

Using the EQCHANGE database

Clicking on EQCHANGE gives a series of data in excel format:

- Effective Exchange Rates;
- Equilibrium Effective Exchange Rates and Currency misalignments.

Select your favorite options gives the list of options that EQCHANGE provides. Here you must specify the coverage of countries (*number of trade partners*) and the *weighting system* used for calculating effective exchange rates. Once these choices are made, you will be asked to specify those subdatabases for which you would like the data: Effective Exchange Rates; Equilibrium Effective Exchange Rates and Currency misalignments. All series are annual.

Selecting **Effective Exchange Rates** takes you to specify those series for which you would like the data – Nominal Effective Exchange Rates; Real Effective Exchange Rates – and that can be downloaded as excel files. Given the calculation methods retained, a real (nominal) appreciation of the domestic currency is recorded as an increase in the real (nominal) effective exchange rate index. The data is organised by variable, with a separate excel file for each variable. In the main sheet the countries are displayed in columns and the years in rows.

Selecting **Equilibrium Effective Exchange Rates & Currency misalignments** takes you to specify those series for which you would like the data – Equilibrium Effective Exchange Rates; Currency misalignments – and that can be downloaded as excel files.

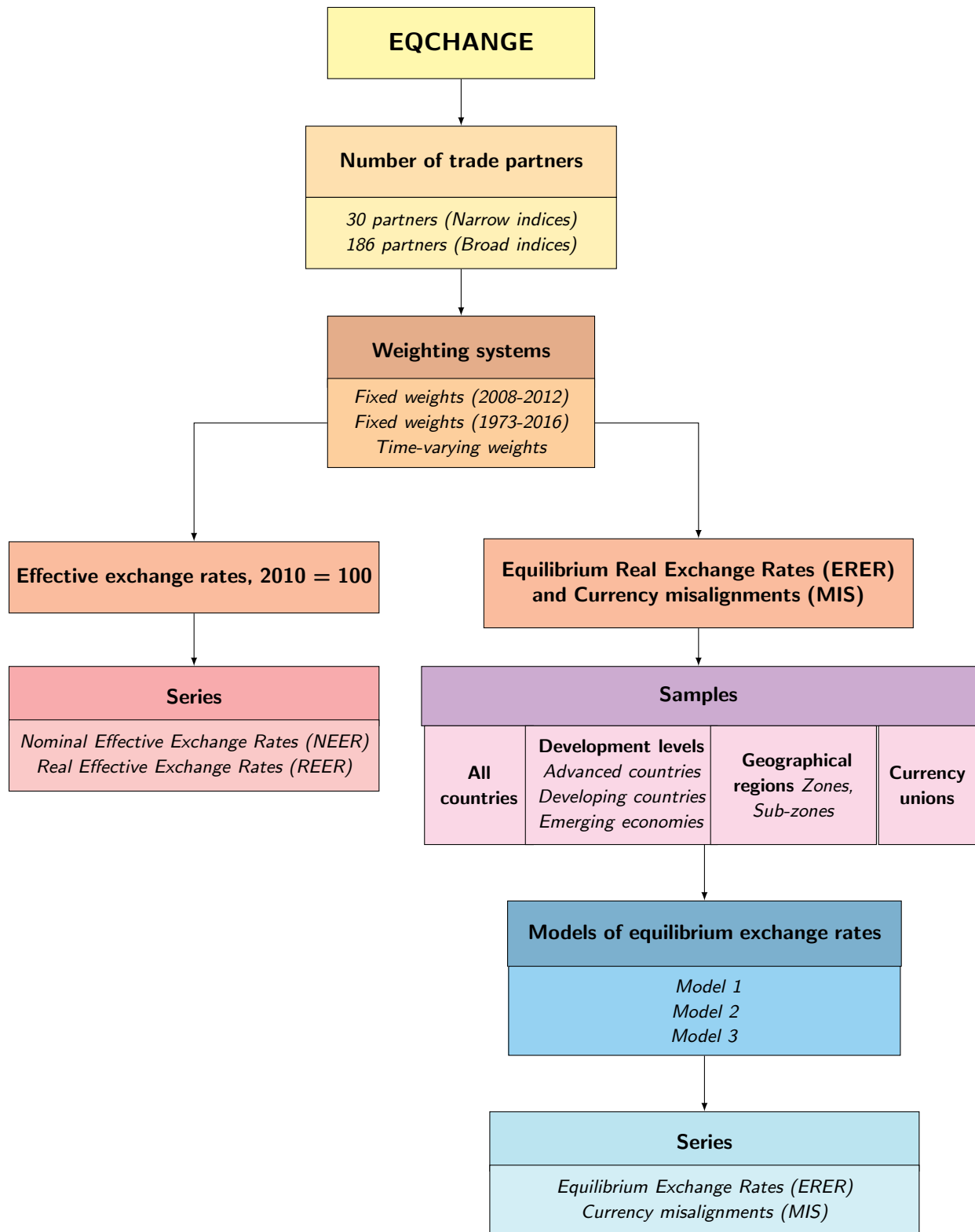
You are then told that there is data available for different samples of countries. To select any *Sample*, simply scroll through the list and click on the sample you wish.

Once you have selected your sample, you must then select the type of *Model*, from which Equilibrium Effective Exchange Rates have been estimated. The first model (Model 1) includes only a measure of relative productivity (Balassa-Samuelson effect). Model 2 augments Model 1 by adding the net foreign asset position, and Model 3 augments Model 2 by adding the terms of trade.

Selecting *Series* then provides those series (Equilibrium Effective Exchange Rates; Currency misalignments) that are available for each country. Going through the list, simply click on the series you are interested in.

The series selected can then be downloaded as an excel file, both in time series and in panel data format. Note that equilibrium real exchange rates are expressed in natural logarithm. To convert currency misalignments to percentages, series must be multiplied by 100.

EQCHANGE. Flowchart for the order of priority for downloading data



Notes: The time-varying weighting system is based on non-overlapping five-year average weights : 1973-1979; 1980-1984; 1985-1989; 1990-1994; 1995-1999; 2000-2004; 2005-2009; 2010-2016. The first model (Model 1) includes only a measure of relative productivity (Balassa-Samuelson effect). Model 2 augments Model 1 by adding the net foreign asset position and Model 3 augments Model 2 by adding the terms of trade. Equilibrium Real Exchange Rates are expressed in natural logarithm. To convert currency misalignments to percentages, series must be multiplied by 100.