

Topics in International Macroeconomics

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COURSE OUTLINE

1. *Exchange rates and Price Stickiness*
 - a. Burstein, Ariel and Gita Gopinath, "[International Prices and Exchange Rates](#)" with Gita Gopinath, Burstein, Ariel, and Gita Gopinath. 2014. "International Prices and Exchange Rates." Handbook of International Economics, 4th ed., 4:391-451. Elsevier, 4, 391-451.
 - b. Burstein, Ariel, Eichenbaum, Martin and Sergio Rebelo, 'Large Devaluations and the Real Exchange Rate', *Journal of Political Economy*, August, 2005, 113 (4), 742 -784.
 - c. Ariel Burstein, Martin Eichenbaum and Sergio Rebelo, 'Modeling Exchange Rate Passthrough After Large Devaluations', *Journal of Monetary Economics*, 54:2; March 2007, 346 – 368.
2. *Empirical Determinants of Exchange Rates*
 - a. Engel, Charles. 2014, Exchange Rates and Parity, Handbook of International Economics.
 - b. Engel, Charles, Exchange Rates, Interest Rates, and the Risk Premium, manuscript, 2015
 - c. Burnside, Craig. 2012 Identification and Inference in Linear Stochastic Discount Factor Models. NBER Working Paper 16634.
 - d. Craig Burnside, Martin Eichenbaum and Sergio Rebelo, 'Carry Trade and Momentum in Currency Markets', *Annual Review of Financial Economics* 3, 511-35.
 - e. Craig Burnside, Isaac Kleshchelski, Martin Eichenbaum and Sergio Rebelo, "Do Peso Problems Explain the Returns to the Carry Trade?", the *Review of Financial Studies* 24(3), 2011, 853-91.

- f. Craig Burnside, 'Carry Trades and Risk', in Jessica James, Ian W. Marsh and Lucio Sarno, eds. *Handbook of Exchange Rates*, Hoboken: John Wiley and Sons, 2012.
- g. Craig Burnside, Martin Eichenbaum and Sergio Rebelo, 'Understanding the Forward Premium Puzzle: A Microstructure Approach', *American Economics Journal: Macroeconomics*, 1(2), 2009, 127-54.
- h. Monetary Policy and the Predictability of Exchange Rates, Martin Eichenbaum, Ben Johansen and Sergio Rebelo, manuscript.

3. Rigidities and Crisis

- a) Burnside, C., Eichenbaum, M. and S. Rebelo, 'Government Guarantees and Self-Fulfilling Currency Attacks', *Journal of Economic Theory*, 119(1), 2004, 31-63
- b) Burnside, C., Eichenbaum, M. and S. Rebelo, 'Hedging and Financial Fragility in Fixed Exchange Rate Regimes', *European Economic Review* (45)7 (2001) pp. 1151-1193.
- c) Gali, J. And T. Monacelli, *Review of Economic Studies*, 2005.
- d) Uribe, Martin and Stephanie Schmitt-Grohe, *Open Economy Macroeconomics, Chapter 7, Nominal Rigidity, Exchange Rates and Unemployment*.
- e) Uribe, Martin and Stephanie Schmitt-Grohe, *Downward Nominal Wage Rigidity, Currency Pegs, and Involuntary Unemployment*, 2015.