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Keep in mind

Autor o Editor
Javier Gomez

Using the johansens cointegration technique we develop an empirical model of the nominal and real exchange rates of Colombia. We find that the nominal exchange rate is determined by the nominal variables and the fundamentals and that the real exchange rate is determined by the fundamentals but neutral to the nominal variables. Changes in the real exchange rates take place through changes in the nominal exchange rate, thus the nominal and the real exchanges are correlated, however, the real exchange rate may not be modified by nominal exchange rate policy because, in the model, the nominal exchange rate is endogenous. We find that in the long run the nominal exchange rate of Colombia behaves as if it were flexible and the nominal anchor were money.