

Abstract

This research investigates the impact of exchange rate fluctuations on international trade and financial markets, employing a mixed-methods approach to analyze how currency volatility affects global economic activity. The study aims to explore how exchange rate movements influence trade flows, pricing strategies, and the risk management practices of multinational corporations and financial institutions. Additionally, the research examines the broader implications of exchange rate volatility for financial market stability and investor behavior in an interconnected global economy.

The study combines quantitative analysis of exchange rate data, trade volume, and financial market indicators with qualitative insights obtained through interviews with economists, international traders, and financial analysts. The quantitative component evaluates the correlation between exchange rate fluctuations and changes in trade volume, stock market performance, and capital flows. The qualitative aspect explores the perceptions of financial professionals and businesses about the risks posed by currency volatility, as well as the strategies they adopt to manage these risks.

Findings from this research contribute to a deeper understanding of how exchange rate fluctuations influence international trade dynamics and financial markets. The study highlights the mechanisms through which currency volatility impacts decision-making, pricing, and hedging strategies. The results offer valuable insights for policymakers, multinational companies, and investors, providing guidance on mitigating the risks associated with exchange rate fluctuations and improving economic resilience in global markets.