

Avrasya Ekonomik Birliđi Üyelerinin Döviz Kurlarına Dayalı Artımsal Riske Maruz Deđer Analizi

Incremental Value at Risk Analysis Based on Exchange Rates of Eurasian Economic Union Members

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Abstract

Risk management is a phenomenon that gains importance day by day in the choice of financial investment instruments. Value at risk (VaR) analysis is an essential guide for investors in this sense. Value-at-risk measures the maximum loss in value that can occur in a portfolio at a given level of confidence and a given holding period. The aim of this study is to decompose the contribution of each currency to the total portfolio risk by calculating the incremental value-at-risk (IVaR) in a portfolio to be created in equal weight over the exchange rates of Belarus, Armenia, Kazakhstan, Kyrgyzstan, and Russia which constitute the Eurasian Economic Union as of January 1, 2015. The return series obtained over the daily closing prices of the exchange rates of the countries in question between 31.12.2018 and 30.06.2023 were analyzed using the IVaR method and the contribution of each country's currency on the total risk amount were separated.