FUNDAÇÃO GETULIO VARGAS

EPGE
Escola de Pós-Graduação em Economia

Finanças Internacionais

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Este é um curso introdutório aos tópicos *Finanças Internacionais e Macroeconomia Aberta* e tem por objetivo desenvolver o instrumental analítico e econométrico necessários para uma melhor compreensão dos muitos canais pelos quais a taxa de câmbio afeta as variáveis econômicas. A primeira metade do curso, *International Finance*, trata das propriedades da taxa de câmbio – mais especificamente de seu comportamento e características estocásticas – e tenta explicar desvios das condiçoes de arbitragem, através do comportamento do prêmio pelo risco e de uma série de "small sample problems". O livro texto é Jacob *Frenkel's "On Exchange Rates"* mas o livro de Robert Hodrick , "*The Empirical Evidence on the Efficiency of the Foreign Exchange Market*", da Harwood Academic Press é também uma referência importante. Sempre que possível - ou quando existirem referências,- estarei replicando as regularidades empíricas encontradas no comportamento das taxas de câmbio dos países desenvolvidos para o caso brasileiro e de alguns outros países emergentes.

A segunda metade do curso, *Macroeconomia Aberta*, lida com as dimensões estáticas e intertemporais da taxa de câmbio e analisa seus efeitos sobre preços relativos, nível de atividade, conta corrente, taxas de juros, consumo e conta de capitais – sob a ótica de diferentes regime cambias e políticas econômicas. O livro texto para esta segunda metade do curso é *"International Finance and Open-Economy Macroeconomics"*, de Giancarlo Gandolfo, da Springer. O livro *Foundations of International Macroeconomics*", de Maurice Obstfeld e Kenneth Rogoff, da Editora "The MIT Press" também é uma referência importante e sua leitura é recomendada.

O curso terá 2/3 de aulas expositivas, que eu estarei ministrando, e 1/3 de aulas práticas e de exercícios, a serem ministradas pelo monitor. A avaliação do curso será baseada em duas provas, cada uma compondo 35% da nota final. O trabalho do curso e as listas de exercícios terão um peso de 20% e 10% respectivamente. A seguir, segue a lista de leitura para o curso – com as leituras obrigatórias marcadas com um asterisco.

1) International Finance

1.1) Introduction and the Gains from Capital Mobility

Cheung, Yin-Wong and Menzie D. Chinn (2002): “Empirical Exchange Rate Models of the Nineties: Are any Fit to Survive”, NBER Working Paper 9393

Cumby, R. and Obstfeld (1981): “A Note on Exchange Rate Expectations and Nominal Interest Rate Differentials”, *Journal of Finance 36*

Hansen, L. and R. Hodrick (1980): “Forward Exchange Rates as Optimal Predictors of Future Spot Rates”, *The Journal of Political Economy 88*

Frenkel, J. (1981): “Flexible Exchange rates, Prices and the Role of News”, *The Journal of Political Economy 89*

Levich, R. (1985): “Empirical Studies of Exchange Rates: Price Behavior, Rate Determination and Market Efficiency”, in *Handbook of International Economics*, vol. II, chapter 14; Ronald Jones e Peter Kenen, editors.

*Gandolfo, G. (2000): “International Finance and Open-Economy Macroeconomics”, chapters 1,2 and 3

Garcia, M. (2004): “O Mercado de Cambio no Brasil”, mimeo PUC-RJ.

*Mundell, R (1957): “International Trade and Factor Mobility”, American Economic Review, June 1957.

Obstfeld, M. (1993), “International Capital Mobility in the 1990s”, em P. Kenen (ed.), *Understanding Interdependence: The Macroeconomics of the Open Economy*, Princeton: Princeton University Press, pp.201-261.

*Hodrick, R. (1988): *The Empirical Evidence on the Efficiency of the Foreign Exchange Market*, Harwood Academic Press, chapter 1

*Taylor, A. e Maurice Obstfeld (2002): “Globalization and Capital Markets”, NBER Working Paper 8846.

1.2) Purchasing Power Parity, Interest Rate Parity and Real Interest Rates

Cumby, R. and R. Mishkin (1986): “The International Linkage of Real Interest Rates: The European – US Connection”, *Journal of International Money and Finance 5*

Cumby, R. and M. Obstfeld (1984): “International Interest Rates and Price Level Linkages under Flexible Exchange Rates”, in *Exchange Rates: Theory and Practice*, editors J.F. Bilson and R. Marston, University of Chicago Press

Cumby, R. and J. Huizinga (1990): “The Predictability of Real Exchange Rate Changes in the Short and Long Run”, NBER Working Paper 3468

Frenkel, J. (1993): “On the Mark: A Theory of Floating Exchange Rates Based on Real Interest Differentials” in Jacob Frenkel’s *On Exchange Rates,* chapter 3

Frenkel, J. (1993): “Monetary and Portfolio-Balance Models of the Determination of Exchange Rates” in Jacob Frenkel’s *On Exchange Rates*, chapter 4

*Frenkel, J. (1993): “Tests of Rational Expectations in the Forward Exchange Market” in Jacob Frenkel’s *On Exchange Rates,* chapter 8

Frenkel, J. e A. MacArthur (1988), “Political vs Currency Premia in International Real Interest Rate Differentials: A Study for 24 Countries”, *European Economic Review*, v.32, n.5, June.

*Gandolfo, G. (2000): “International Finance and Open-Economy Macroeconomics”, chapters 4 and 15

*Hodrick, R. (1988): *The Empirical Evidence on the Efficiency of the Foreign Exchange Market*, Harwood Academic Press, pages 51-54

*Rogoff, K., Froot, K., and Kim M. (2001): *The Law of one Price over 700 years, IMF Working Paper 01;174*

1.3) Exchange Rate Risk Premium

*Fama, E. (1984): “Forward and Spot Exchange Rates” *Journal of Monetary Economics 14*

*Frenkel, J. (1993): “In Search of the Exchange Rate Risk Premium: A Six-Currency Test Assuming a Mean-Variance Optimization” in Jacob Frenkel’s *On Exchange Rates,* chapter 10

Frenkel, J. (1993): “Recent Estimates of Time-Variation in the Conditional Variance and in the Exchange Risk Premium” in Jacob Frenkel’s *On Exchange Rates,* chapter 11

Frenkel, J. and K. Froot (1993): “Forward Discount Bias: Is it an Exchange Risk Premium?” in Jacob Frenkel’s *On Exchange Rates,* chapter 12

Hansen, L. and R. Hodrick (1983): “Risk Averse Speculation in the Forward Exchange Market”, in *Exchange Rates and International Macroeconomics,* ed. By J. Frenkel, University of Chicago Press

*Hodrick, R. (1988): *The Empirical Evidence on the Efficiency of the Foreign Exchange Market*, Harwood Academic Press, pages 84-96

*Lucas, R. (1982): “Interest Rates and Currency Prices in a Two-Country World”, *Journal of Monetary Economics 10*

1.4) The Peso Problem

*Obstfeld, M. (1986): “Peso Problems, Bubbles and Risks in the Empirical Assessment of Exchange Rate Behavior”, mimeo, University of Pennsylvania

*Lewis, K. (1988): “The Persistence of the Peso Problem When Policy is Noisy”, *Journal of International Money and Finance 7*

Tabellini, G (1988): “Learning and the Volatility of Exchange Rates”, *Journal of International Money and Finance 7*.

1.5) Exchange rate Expectations

*Frenkel, J. and K. Froot (1993): “Using Survey Data to Test Standard Propositions Regarding Exchange Rate Expectations” in Jacob Frenkel’s *On Exchange Rates*, chapter 13

*Frenkel, J. (1993): “Understanding the US Dollar in the Eighties: The Expectations of Chartists and Fundamentalists” in Jacob Frenkel’s *On Exchange Rates*, chapter 14

*Frenkel, J. and K. Froot (1993): “Chartists, Fundamentalists, and Trading in the Foreign Exchange Market”, in Jacob Frenkel’s *On Exchange Rates*, chapter 15

2) Open Economy Macroeconomics

2.1) Introduction: Course Overview, Historical Perspectives and The International Monetary System

Edwards, Sebastian (2001),“Exchange Rate Regimes, Capital Flows and Crisis Prevention,” NBER working paper 8529.

Eichengreen, Barry and Michael Mussa (1998) “Capital Account Liberalization: Theoretical and Practical Aspects,” IMF Occasional paper n. 172.

Fernández-Arias, Eduardo e Ricardo Hausmann (2001), “The Redesign of the International Financial Architecture from a Latin American Perspective: Who Pays the Bill?” Inter-American Development Bank, Working Paper #440.

Kenen, P. (2000), “Financial-Sector Reform in Emerging-Market Countries: Getting the Incentives Right,” mimeo.

Kenen, P. (1985): “Macroeconomic Theory and Policy: How the Closed Economy was Opened”, in *Handbook of International Economics*, vol. II, chapter 13; Ronald Jones and Peter Kenen, editors.

Krugman, Paul (1995), “What do we need to know about the international monetary system?,” em P. Kenen (ed.), Understanding Interdependence: The macroeconomics of the Open Economy, Princeton: Princeton University Press), pp.509-530.

Niehans, Jurg (1984):*“International Monetary Economics”*, The John Hopkins University Press, chapter 1and 2.

Rogoff, K. (1999), “International Institutions for reducing Global Financial Instability,” Journal of Economic Perspectives, v. 13, n.4, p. 21-42.

Rogoff, K. (2001), “On Why not a Global Currency,” mimeo.

2.2) Balance of Payments and the Foreign Exchange Market

Dornbusch, R. (1980): *Open Economy Macroeconomics*, chapters 1 and 2

*Gandolfo, G. (2000): “International Finance and Open-Economy Macroeconomics”, chapters 5 and 6

Kindleberger, C. (1969): “Measuring Equilibrium in the Balance of Payments”, *Journal of Political Economy*, Nov/Dec.

Kenen, P. (2000): *The International Economy*, Cambridge University Press, chapter 12.

*Krugman, Paul and Maurice Obstfeld (2000): *International Economics: Theory and Policy*, Sixth Edition, Addison Wesley, chapter 12.

*Rivera-Batiz, Francisco and Luiz Rivera-Batiz (1994): *"International Finance and Open Economy Macroeconomics"*, Prentice Hall, chapters 9,10,11,12

2.3) Income and the Current Account

Bruce, N. and Douglas Purvis (1985): "The Specification of Goods and Factor Markets in Open Economy Macroeconomic Models", in *Handbook of International Economics*, vol. II, chapter 16; Ronald Jones and Peter Kenen, editors.

Dornbusch, R. (1980): *Open Economy Macroeconomics,* chapters 3, 7, 8, 9

*Gandolfo, G. (2000): "International Finance and Open-Economy Macroeconomics", chapters 7, 8, 9

*Kenen, P. (2000): *The International Economy,* Cambridge University Press, chapter 13.

*Krugman, Paul e Maurice Obstfeld (2000), *International Economics: Theory and Policy*, Sixth Edition, Addison Wesley, chapter 16.

Niehans, Jurg (1984): *"International Monetary Economics"* John Hopkins University Press, chapter 3.

2.4) Exchange Rates and the Current Account

Dornbusch, R. (1980): *Open Economy Macroeconomics,* chapters 4, 5, 6

*Gandolfo, G. (2000): "International Finance and Open-Economy Macroeconomics", chapters 12, 13, 14

Goldsterin, M. and Moshin Khan (1985): "Income and Price Effects on Foreign Trade", in *Handbook of International Economics*, vol. II, chapter 20; Ronald Jones and Peter Kenen, editors.

*Kenen, P. (2000): *The International Economy,* Cambridge University Press, chapter 14.

*Krugman, Paul and Maurice Obstfeld (2000): *International Economics: Theory and Policy*, Sixth Edition, Addison Wesley, chapter 15.

Niehans, Jurg (1984): *"International Monetary Economics"* John Hopkins University Press, chapters 4 and 5.

Obstfeld, M. and K. Rogoff (1996), *Foundations of International Macroeconomics*, Cambridge: The MIT Press, sections 4.1 e 4.2.

*Rivera-Batiz, Francisco and Luiz Rivera-Batiz (1994): *"International Finance and Open Economy Macroeconomics"*, Prentice Hall, chapters 13,14

Rogoff, K. (1996), "The Purchasing Power Parity Puzzle", *Journal of Economic Literature*, XXXIV, June.

*Rogoff, K.; Froot, K, Kim, Michael (2001), "The Law of one Price over 700 years", *IMF Working paper 01/*174, Nov.

2.5) Exchange Rates and the Capital Account

Branson, W. and Dale Henderson (1985): "The Specification and Influence of Asset Markets", in *Handbook of International Economics*, vol. II, chapter 15; Ronald Jones and Peter Kenen, editors.

Dornbusch, R (1980): *Open Economy Macroeconomics,* ch.13

*Gandolfo, G. (2000): "International Finance and Open-Economy Macroeconomics", chapters 12 and 13

*Kenen, P. (2000): *The International Economy*, Cambridge University Press, chapter 17.

*Krugman, Paul and Maurice Obstfeld (2000): *International Economics: Theory and Policy*, Sixth Edition, Addison Wesley, chapters 13 and 14.

Niehans, Jurg (1984): *"International Monetary Economics"* John Hopkins University Press, chapters 6, 7, 8, 9, 10.

2.6) Exchange Rates, Exchange Rate Regimes and Economic Policy

Andrew, Rose (1999), "One Money, One Market: Estimating the Effects of a Common Currency on Trade," mimeo, UC Berkeley, November.

Chang, Roberto e Andres Velasco (2000), "Financial Fragility and the Exchange Rate Regime," Journal of Economic Theory, 92(1), May, pages 1-34.

*Dornbusch, R. (1976). "Expectations and Exchange Rate Dynamics," *Journal of Political Economy*, December, v.84, n.6.

Dornbusch, R. (1980) *Open Economy Macroeconomics,* ch.10, 11, 12

Drazen, Allan (2000), Political Economy in Macroeconomics, Capítulo 12, Princeton University Press.

Fleming, M. (1962) "Domestic Financial Policies Under Fixed and Under Floating Exchange Rates", *IMF Staff Pappers*

*Frenkel, J.A. and A. Razin (1987): "The Mundell-Fleming Model a Quarter of a Century Later," *International Monetary Fund*, *Staff Papers*, December.

*Frenkel, J. and M. Mussa (1985): "Asset Markets, Exchange Rates and the Balance of Payments", in *Handbook of International Economics*, vol. II, chapter 14; Ronald Jones and Peter Kenen, editors.

Gagnon, J. (1993), "Exchange Rate Variability and the Level of Trade," Journal of International Economics, May.

*Gandolfo, G. (2000): "International Finance and Open-Economy Macroeconomics", chapters 10 and 11

Garber, P. e L. Svensson (1994), "Properties of Exchange Rate Regimes: Fixed vs. Flexible Exchange Rates," mimeo.

*Kenen, P. (2000): *The International Economy,* Cambridge University Press, chapter 16, 18.

*Krugman, Paul and Maurice Obstfeld (2000): *International Economics: Theory and Policy*, Sixth Edition, Addison Wesley, chapter 17, 18, 19

Marston, R. (1985): “Stabilization Policies in Open Economies”, in *Handbook of International Economics*, vol. II, chapter 14; Ronald Jones and Peter Kenen, editors.

Mundell, R. (1961): “Flexible Exchange Rates and Employment Policy, *Canadian Journal of Economics*

Niehans, Jurg (1984): “*International Monetary Economics”* John Hopkins University Press, chapters 11, 12, 13, 14, 15.

Obstfeld, M. and Alan Stockman (1985): “Exchange Rate Dynamics”, in *Handbook of International Economics*, vol. II, chapter 14; Ronald Jones and Peter Kenen, editors.

*Obstfeld, M. and K. Rogoff (1996): “Foundations of International Macroeconomics, Cambridge: The MIT Press, chapters 8 and 9.

*Rivera-Batiz, Francisco e Luiz Rivera-Batiz (1994): *“International Finance and Open Economy Macroeconomics”*, Prentice Hall, chapters 16, 17, 18

*Rogoff, K. (2001) “Dornbush’s Overshooting Model after Twenty-Five Years, *IMF Working Paper* 02/32, Feb.

2.7) Intertemporal Models of the Exchange Rate

*Gandolfo, G. (2000): “International Finance and Open-Economy Macroeconomics”, chapters 18 and 19

Milesi-Ferretti, G. e A. Razin (1996), “Current Account Sustainability: Selected East Asian and Latin American Experiences”, NBER Working Paper 5791.

*Obstfeld, M. (2002): “International Macroeconomics: Beyond the Mundell-Fleming Model”, NBER Working Paper 8369.

Obstfeld, M. (2002): “Exchange Rates and Adjustments: Perspectives from the New Open Economy Macroeconomics”, NBER Working Paper 9118.

*Obstfeld, M. e K. Rogoff (1990): “The International Approach to the Current Account”, NBER Working Paper 9814.

*Obstfeld, M. e K. Rogoff (1996): *Foundations of International Macroeconomics*, Cambridge: The MIT Press, pages 1-27.

2.8) Speculative Atacks and Balance of Payment Crisis

Chang, Roberto e Andres Velasco (2001): "A Model of Financial Crises in Emerging Markets," The Quarterly Journal of Economics, May, pages 489-517.

Eichengreen Barry, Rose K. Andrew e Wyplosz Charles (1995): “Exchange Market Mayhem,” Economic Policy, October.

*Gandolfo, G. (2000): “International Finance and Open-Economy Macroeconomics”, chapters 16

Garber, P. e L. Svensson (1994): “The Operation and Collapse of Fixed Exchange Rate Regimes,” em G.Grossman e K.Rogoff (eds), Handbook of International Economics, vol III, capítulo 36, North Holland.

Goldberg, Linda S. (1994): “Predicting exchange rate crises,” Journal of International Economics 36 – 413-430.

Kaminsky, Graciela e Carmen Reinhart (2000): "The Twin Crises: The Causes of Banking and Balance of Payments Problems," American Economic Review 89 (3), June.

Kaminsky, Graciela L e Reinhart, Carmen M. (2000): “On Crisis, Contagion and Confusion”, Journal of International Economics 51(1), June, p. 145-68.

Kaminsky, Graciela, Saul, Lizondo e Reinhart, Carmen (1997): “Leading Indicator of Currency Crises,” Board of Governors of the Federal Reserve System, The World Bank, Washington, D.C. and University of Maryland, College Park, Maryland, February.

Obstfeld, M. (1994), “The Logic of Currency Crises” Banque de France, Cahiers économiques et monétaires n. 43

Obstfeld, M. e K. Rogoff (1996), Foundations of International Macroeconomics, Cambridge: The MIT Press, p. 558-569, 576-579, 648-654.

Sachs, Jeffrey, Aaron Tornell and Andrés Velasco (1996), “The Collapse of the Mexican Peso: What Have We Learned?”, Economic Policy, April, 13-56.