

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

***Dynamic Currency Risk in Equity Markets: Evidence from Firm-Level Responses***

Co-authors and speakers:  
**Miha Breznikar and Matjaž Maletič**  
(Banka Slovenije)

The seminar will be held in the  
**Lecture Room of Banka Slovenije at Cankarjeva 1, Ljubljana – 4th floor (passage  
between Cankarjeva and Tomšičeva) on Thursday, 18 June 2026 at 10:00**

**Abstract:**

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Authors examine how global currency risk is transmitted to equity returns at the firm level. In a panel of European firms, authors estimate the dynamic responses of stock returns to shocks in the dollar and carry-trade currency risk factors. While exchange rate factors add little explanatory power for aggregate time-series variation, they matter strongly through heterogeneous firm-level exposures and persistent adjustment dynamics. Firms with greater exposure to adverse currency-risk shocks underperform in global states characterized by dollar appreciation, tighter funding conditions, declining risk appetite, and carry-trade unwinds, implying positive currency-related risk premia in equity markets. These effects are not explained by standard equity risk factors or global financial conditions. Consistent with the international asset pricing literature, their findings show that currency risk is priced primarily through the cross section of firms rather than through aggregate return predictability, while the persistence of the estimated responses suggests that static regressions understate the broader importance of exchange rate risk in equity markets.

**About the authors:**

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**Miha Breznikar** is a Consultant Analyst at the Banka Slovenije, where he works in the Analysis and Research department. He is a PhD candidate in the interdisciplinary doctoral programme in Statistics at the University of Ljubljana. His research interests focus on macroeconomic dynamics, structural and time series models, and the analysis of commodity markets, with an emphasis on understanding business cycle fluctuations and the transmission of economic shocks through quantitative modelling.

**Matjaž Maletič** obtained his PhD in asset pricing from Tilburg University. He is a researcher at Banka Slovenije, having returned from the European Central Bank, where he worked as an economist with a primary focus on affine term structure modelling and international finance. His research focuses on foreign exchange markets, as well as on broader topics related to the transmission of monetary policy to financial markets, macroprudential policy, and financial stability.

**How to sign up:**

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To sign up for the seminar, please send an email to [seminar@bsi.si](mailto:seminar@bsi.si). You can sign up by Wednesday, 17 June 2026. The seminar will be held in English.