

Exante Data Factor Model™

The mission of **Exante Data™** is to provide better answers to key macro questions through superior data and analytics.

Our clients often ask us what is driving exchange rates? With our **Factor Model**, we can look at how exchange rates are moving relative to their normal drivers. By controlling for global and local factors, we can identify situations in which currencies are moving differently than normal and look at “residuals” as potential trade opportunities.

Components include:

Factor model outputs for all G10 and major EM currencies against USD (and key EUR crosses). Clients have ability to choose custom parameters for regression (driving factors, look back period, etc.)

Visual interface allowing clients to see decomposition of model estimate into each factor relative to actual currency performance. In addition, variable coefficients allow clients to see which factors drive each currency pair and look at relative sensitivities.

Residual plots which can isolate political risk premia or flow-based drivers of exchange rates.

To learn more about **Exante Data™** and how our **Factor Model™** package can help guide macro trading and risk management decisions, please contact us at info@exantedata.com

USDEUR Factor Model Output



By not just accounting for rate differentials, our model does a better job of explaining overall EURUSD changes and identify the outperformance since the French Election (to which we attribute several flow explanations).

USDMXN Factor Model Output



By controlling for the normal “global” drivers of USDMXN, we are better able to isolate the NAFTA-related risk premium which built up since Trump's presidency started to get priced in.