

1. Record Nr.	UNINA9910786480203321
Autore	Thomas Alun
Titolo	Exchange Rate and Foreign Interest Rate Linkages for Sub-Saharan Africa Floaters // Alun Thomas
Pubbl/distr/stampa	Washington, D.C. : , : International Monetary Fund, , 2012
ISBN	1-4755-1693-2 1-4755-5826-0
Descrizione fisica	1 online resource (22 p.)
Collana	IMF Working Papers
Soggetti	Foreign exchange rates - aAfrica, Sub-Saharan Interest rates - aAfrica, Sub-Saharan Exports and Imports Foreign Exchange Investments: General General Financial Markets: General (includes Measurement and Data) Current Account Adjustment Short-term Capital Movements Currency Foreign exchange Investment & securities International economics Exchange rates Nominal effective exchange rate Treasury bills and bonds Capital account Exchange rate adjustments Financial institutions Balance of payments Government securities South Africa
Lingua di pubblicazione	Inglese
Formato	Materiale a stampa
Livello bibliografico	Monografia
Note generali	Description based upon print version of record.
Nota di bibliografia	Includes bibliographical references.

## Nota di contenuto

Cover; Abstract; Contents; I. Introduction; II. Empirical Model and Data Description; A. Model; B. Data Description; Tables; 1. Measures of Capital Account Openness; III. Regression Analysis; A. Stationarity Tests; Figures; 1. Interest Rates (in percent) and the Nominal Exchange Rate (2007=100); 2. Augmented Dickey-Fuller Test Statistics; 3. South Africa: Johansen Cointegration Trace Test Statistics and Cointegrating Vector; 4. Pedroni Residual Test Statistics for Panel Data Estimation; Regression Analysis; 5. Determinants of the Change in the Bilateral Exchange Rate Against U.S. dollar  
6. Determinants of the Change in the Nominal Effective Exchange Rate  
IV. Robustness and Diagnostic Checks; A. Robustness; 7. Determinants of Bilateral U.S. Dollar Exchange Rate Change-Robustness Checks; B. Diagnostic Checks; 8. Out of sample Forecasts: One Month Ahead; V. Conclusion; References

---

## Sommario/riassunto

The paper considers the determinants of exchange rate movements among sub-Saharan countries that have flexible exchange rate regimes. The determinants are based on the law of one price and interest parity conditions. Results indicate that the exchange rates have responded significantly to changes in the US Treasury bill rate and to the EMBI spread in recent years. The effects are more important for countries with open capital accounts. On the other hand the paper does not provide any support for the interest rate parity theory because domestic interest rates have no bearing on exchange rate movements.

---