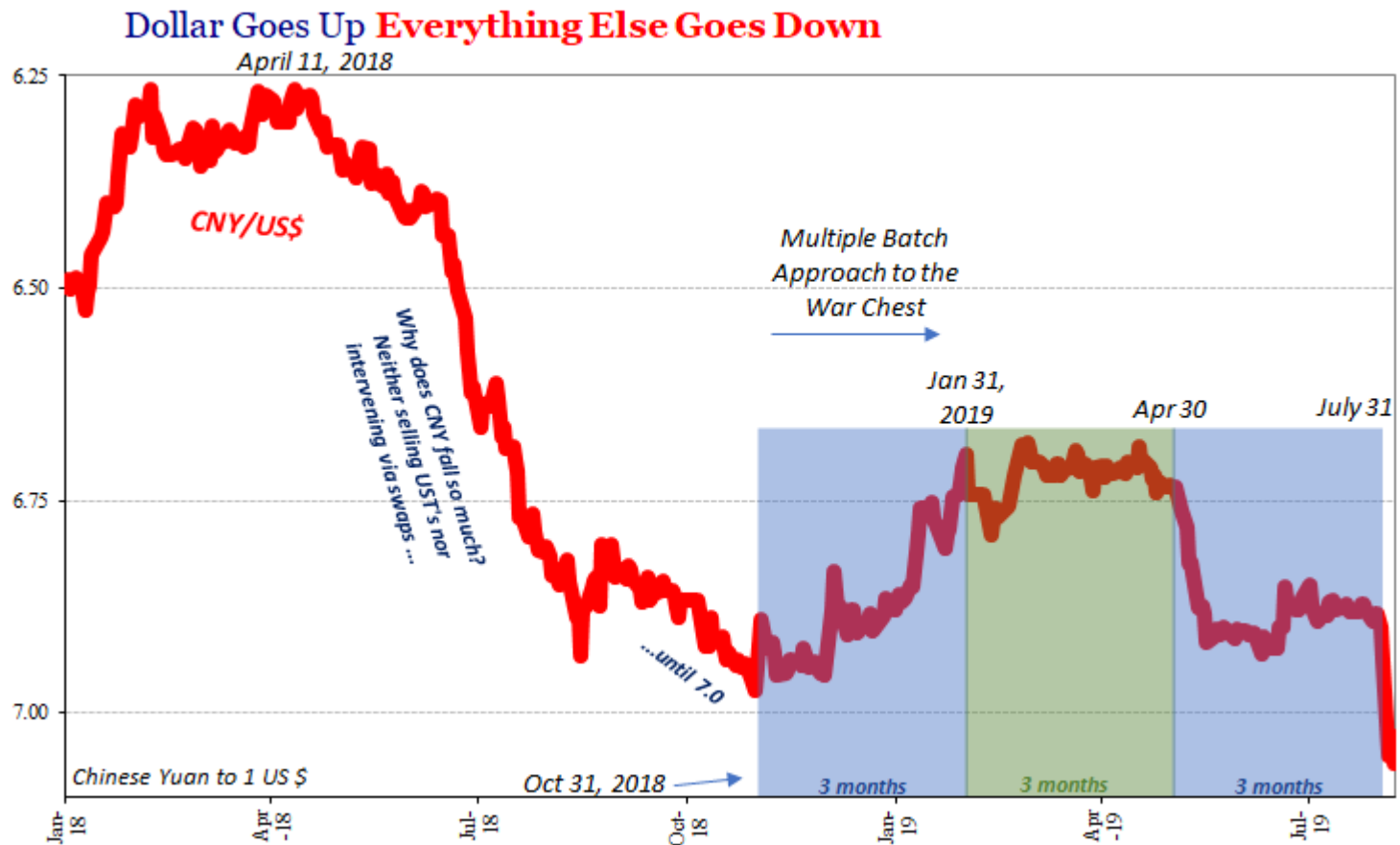
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Simple Eurodollar Econometrics

CNY DOWN = BAD



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CONCLUDED

