

# Exchange Rate Volatility and International Trade Dynamics

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**Abstract.** This study explores the intricate relationship between exchange rate volatility and the dynamics of international trade. By utilizing a cross-country analysis, the research investigates how fluctuations in currency values impact trade flows and economic stability. The findings provide valuable insights for policymakers aiming to mitigate the adverse effects of exchange rate instability on trade.

**Keywords:** Exchange Rate, International Trade, Currency Volatility, Economic Stability, Trade Policy

## Introduction

Exchange rates play a pivotal role in international trade, influencing competitiveness, pricing, and economic stability. This article investigates the impact of exchange rate volatility on trade dynamics across various economies. Through a blend of empirical data analysis and theoretical modeling, the research examines how currency fluctuations affect export-import balances, trade agreements, and overall economic health. The study aims to offer strategic insights for policymakers to navigate the challenges posed by exchange rate instability.

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