



## American Economic Review

ISSN 0002-8282 (Print) | ISSN 1944-7981 (Online)

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# The Term Structure of Currency Carry Trade Risk Premia

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AMERICAN ECONOMIC REVIEW  
VOL. 109, NO. 12, DECEMBER 2019  
(pp. 4142–77)

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### Article Information

#### Abstract

Fixing the investment horizon, the returns to currency carry trades decrease as the maturity of the foreign bonds increases. Across developed countries, the local currency term premia, which increase with the maturity of the bonds, offset the currency risk premia. Similarly in the time-series, the predictability of foreign bond

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## Citation

Lustig, Hanno, Andreas Stathopoulos, and Adrien Verdelhan. 2019. "The Term Structure of Currency Carry Trade Risk Premia." *American Economic Review*, 109 (12): 4142–77.

DOI: 10.1257/aer.20180098

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## Additional Materials

[Replication Package \(52.93 MB\)](#)

[Online Appendix \(1,002.56 KB\)](#)

[Author Disclosure Statement\(s\) \(151.27 KB\)](#)

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## JEL Classification

**E43** Interest Rates: Determination, Term Structure, and Effects

**G12** Equities; Fixed Income Securities

**G15** International Financial Markets

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