عنوان مقاله:

Impact of Chinese Yuan Devaluation on the Dependence Structure: The Archimedean Copula Approach

محل انتشار:

دوازدهمین کنفرانس بین‌المللی آکادمی مدیریت آسیا (سال: 1396)

تعداد صفحات اصل مقاله: 16

نویسندگان:

Wing-Choong Lai - *Faculty of Economics and Administration, University of Malaya, Malaysia*

Kim-Leng Goh - *Faculty of Economics and Administration, University of Malaya, Malaysia*

خلاصه مقاله:

This paper investigates the linkages of Chinese yuan to other regional currencies before and after the Chinese yuan devaluation on 11 Aug 2015. Linear regression analysis shows that only a few of the 14 currencies considered are significantly affected by the devaluation. However, this method may underestimate the tail dependence betweencurrencies, as financial data are usually non-linear and non-normally distributed, especially when extreme event occurs. Thus, we specifically apply the Archimedean copulas to capture the presence of lower and upper tail dependencebetween the returns of Chinese yuan and the regional currencies. We found dependencies not revealed by the linear regression analysis. The devaluation has led to higher tail dependence in all the currencies considered. It has also changed the dependence structure from upper tail dependence dominance to increased lower tail dependence

کلمات کلیدی:

Chinese yuan; copulas; currency; sensitivity; tail dependence

لینک ثابت مقاله در پایگاه سیویلیکا:

https://civilica.com/doc/689458