Instructions for replicating
"The Term Structure of Currency Carry Trade Risk Premia"

There are 4 folders:

- The folder "Empirical" contains the data and code used for replicating the empirical analysis in the published manuscript and the Online Appendix. The main files are:

    1. A file named "MAIN_Analysis_with_coupon_bond_data.m", which contains the Matlab code used to produce Tables 1-3 in the published manuscript, Tables A1-A13, A18-A20 and Panel A of Tables A14-A17 in the Online Appedix, and Figures A1-A8 in the Online Appendix. The data inputs for this code are: (i) an Excel file named "IMF_codes.xls" that contains IMF country codes, and (ii) the following Matlab data files: "Bonds_local_M.mat", "Bonds_dollar_M.mat", "TB_M.mat", "Yields_M.mat", "CPI_M.mat", "Ratings_Backfilled_M.mat", "Ratings_wOutlook_Backfilled_M.mat", which contain data series for coupon bond prices (indices) in local currency terms, coupon bond prices (indices) in US dollar terms, Treasury bill prices (indices) in local currency terms, coupon bond yields, CPI, sovereign credit ratings (backfilled, as described in the Appendix of the published manuscript), and sovereign credit ratings adjusted for outlook (backfilled, as described in the Appendix of the published manuscript), respectively.
    2. A file named "MAIN_Plots_with_coupon_bond_data.m", which contains the Matlab code used to produce Figure 1 in the published manuscript. The data input for this code is the Excel file named

       "cum_excess_returns_GFD_sample_3_horizon_1_date_begin_1975_date_end_2015_2016.xls". This Excel file is available in the folder, but can also be generated by executing the file "MAIN_Analysis_with_coupon_bond_data.m" under the appropriate settings.
    3. A file named "MAIN_Analysis_with_ZCB_data.m", which contains the Matlab code used to produce Panel B of Tables A14-A17 in the Online Appendix. The data inputs for this code are: (i) an Excel file named "IMF_codes.xls" that contains IMF country codes, (ii) the Matlab data files "FXSpotRates_USD_M.mat", "TB_M.mat", "CPI_M.mat", "Ratings_Backfilled_M.mat", and "Ratings_wOutlook_Backfilled_M.mat", which contain data series for exchange rates of foreign currencies against the US dollar, Treasury bill prices (indices) in local currency terms, CPI, sovereign credit ratings (backfilled, as described in the Appendix of the published manuscript), and sovereign credit ratings adjusted for outlook (backfilled, as described in the Appendix of the published manuscript), respectively, (iii) for the small cross-section of currencies, the Matlab data files "ZC_Spliced_M_2016.mat",

       "HPR_Spliced_Hor_3M_Freq_M_2016.mat", and "HPER_Spliced_Hor_3M_Freq_M_2016.mat", which contain the data series for zero-coupon bond yields, zero-coupon bond holding pe-

riod returns, and zero-coupon bond holding period excess returns, (iv) for the large cross-section of currencies, the Matlab data files "ZC_Spliced_Large_M_2016.mat", "HPR_Spliced_Large_Hor_3M_Freq_M_2016.mat", and "HPER_Spliced_Large_Hor_3M_Freq_M_2016.mat", which contain the data series for zero-coupon bond yields, zero-coupon bond holding period returns, and zero-coupon bond holding period excess returns,

4. A file named "MAIN_Plots_with_ZCB_data.m", which contains the Matlab code used to produce Figure 2 in the published manuscript and Figures A9-A11 in the Online Appendix. The data input for this code is the set of Excel files named "portfolio_composition_BB_sample_1_horizon_1_maturity_i_2016.xls", for $i = 1, 4, 8, 12, 16, 20, 40, 60$. Those Excel files are available in the folder, but can also be generated by executing the file "MAIN_Analysis_with_ZCB_data.m" under the appropriate settings.

All other code files in the folder contain auxiliary code used for executing the main code files discussed above.

- The folder "LRV_Model" contains the code used for simulating the Lustig, Roussanov and Verdelhan (2014) model, as discussed in Section IV.E of the Online Appendix. In particular, the file named "MAIN_Simulation_LRV.m" contains the Matlab code used to produce Figure 3 in the published manuscript, and Table A23 in the Online Appendix. All other code files in the folder contain auxiliary code used for executing the main code file.

- The folder "SDF_Bounds" contains the code used for generating Figure A12 in the Online Appendix. The folder contains a single file, named "MAIN_SDF_correlation_bounds.m".

- The folder "JSZ_Model" contains the code used for the estimation of the Joslin, Singleton and Zhu (2011) model, as discussed in Section VIII of the Online Appendix. In particular, the file named "MAIN_EstimateNcountries.m" should be executed first, as it contains the Matlab code used to estimate the model, generates lines 1-2 and 10-12 of Panel A of Table A25 in the Online Appendix, and provides the input for the file named "MAIN_StatsSimulatedData.m". The latter file, to be executed second, contains the Matlab code used to compile summary statistics and portfolio information, and generates lines 3-9 of Panel A and Panel B of Table A25 in the Online Appendix. All other code files in the folder contain auxiliary code used for executing the main code files. We thank Scott Joslin for providing us his code.