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Evidence of Carry Trade Activity

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Abstract

Interest rate differentials have been a driving force behind exchange rate movements in recent years. This has focused market attention on the role of currency carry trade positions, and on the possibility that a sudden unwinding might adversely affect financial stability. However, carry trades are notoriously difficult to track in the available data. This special feature first outlines the investor base and trading strategies used in carry trades, and then explores various sources of data to gauge activity.

Keywords: carry trade, BIS banking statistics**JEL Classification:** F31, F32, G15[Suggested Citation](#) >[Show Contact Information](#) >[Download This Paper \(Delivery.cfm/SSRN_ID2018789_code341450.pdf?abstractid=1490984&mirid=1\)](#)[Open PDF in Browser \(Delivery.cfm/SSRN_ID2018789_code341450.pdf?abstractid=1490984&mirid=1&type=2\)](#)

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