

1 Exchange Rate Policy and Currency Excess Returns

Figure 1: Interest Rate Differential (Resid.)

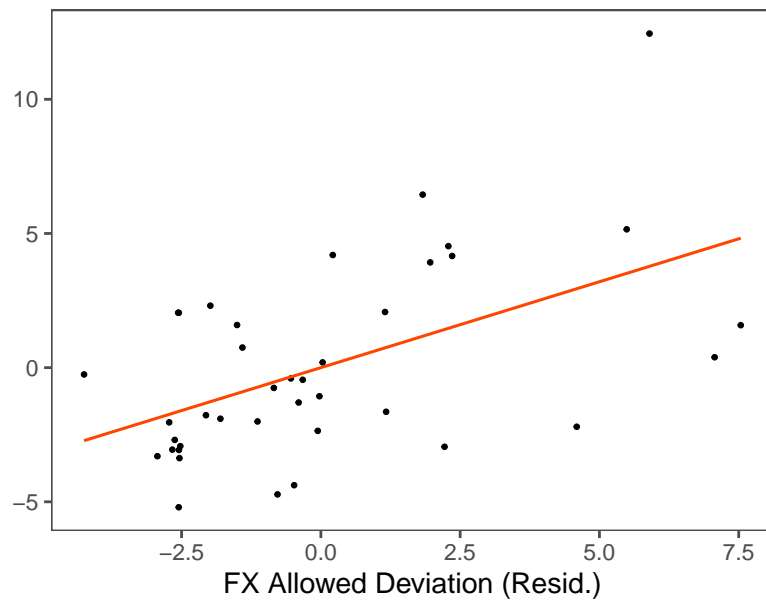


Table 1: Interest Rate Differential

	(1)	(2)	(3)
Country Size	-12.91** (5.08)		-28.12*** (9.20)
Allowed FX Dev.		0.34 (0.24)	0.64** (0.24)
Num. obs.	39	39	39
R ²	0.06	0.10	0.32

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Figure 2: Currency Excess Returns (Resid.)

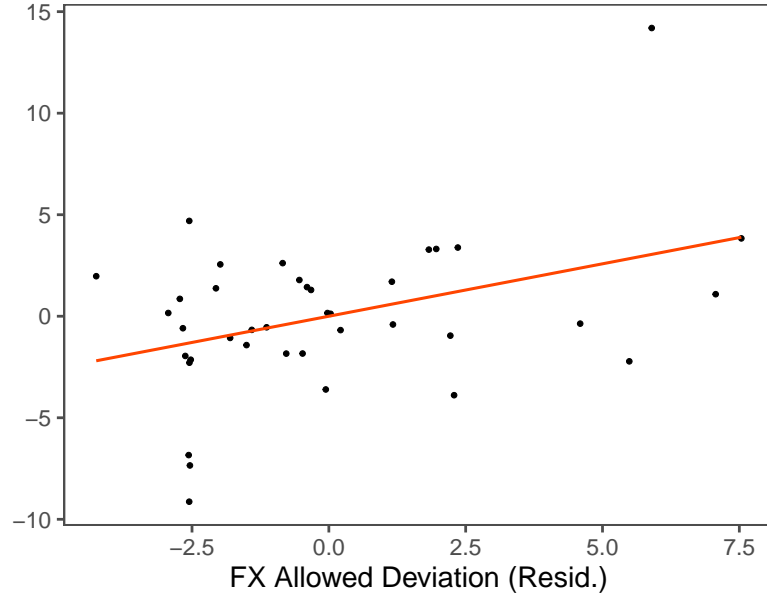


Table 2: Currency Excess Returns

	(1)	(2)	(3)
Country Size	-1.90 (4.26)		-14.17* (8.38)
Allowed FX Dev.		0.37 (0.22)	0.52* (0.28)
Num. obs.	39	39	39
R ²	0.00	0.11	0.16

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Figure 3: Capital Intensity (Resid.)

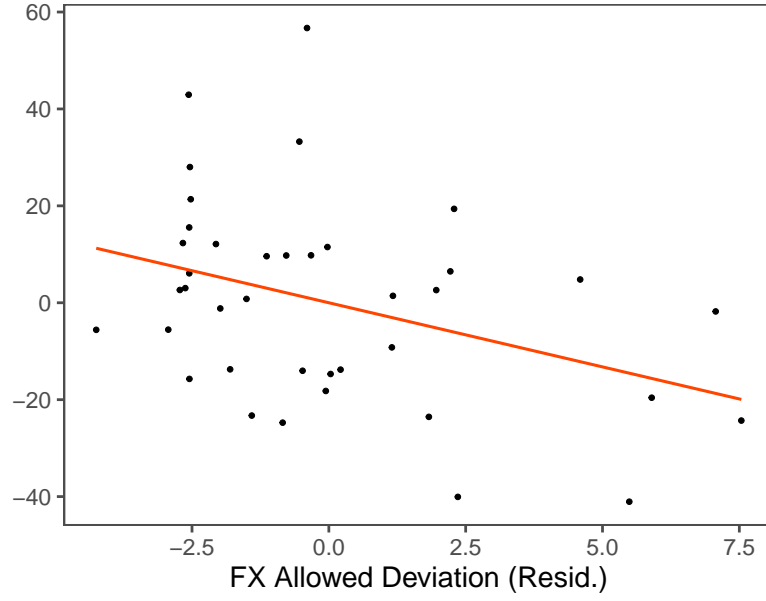


Table 3: Capital Intensity

	(1)	(2)	(3)
Country Size	32.65 (20.64)		95.55*** (30.94)
Allowed FX Dev.		-1.63* (0.95)	-2.65*** (0.93)
Num. obs.	39	39	39
R ²	0.01	0.07	0.15

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

2 Capital Intensity and Currency Excess Returns

Figure 4: Capital Intensity

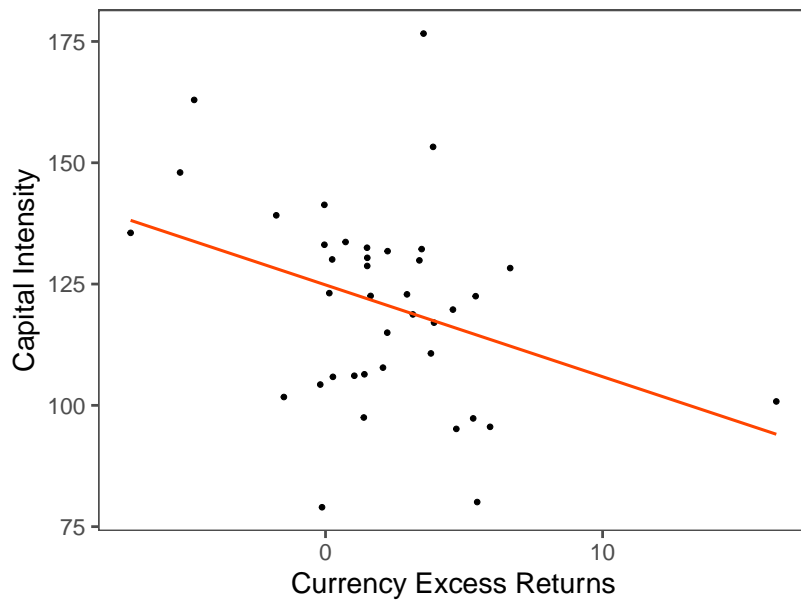


Table 4: Capital Intensity

	(1)
Currency Excess Returns	-1.89*** (0.67)
Num. obs.	39
R ²	0.12

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$