

[< Working Papers](#)

# Economic, Financial, and Fundamental Global Risk In and Out of the EMU

Wayne E. Ferson & Campbell R. Harvey

SHARE   

WORKING PAPER 6967

DOI 10.3386/w6967

ISSUE DATE February 1999

We explore the different factors that drive expected returns in world markets. Our research offers two innovations. First, the introduction of the Euro currency unit greatly reduces the complexity of including foreign exchange risk in asset pricing models. We use a synthetic Euro excess return along with a Yen excess return to assess country equity sensitivities to currency risk factors. Second, when combining the currency factors with a group of economic factors, we measure the incremental information in the factor proposed in Fama and French (1998). We find that a global price-to-book factor offers little additional explanatory power over and above a model that includes economic risk factors.

[Download a PDF](#)

[Information on access](#)

**Acknowledgements and Disclosures**

---



**Download Citation**

---



## Published Versions

Swedish Economic Policy Review, Vol. 6 (1999): 123-184.

---

## Related

TOPICS

[Financial Economics](#)  
[Portfolio Selection and Asset Pricing](#)  
[Financial Markets](#)

PROGRAMS

[Asset Pricing](#)

## More from NBER

---

In addition to [working papers](#), the NBER disseminates affiliates' latest findings through a range of free periodicals — the [NBER Reporter](#), the [NBER Digest](#), the [Bulletin on Retirement and Disability](#), the [Bulletin on Health](#), and the [Bulletin on Entrepreneurship](#) — as well as online [conference reports](#), [video lectures](#), and [interviews](#).



16<sup>th</sup> Annual Martin Feldstein Lecture:

## **Lessons for Economists from the Pandemic**

Cecilia E. Rouse, The Brookings Institution  
and Princeton University  
July 22, 2024

### **2024, 16th Annual Feldstein Lecture, Cecilia E. Rouse, "Lessons for Economists from the Pandemic"**

FELDSTEIN LECTURE

PRESENTER: [CECILIA E. ROUSE](#)

Cecilia Rouse, president of the Brookings Institution and a professor at Princeton University, who chaired the Council...



Methods Lectures, Summer Institute 2024:

## **Analysis and Design of Multi-Armed Bandit Experiments and Policy Learning**

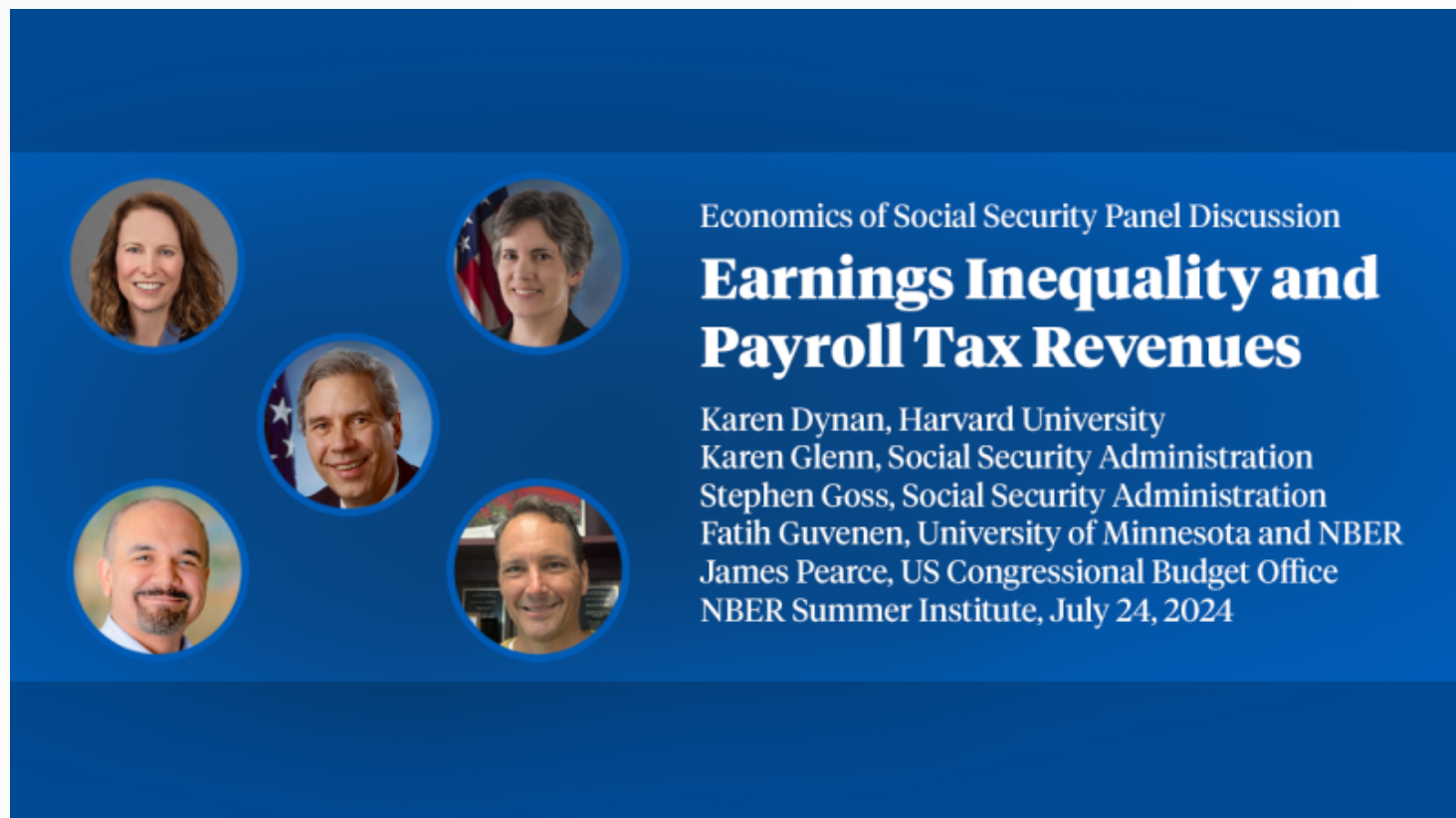
Susan Athey, Stanford University and NBER  
July 25, 2024

## **2024 Methods Lecture, Susan Athey, "Analysis and Design of Multi-Armed Bandit Experiments and Policy Learning"**

METHODS LECTURES

PRESENTER: [SUSAN ATHEY](#)

Background Materials:backgroundAthey, Susan, Undral Byambadalai, Vitor Hadad, Sanath Kumar Krishnamurthy, Weiwen Leung...



Economics of Social Security Panel Discussion  
**Earnings Inequality and Payroll Tax Revenues**  
Karen Dynan, Harvard University  
Karen Glenn, Social Security Administration  
Stephen Goss, Social Security Administration  
Fatih Guvenen, University of Minnesota and NBER  
James Pearce, US Congressional Budget Office  
NBER Summer Institute, July 24, 2024

## **2024, Economics of Social Security Panel, "Earnings Inequality and Payroll Tax Revenues"**

PANEL DISCUSSION

PRESENTERS: [KAREN DYNAN](#), KAREN GLENN, STEPHEN GOSS, [FATIH GUVENEN](#) & [JAMES PEARCE](#)

**National Bureau of Economic Research**

Contact Us

1050 Massachusetts Avenue

Cambridge, MA 02138

617-868-3900

info@nber.org

webaccessibility@nber.org

[HOMEPAGE](#)

[Accessibility Policy](#)

[Diversity Policy](#)

[Privacy Policy](#)

FOLLOW



© 2024 NATIONAL BUREAU OF ECONOMIC RESEARCH. ALL RIGHTS RESERVED.