

Banka Slovenije
in cooperation with
the Research Centre of the School of Economics and Business
invites you to a seminar

***Pricing the international cross-section of interest and
exchange rates using linear regressions***

Co-author and speaker:
Matjaž Maletič
Researcher at Banka Slovenije

The paper is joint work by Antonio Diez de los Rios (Bank of Canada),
Matjaž Maletič (Banka Slovenije) and Fabian Schupp (ECB)

The seminar will be held
at Banka Slovenije, Cankarjeva 1, on the fourth floor
on Thursday, 12 November 2026 at 14:00

Abstract:

We develop a regression-based estimator that jointly prices bond and currency returns in an international affine term structure model. The model incorporates dollar and carry risk factors unspanned by yields. Our asymptotic least squares (ALS) estimator combines ordinary least squares regressions with closed-form no-arbitrage and self-consistency restrictions. Applied to seven countries over 1994Q4 – 2023Q4, the model fits yield curves with an average root mean squared pricing error of 8.9 basis points. Ten-year term premia exhibit strong global co-movement, with an average pairwise correlation of 0.9. Long-horizon currency risk premia follow a clear carry-trade pattern: negative for funding currencies and positive for investment currencies.

About the co-author and speaker:

Matjaž Maletič holds a PhD in asset pricing from Tilburg University and is a researcher in the financial stability and macroprudential policy department at Banka Slovenije. He previously worked as an economist in DG-MP at the European Central Bank. His research spans affine term structure models, empirical asset pricing and international finance, with a focus on sovereign bond and foreign exchange markets, risk premia and safe assets, and the transmission of monetary policy through financial markets.

How to sign up:

To sign up for the seminar, please send an email to seminar@bsi.si. You can sign up by Tuesday, 10 November 2026. The seminar will be held in English.