

Topics in International Finance KIEL 2026

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Note: This is an advanced graduate level course in international finance designed for students in a Ph.D. program.

Useful references are:

- Foundations of International Macroeconomics, by Maurice Obstfeld and Kenneth Rogoff, MIT Press, 1996. A classic to make sure you know the foundational models.
- Handbook of International Economics VI, Elsevier, North Holland, 2022. The Handbook is an excellent reference with a summary of frontier research and good reference lists on all the main topics in international macroeconomics and finance (and trade).
- My Lecture Notes

Please read the ** highlighted papers and read all the others if the topic interests you.

READING LIST

1. External adjustment of countries and exchange rates

*Intertemporal Approach to the Current Account (Obstfeld Rogoff textbook)

*Meese Richard and Ken Rogoff, (1983), Empirical Exchange rate models of the seventies, *Journal of International Economics*.

1a ** G7 Memo on Global Imbalances, March 2026, Chong-En Bai, Gita Gopinath, H el ene Rey and Axel Weber.

1b ** Gourinchas Pierre-Olivier and H el ene Rey (2007) "International Financial Adjustment", *Journal of Political Economy*, 115:4, pp. 665-703, August.

2. General Equilibrium Models of Exchange Rates with Financial Frictions.

2a **Gabaix Xavier and Matteo Maggiori (2015) "International Liquidity and Exchange Rate Dynamics." *Quarterly Journal of Economics* 130, no. 3: 1369-1420.

2b **Itskhoki Oleg and Mukhin Dimitri Mussa Puzzle Redux, *Econometrica*, 2025.

2c **Camanho Nelson, Hau, Harald and H el ene Rey (2022) "Global Portfolio Rebalancing and Exchange Rates", *Review of Financial Studies*.

*A Preferred-Habitat Model of Term Premia, Exchange Rates, and Monetary Policy Spillovers, Gourinchas, Ray and Vayanos, (2024), Forthcom. AER

*Kojien Ralph and Moto Yogo (2025) "Exchange rates and Asset Prices in a Global Demand System", *Journal of Political Economy*. NBER WP 27342. [read the most recent version]

3. International monetary and financial system and Geoeconomics

3a**Gourinchas, Pierre-Olivier, H  l  ne Rey and Maxime Sauzet (2019) The International Monetary and Financial System, *Annual Review of Economics*.

3b**Gourinchas, Pierre-Olivier, H  l  ne Rey and Michele Andreolli (2025): Exorbitant Privilege and Exorbitant Duty, *LBS*.

*Ilzetzki, Ethan, Reinhart, Carmen and Rogoff, Kenneth (2019). Exchange Arrangements Entering the 21st Century: Which Anchor Will Hold? *Quarterly Journal of Economics*.

*Gourinchas, Pierre-Olivier and H  l  ne Rey (2007): "From world banker to world venture capitalist: US external adjustment and the exorbitant privilege", *NBER Chicago Press*.

*Farhi Emmanuel and Matteo Maggiori (2016): A Model of the International Monetary System, *Quarterly Journal of Economics*.

*Gopinath, Gita, and Jeremy Stein. Working Paper (2018). "Banking, Trade and the Making of a Dominant Currency". *Quarterly Journal of Economics*.

4. The Global Financial Cycle

4a**Miranda-Agrippino Silvia and H  l  ne Rey (2020), US Monetary Policy and the global financial cycle, *Review of Economic Studies*.

4b**Miranda-Agrippino Silvia and H  l  ne Rey (2022), The Global Financial Cycle, Handbook of International Economics VI, Chapter 1.

4c **Coimbra Nuno and H  l  ne Rey: Financial Cycles with Heterogeneous Intermediaries, 2024, *Review of Economic Studies* .