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   Autore   Flood Robert P

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   Sommario/riassunto In this paper we develop a rational expectations exchange rate model
                      which is capable of confronting explicitly agents' beliefs about a future
                      switch in exogenous driving processes. In our set-up the agents know
                      with certainty both the initial exogenous process and the new process
                      to be adopted when the switch occurs. However, they do not know with
                      certainty the timing of future switch as it depends on the path followed
                      by the (stochastic) exchange rate. The model is discussed in terms of
                      the British return to pre-war parity, in 1925. However, our results are
                      applicable to a variety of situations where process switching depends
                      on the motion of a key endogenous variable.