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**"Exchange Rate Pass-through in Tradeable Goods:
Evidence from Online Retailers in Eight Countries "**

(abstract)

We construct a dataset containing daily prices for hundreds of products sold by large retailers that collectively represent the bulk of expenditures on food, fuel, and consumer electronics in nine countries. Relative to earlier work, including our own, we significantly increase the coverage, frequency, and the degree of similarity of the tradeable goods being compared across locations. We construct bilateral exchange rates with the US and find that tradeable goods relative prices in local currencies co-move closely with nominal exchange rates. We estimate a long-run pass-through of the nominal exchange rate into relative prices of approximately 75%. This is over 40 percentage points greater than consensus estimates in the literature and our own results with CPI data. We decompose the difference and show that 4 percentage points are due to the exclusion of non-tradeable sub-categories and a symmetric bilateral formula that uses expenditure weights in both countries, 18 percentage points are driven to the use of goods that are matched across countries, 8 percentage points come from the ability to use the relative price to control for global shocks, and 11 percentage points reflect changes caused by goods that enter and exit the sample, whose price levels are not captured by price indices.