

Table 5
Efficient Market Test of Purchasing Power Parity

Argentina	b₀	b₁	b₂	b₃	b₄	b₅	b₆	b₇
Coefficients	0.0124	1.1704	-0.5101	0.3723	0.0546	-0.1044	-0.0261	0.0429
t-Statistics	0.8568	11.9656	-4.0965	6.1872	0.8279	-1.6573	-0.4357	0.9644
Probability	0.3921	0.0000	0.0001	0.0000	0.4083	0.0983	0.6633	0.3355
R²	F-statistics	Durbin-Watson			Statistic		Probability	
0.9998	247356	1.9886		F-Test	10.0732		0	
				Chi-Square	60.4391		0	
Bolivia	b₀	b₁	b₂	b₃	b₄	b₅	b₆	b₇
Coefficients	0.0132	0.8715	0.1395	-0.2137	0.3970	-0.2760	0.3884	-0.3076
t-Statistics	-6.5116	6.8211	1.0128	-3.1000	6.1116	-4.1921	5.7857	-6.5116
Probability	0.0000	0.0000	0.3118	0.0021	0.0000	0.0000	0.0000	0.0000
R²	F-statistics	Durbin-Watson			Statistic		Probability	
0.9990	52025	2.0474		F-Test	10.3522		0	
				Chi-Square	72.4651		0	
Brazil	b₀	b₁	b₂	b₃	b₄	b₅	b₆	b₇
Coefficients	0.0060	1.0127	0.1701	-0.3728	0.1679	-0.0391	0.0713	-0.0104
t-Statistics	1.2490	17.6854	2.2336	-5.7810	2.5929	-0.5971	1.1042	-0.2680
Probability	0.2125	0.0000	0.0261	0.0000	0.0099	0.5508	0.2702	0.7889
R²	F-statistics	Durbin-Watson			Statistic		Probability	
0.9999	1858504	1.9890		F-Test	5.7056		0	
				Chi-Square	39.9397		0	
Colombia	b₀	b₁	b₂	b₃	b₄	b₅	b₆	b₇
Coefficients	-0.0003	0.6382	0.5566	-0.0500	-0.0527	-0.0900	0.0215	-0.0236
t-Statistics	-0.0944	8.1807	7.0108	-0.7016	-0.7427	-1.2633	0.3002	-0.4830
Probability	0.9249	0.0000	0.0000	0.4834	0.4581	0.2073	0.7642	0.6294
R²	F-statistics	Durbin-Watson			Statistic		Probability	
0.9999	357705	1.9565		F-Test	11.5074		0	
				Chi-Square	80.5518		0	
Costa Rica	b₀	b₁	b₂	b₃	b₄	b₅	b₆	b₇
Coefficients	0.0110	1.2270	-0.0675	-0.1249	-0.1092	-0.0776	0.2265	-0.0772
t-Statistics	1.6139	11.5804	-0.6600	-1.9301	-1.7408	-1.2210	3.6300	-1.7098
Probability	0.1074	0.0000	0.5096	0.0544	0.0826	0.2229	0.0003	0.0882
R²	F-statistics	Durbin-Watson			Statistic		Probability	
0.9989	48608	1.9139		F-Test	5.1437		0.0000	
				Chi-Square	30.8621		0.0000	
Chile	b₀	b₁	b₂	b₃	b₄	b₅	b₆	b₇
Coefficients	0.0009	1.3136	-0.3375	-0.0063	-0.0936	0.1678	-0.1107	0.0668
t-Statistics	0.0392	7.8850	-1.6098	-0.0717	-1.1888	2.1082	-1.3548	1.3840
Probability	0.9687	0.0000	0.1083	0.9428	0.2353	0.0357	0.1763	0.1672
R²	F-statistics	Durbin-Watson			Statistic		Probability	
0.9989	46867	2.0821		F-Test	2.2419		0.0388	
				Chi-Square	13.4517		0.0364	

Table 5
Efficient Market Test of Purchasing Power Parity

Ecuador	b₀	b₁	b₂	b₃	b₄	b₅	b₆	b₇
Coefficients	0.0012	0.9967	-0.0423	-0.0576	0.0686	0.0564	-0.0433	0.0224
t-Statistics	0.1611	6.1711	-0.2576	-0.8012	0.9975	0.8245	-0.6335	0.4343
Probability	0.8721	0.0000	0.7969	0.4236	0.3192	0.4102	0.5268	0.6643
R²	F-statistics	Durbin-Watson			Statistic		Probability	
0.9995	94433	1.9392		F-Test	0.9427		0.4643	
				Chi-Square	5.6562		0.4628	
El Salvador	b₀	b₁	b₂	b₃	b₄	b₅	b₆	b₇
Coefficients	0.0009	1.1099	-0.1624	0.0078	0.0406	-0.0269	0.0147	0.0141
t-Statistics	0.1337	5.6123	-0.8057	0.1122	0.5868	-0.3882	0.2117	0.2776
Probability	0.8937	0.0000	0.4210	0.9108	0.5577	0.6981	0.8324	0.7815
R²	F-statistics	Durbin-Watson			Statistic		Probability	
0.9938	8143	1.9882		F-Test	0.3285		0.9408	
				Chi-Square	2.2992		0.9414	
Guatemala	b₀	b₁	b₂	b₃	b₄	b₅	b₆	b₇
Coefficients	0.0021	1.0874	-0.1038	-0.0172	0.0127	0.0485	-0.0226	-0.0069
t-Statistics	0.5434	6.9067	-0.6922	-0.2544	0.1916	0.7342	-0.3431	-0.1395
Probability	0.5872	0.0000	0.4893	0.7993	0.8482	0.4633	0.7317	0.8891
R²	F-statistics	Durbin-Watson			Statistic		Probability	
0.9957	11781	1.9958		F-Test	0.2539		0.9707	
				Chi-Square	1.7773		0.9711	
Honduras	b₀	b₁	b₂	b₃	b₄	b₅	b₆	b₇
Coefficients	0.0041	1.1833	-0.1658	-0.0349	0.0572	-0.0677	0.0431	-0.0187
t-Statistics	0.7945	5.7520	-0.8177	-0.4942	0.8158	-0.9654	0.6133	-0.3682
Probability	0.4274	0.0000	0.4141	0.6215	0.4152	0.3350	0.5400	0.7129
R²	F-statistics	Durbin-Watson			Statistic		Probability	
0.9953	10777	2.0150		F-Test	0.3902		0.9080	
				Chi-Square	2.7313		0.9087	
Mexico	b₀	b₁	b₂	b₃	b₄	b₅	b₆	b₇
Coefficients	0.0089	1.0449	-0.2146	0.0417	0.0147	0.2008	-0.0719	-0.0165
t-Statistics	1.0655	5.0062	-0.9170	0.5981	0.2135	2.9119	-1.0354	-0.3006
Probability	0.2873	0.0000	0.3598	0.5501	0.8311	0.0038	0.3012	0.7639
R²	F-statistics	Durbin-Watson			Statistic		Probability	
0.9994	85205	2.0268		F-Test	3.9526		0.0008	
				Chi-Square	23.7158		0.0006	
Paraguay	b₀	b₁	b₂	b₃	b₄	b₅	b₆	b₇
Coefficients	0.0011	1.0568	0.0341	-0.1097	0.0035	-0.0318	0.0370	0.0101
t-Statistics	0.0744	6.2950	0.2079	-1.5121	0.0483	-0.4450	0.5167	0.2005
Probability	0.9407	0.0000	0.8354	0.1314	0.9615	0.6566	0.6057	0.8412
R²	F-statistics	Durbin-Watson			Statistic		Probability	
0.9978	23578	2.0012		F-Test	0.5955		0.7596	
				Chi-Square	4.1685		0.7601	

Table 5
Efficient Market Test of Purchasing Power Parity

Peru	b₀	b₁	b₂	b₃	b₄	b₅	b₆	b₇
Coefficients	0.0049	0.5139	0.5165	0.3016	-0.3656	0.0995	0.0533	-0.1192
t-Statistics	0.3577	3.3179	3.2133	4.0661	-4.8354	1.3143	0.7207	-2.2890
Probability	0.7208	0.0010	0.0014	0.0001	0.0000	0.1896	0.4715	0.0227
R²	F-statistics	Durbin-Watson			Statistic		Probability	
0.9997	148609	1.9832		F-Test	9.8476		0.0000	
				Chi-Square	68.9332		0.0000	
Uruguay	b₀	b₁	b₂	b₃	b₄	b₅	b₆	b₇
Coefficients	0.0095	0.9644	-0.0737	0.1255	0.0904	-0.1571	-0.0367	0.0866
t-Statistics	0.8500	8.4773	-0.6575	1.9117	1.4515	-2.4870	-0.5998	1.7968
Probability	0.3959	0.0000	0.5113	0.0567	0.1475	0.0133	0.5490	0.0732
R²	F-statistics	Durbin-Watson			Statistic		Probability	
0.9998	226674	2.1045		F-Test	2.0367		0.0498	
				Chi-Square	14.2568		0.0468	
Venezuela	b₀	b₁	b₂	b₃	b₄	b₅	b₆	b₇
Coefficients	0.0078	1.1145	-0.2131	0.0006	0.0195	0.1523	-0.1212	0.0454
t-Statistics	1.0454	4.7382	-0.8258	0.0084	0.2730	2.1315	-1.6921	0.8818
Probability	0.2965	0.0000	0.4095	0.9933	0.7850	0.0337	0.0915	0.3785
R²	F-statistics	Durbin-Watson			Statistic		Probability	
0.9984	32724	2.0170		F-Test	1.7827		0.0895	
				Chi-Square	14.4800		0.0858	

Table 6
Test on Martingala Process for Real Exchange Rates

Argentina	b₀	b₁	b₂	b₃	b₄	b₅	b₆
Coefficients	-0.0592	-0.3226	0.1462	0.1186	-0.0670	-0.1396	-0.0216
t-Statistics	-0.0844	-6.1141	2.6609	2.1460	-1.2111	-2.5448	-0.4103
Probability	0.9328	0.0000	0.0081	0.0325	0.2267	0.0114	0.6818
R²	F-statistics	Durbin-Watson			Statistic		Probability
0.1519	10.7131	2.0056		F-Test	10.7131		0
				Chi-Square	64.2783		0
Bolivia	b₀	b₁	b₂	b₃	b₄	b₅	b₆
Coefficients	1.0978	-0.0099	-0.2324	0.1855	-0.1494	0.2403	-0.1893
t-Statistics	1.1223	-0.1903	-4.6244	3.6295	-2.9233	4.7817	-3.6534
Probability	0.2625	0.8492	0	0.0003	0.0037	0	0.0003
R²	F-statistics	Durbin-Watson			Statistic		Probability
0.16408	11.7441	1.9850		F-Test	11.7441		0
				Chi-Square	70.4644		0
Brazil	b₀	b₁	b₂	b₃	b₄	b₅	b₆
Coefficients	-0.0622	0.1983	-0.2333	0.0474	0.0160	0.0192	0.0627
t-Statistics	-0.2130	3.7653	-4.3439	0.8605	0.2903	0.3572	1.1890
Probability	0.8314	0.0002	0	0.3901	0.7718	0.7211	0.2352
R²	F-statistics	Durbin-Watson			Statistic		Probability
0.0802	5.2136	2.0005		F-Test	5.2136		0
				Chi-Square	31.2815		0
Colombia	b₀	b₁	b₂	b₃	b₄	b₅	b₆
Coefficients	0.0731	0.3634	0.0480	-0.0298	-0.0506	-0.0228	-0.1024
t-Statistics	0.7428	6.9225	0.8583	-0.5315	-0.9030	-0.4065	-1.9486
Probability	0.4581	0.0000	0.3913	0.5954	0.3671	0.6846	0.0521
R²	F-statistics	Durbin-Watson			Statistic		Probability
0.1724	12.4677	1.9811		F-Test	12.4677		0
				Chi-Square	74.80629		0
Costa Rica	b₀	b₁	b₂	b₃	b₄	b₅	b₆
Coefficients	0.2215	0.1558	0.0153	-0.0375	-0.1881	0.1454	0.1615
t-Statistics	0.9790	2.9906	0.2929	-0.7312	-3.6715	2.7866	3.1003
Probability	0.3283	0.0030	0.7697	0.4652	0.0003	0.0056	0.0021
R²	F-statistics	Durbin-Watson			Statistic		Probability
0.1123	7.5707	1.9850		F-Test	7.5707		0
				Chi-Square	45.42433		0
Chile	b₀	b₁	b₂	b₃	b₄	b₅	b₆
Coefficients	0.4298	-0.0046	-0.0566	-0.1772	0.0069	-0.0761	-0.0467
t-Statistics	0.7768	-0.0877	-1.0739	-3.3590	0.1305	-1.4459	-0.8849
Probability	0.4378	0.9302	0.2836	0.0009	0.8962	0.1491	0.3768
R²	F-statistics	Durbin-Watson			Statistic		Probability
0.0373	2.3182	1.9947		F-Test	2.3182		0.0329
				Chi-Square	13.9094		0.0307

Table 6
Test on Martingale Process for Real Exchange Rates

Ecuador	b₀	b₁	b₂	b₃	b₄	b₅	b₆
Coefficients	0.2348	-0.0116	-0.0996	-0.0256	0.0180	-0.0580	-0.0797
t-Statistics	0.8554	-0.2206	-1.8955	-0.4835	0.3404	-1.1018	-1.5106
Probability	0.3929	0.8255	0.0588	0.6291	0.7337	0.2713	0.1318
R²	F-statistics	Durbin-Watson		Statistic		Probability	
0.0212	1.2932	2.0027		F-Test		1.2932	0.2594
				Chi-Square		7.7594	0.2563
El Salvador	b₀	b₁	b₂	b₃	b₄	b₅	b₆
Coefficients	-0.2341	-0.0510	-0.0253	-0.0032	-0.0364	-0.0259	-0.0320
t-Statistics	-0.9916	-0.9678	-0.4786	-0.0598	-0.6904	-0.4914	-0.6060
Probability	0.3220	0.3338	0.6325	0.9524	0.4904	0.6234	0.5449
R²	F-statistics	Durbin-Watson		Statistic		Probability	
0.0057	0.3405	2.0020		F-Test		0.3405	0.9152
				Chi-Square		2.04298	0.91518
Guatemala	b₀	b₁	b₂	b₃	b₄	b₅	b₆
Coefficients	0.0982	-0.0252	-0.0278	-0.0148	0.0091	-0.0146	-0.0247
t-Statistics	0.3397	-0.4779	-0.5278	-0.2805	0.1729	-0.2769	-0.4689
Probability	0.7343	0.6330	0.5979	0.7793	0.8629	0.7820	0.6394
R²	F-statistics	Durbin-Watson		Statistic		Probability	
0.0025	0.1480	2.0002		F-Test		0.1480	0.9894
				Chi-Square		0.8882	0.9895
Honduras	b₀	b₁	b₂	b₃	b₄	b₅	b₆
Coefficients	0.1054	0.0006	-0.0157	0.0181	-0.0314	0.0014	-0.0208
t-Statistics	0.3789	0.0114	-0.2973	0.3431	-0.5963	0.0263	-0.3939
Probability	0.7050	0.9909	0.7664	0.7317	0.5514	0.9790	0.6939
R²	F-statistics	Durbin-Watson		Statistic		Probability	
0.0019	0.1156	2.0012		F-Test		0.1156	0.9946
				Chi-Square		0.6936	0.9946
Mexico	b₀	b₁	b₂	b₃	b₄	b₅	b₆
Coefficients	-0.0529	-0.1688	-0.1532	-0.1180	0.0846	0.0200	0.2099
t-Statistics	-0.1610	-3.2705	-2.9252	-2.2350	1.6029	0.3816	4.0597
Probability	0.8722	0.0012	0.0037	0.0260	0.1098	0.7030	0.0001
R²	F-statistics	Durbin-Watson		Statistic		Probability	
0.1042	6.9574	1.9655		F-Test		6.9574	0
				Chi-Square		41.7443	0
Paraguay	b₀	b₁	b₂	b₃	b₄	b₅	b₆
Coefficients	0.1258	0.0865	-0.0337	-0.0094	-0.0576	0.0143	-0.0053
t-Statistics	0.3992	1.6386	-0.6364	-0.1767	-1.0879	0.2696	-0.0996
Probability	0.6900	0.1022	0.5249	0.8598	0.2774	0.7876	0.9207
R²	F-statistics	Durbin-Watson		Statistic		Probability	
0.0117	0.7100	2.0001		F-Test		0.7100	0.6417
				Chi-Square		4.2601	0.6415

Table 6
Test on Martingale Process for Real Exchange Rates

Peru	b₀	b₁	b₂	b₃	b₄	b₅	b₆
Coefficients	0.9136	0.0925	0.3382	-0.0707	0.0103	0.0390	-0.0607
t-Statistics	1.3832	1.7551	6.3976	-1.2669	0.1839	0.7379	-1.1520
Probability	0.1675	0.0801	0.0000	0.2060	0.8542	0.4611	0.2501
R²	F-statistics	Durbin-Watson			Statistic		Probability
0.1266	8.6720	1.9981		F-Test	8.6720		0
				Chi-Square	52.0322		0
Peru	b₀	b₁	b₂	b₃	b₄	b₅	b₆
Uruguay	b₀	b₁	b₂	b₃	b₄	b₅	b₆
Coefficients	-0.0983	-0.1469	0.0118	0.1096	-0.0555	-0.0197	0.0085
t-Statistics	-0.3533	-2.7842	0.2221	2.0590	-1.0421	-0.3703	0.1621
Probability	0.7241	0.0056		0.8244	0.0402		0.2981
R²	F-statistics	Durbin-Watson			Statistic		Probability
0.0400	2.4923	1.9997		F-Test	2.4924		0.0224
				Chi-Square	14.95409	0.02061	
Venezuela	b₀	b₁	b₂	b₃	b₄	b₅	b₆
Coefficients	-0.0047	-0.0993	-0.0999	-0.0936	0.0499	-0.0541	-0.0579
t-Statistics	-0.0123	-1.8854	-1.8897	-1.7648	0.9402	-1.0241	-1.0984
Probability	0.9902	0.0602		0.0596	0.0785		0.3478
R²	F-statistics	Durbin-Watson			Statistic		Probability
0.0341	2.1127	2.0037		F-Test	2.1127		0.0512

Table 7
Augmented Dickey-Fuller Unit Root Test for Real Exchange Rates

		Constant	Time	Variable	Lags
Argentina	Coefficients	0.03946	0.00015	-0.00250	5
	t-Statistics	1.96843	0.42257	-0.62468	
	Critical Values	t	1%	5%	10%
		-0.62468	-3.98698	-3.42377	-3.13456
Bolivia	Coefficients	0.02123	0.00029	-0.00625	5
	t-Statistics	0.99151	1.20549	-1.42400	
	Critical Values	t	1%	5%	10%
		-1.42400	-3.98698	-3.42377	-3.13456
Brazil	Coefficients	-0.00602	0.00027	-0.00257	5
	t-Statistics	-0.57676	2.10151	-1.99888	
	Critical Values	t	1%	5%	10%
		-1.99888	-3.98698	-3.42377	-3.13456
Colombia	Coefficients	0.02792	0.00013	-0.00836	5
	t-Statistics	2.49610	1.98803	-1.82636	
	Critical Values	t	1%	5%	10%
		-1.82636	-3.98698	-3.42377	-3.13456
Costa Rica	Coefficients	0.03315	0.00022	-0.01742	5
	t-Statistics	2.38064	1.93692	-1.92700	
	Critical Values	t	1%	5%	10%
		-1.92700	-3.98698	-3.42377	-3.13456
Chile	Coefficients	0.08908	-0.00002	-0.00607	5
	t-Statistics	3.61465	-0.17965	-1.72247	
	Critical Values	t	1%	5%	10%
		-1.72247	-3.98698	-3.42377	-3.13456
Ecuador	Coefficients	0.00607	0.00019	-0.00394	5
	t-Statistics	0.64536	2.05223	-0.89599	
	Critical Values	t	1%	5%	10%
		-0.89599	-3.98698	-3.42377	-3.13456
El salvador	Coefficients	0.01287	0.00011	-0.02145	5
	t-Statistics	1.74939	2.03235	-2.03358	
	Critical Values	t	1%	5%	10%
		-2.03358	-3.98698	-3.42377	-3.13456
Guatemala	Coefficients	-0.00904	0.00014	-0.01673	5
	t-Statistics	-1.08716	2.08450	-1.88119	
	Critical Values	t	1%	5%	10%
		-1.88119	-3.98698	-3.42377	-3.13456

Table 7
Augmented Dickey-Fuller Unit Root Test for Real Exchange Rates

		Constant	Time	Variable	Lags
Honduras	Coefficients	-0.00259	0.00010	-0.00823	5
	t-Statistics	-0.43646	2.04271	-1.26085	
	Critical Values	t	1%	5%	10%
		-1.26085	-3.98698	-3.42377	-3.13456
Mexico	Coefficients	0.02182	0.00019	-0.00769	5
	t-Statistics	2.24327	1.44202	-1.44162	
	Critical Values	t	1%	5%	10%
		-1.44162	-3.98698	-3.42377	-3.13456
Paraguay	Coefficients	0.05969	0.00021	-0.01495	5
	t-Statistics	2.02833	2.36805	-2.03836	
	Critical Values	t	1%	5%	10%
		-2.03836	-3.98698	-3.42377	-3.13456
Peru	Coefficients	0.01434	0.00038	-0.00610	5
	t-Statistics	1.07356	1.76937	-1.74863	
	Critical Values	t	1%	5%	10%
		-1.74863	-3.98698	-3.42377	-3.13456
Uruguay	Coefficients	0.03817	-0.00003	-0.00060	5
	t-Statistics	0.93375	-0.10259	-0.07551	
	Critical Values	t	1%	5%	10%
		-0.07551	-3.98698	-3.42377	-3.13456
Venezuela	Coefficients	-0.00306	0.00024	-0.00966	5
	t-Statistics	-0.38092	2.57687	-1.77620	
	Critical Values	t	1%	5%	10%
		-1.77620	-3.98698	-3.42377	-3.13456

Table 8
Phillips-Perron Unit Root Test for Real Exchange Rates

		Constant	Time	Variable	Lags
Argentina	Coefficients	0.08771	-0.00028	0.00204	5
	t-Statistics	4.55487	-0.75478	0.47834	
	Critical Values	t	1%	5%	10%
		-0.06533	-3.98666	-3.42362	-3.13447
Bolivia	Coefficients	0.04073	0.00014	-0.00330	5
	t-Statistics	1.82073	0.53438	-0.69835	
	Critical Values	t	1%	5%	10%
		-0.88168	-3.98666	-3.42362	-3.13447
Brazil	Coefficients	0.00111	0.00077	-0.00581	5
	t-Statistics	0.08178	4.68431	-3.41927	
	Critical Values	t	1%	5%	10%
		-2.20855	-3.98666	-3.42362	-3.13447
Colombia	Coefficients	0.03184	0.00015	-0.00931	5
	t-Statistics	2.92195	2.36629	-2.09934	
	Critical Values	t	1%	5%	10%
		-2.05637	-3.98666	-3.42362	-3.13447
Costa Rica	Coefficients	0.03303	0.00021	-0.01670	5
	t-Statistics	2.36024	1.91233	-1.87847	
	Critical Values	t	1%	5%	10%
		-1.87956	-3.98666	-3.42362	-3.13447
Chile	Coefficients	0.10021	-0.00010	-0.00505	5
	t-Statistics	4.22613	-0.87555	-1.39892	
	Critical Values	t	1%	5%	10%
		-1.41303	-3.98666	-3.42362	-3.13447
Ecuador	Coefficients	0.00632	0.00019	-0.00405	5
	t-Statistics	0.67270	2.07660	-0.94193	
	Critical Values	t	1%	5%	10%
		-0.87760	-3.98666	-3.42362	-3.13447
El salvador	Coefficients	0.01323	0.00012	-0.02203	5
	t-Statistics	1.82762	2.17670	-2.18104	
	Critical Values	t	1%	5%	10%
		-2.11583	-3.98666	-3.42362	-3.13447
Guatemala	Coefficients	-0.00967	0.00015	-0.01764	5
	t-Statistics	-1.22641	2.24214	-2.04197	
	Critical Values	t	1%	5%	10%
		-1.94780	-3.98666	-3.42362	-3.13447

Table 8
Phillips-Perron Unit Root Test for Real Exchange Rates

		Constant	Time	Variable	Lags
Honduras	Coefficients	-0.00226	0.00009	-0.00826	5
	t-Statistics	-0.39454	2.08038	-1.30187	
	Critical Values	t	1%	5%	10%
		-1.26537	-3.98666	-3.42362	-3.13447
Mexico	Coefficients	0.02457	0.00019	-0.00730	5
	t-Statistics	2.51842	1.45187	-1.38449	
	Critical Values	t	1%	5%	10%
		-1.40868	-3.98666	-3.42362	-3.13447
Paraguay	Coefficients	0.05776	0.00020	-0.01432	5
	t-Statistics	2.02013	2.39591	-2.03335	
	Critical Values	t	1%	5%	10%
		-2.03666	-3.98666	-3.42362	-3.13447
Peru	Coefficients	0.03084	0.00041	-0.00586	5
	t-Statistics	2.22068	1.82447	-1.58467	
	Critical Values	t	1%	5%	10%
		-1.59728	-3.98666	-3.42362	-3.13447
Uruguay	Coefficients	0.03664	-0.00005	0.00011	5
	t-Statistics	0.87462	-0.17954	0.01378	
	Critical Values	t	1%	5%	10%
		0.08929	-3.98666	-3.42362	-3.13447
Venezuela	Coefficients	-0.00226	0.00023	-0.00918	5
	t-Statistics	-0.29084	2.59204	-1.74162	
	Critical Values	t	1%	5%	10%
		-1.73836	-3.98666	-3.42362	-3.13447

Table 9
Augmented Dickey-Fuller Unit Root Test for Changes in Real Exchange Rates

		Constant	Time	Variable	Lags
Argentina	Coefficients	-0.20832	0.00079	-1.28603	5
	t-Statistics	-0.14485	0.11846	-8.64239	
	Critical Values	t	1%	5%	10%
		-8.64239	-3.98698	-3.42377	-3.13456
Bolivia	Coefficients	1.57618	-0.00253	-1.15635	5
	t-Statistics	0.79061	-0.27548	-8.28718	
	Critical Values	t	1%	5%	10%
		-8.28718	-3.98698	-3.42377	-3.13456
Brazil	Coefficients	0.17504	-0.00126	-0.89387	5
	t-Statistics	0.29264	-0.45465	-7.19443	
	Critical Values	t	1%	5%	10%
		-7.19443	-3.98698	-3.42377	-3.13456
Colombia	Coefficients	-0.01822	0.00049	-0.79744	5
	t-Statistics	-0.09072	0.52159	-8.86226	
	Critical Values	t	1%	5%	10%
		-8.86226	-3.98698	-3.42377	-3.13456
Costa Rica	Coefficients	0.47774	-0.00135	-0.75455	5
	t-Statistics	1.03122	-0.63329	-6.44110	
	Critical Values	t	1%	5%	10%
		-6.44110	-3.98698	-3.42377	-3.13456
Chile	Coefficients	0.87479	-0.00237	-1.35756	5
	t-Statistics	0.77243	-0.45342	-9.36568	
	Critical Values	t	1%	5%	10%
		-9.36568	-3.98698	-3.42377	-3.13456
Ecuador	Coefficients	0.36974	-0.00008	-1.31183	5
	t-Statistics	0.62992	-0.02965	-9.14449	
	Critical Values	t	1%	5%	10%
		-9.14449	-3.98698	-3.42377	-3.13456
El salvador	Coefficients	-0.19482	-0.00021	-1.17393	5
	t-Statistics	-0.40527	-0.09388	-8.45019	
	Critical Values	t	1%	5%	10%
		-8.45019	-3.98698	-3.42377	-3.13456
Guatemala	Coefficients	0.05574	0.00023	-1.09825	5
	t-Statistics	0.09419	0.08234	-8.11990	
	Critical Values	t	1%	5%	10%
		-8.11990	-3.98698	-3.42377	-3.13456

Table 9
Augmented Dickey-Fuller Unit Root Test for Changes in Real Exchange Rates

		Constant	Time	Variable	Lags
Honduras	Coefficients	0.07055	0.00018	-1.04798	5
	t-Statistics	0.12399	0.07020	-8.01191	
	Critical Values	t	1%	5%	10%
		-8.01191	-3.98698	-3.42377	-3.13456
Mexico	Coefficients	0.13796	-0.00107	-1.42610	5
	t-Statistics	0.20203	-0.33680	-9.58153	
	Critical Values	t	1%	5%	10%
		-9.58153	-3.98698	-3.42377	-3.13456
Paraguay	Coefficients	-0.22630	0.00187	-1.01140	5
	t-Statistics	-0.35108	0.62623	-8.02132	
	Critical Values	t	1%	5%	10%
		-8.02132	-3.98698	-3.42377	-3.13456
Peru	Coefficients	0.21369	0.00375	-0.65683	5
	t-Statistics	0.16119	0.60912	-7.02502	
	Critical Values	t	1%	5%	10%
		-7.02502	-3.98698	-3.42377	-3.13456
Uruguay	t-Statistics	-0.11248	-0.06904	-7.80490	
	Critical Values	t	1%	5%	10%
		-7.80490	-3.98698	-3.42377	-3.13456
Venezuela	Coefficients	0.39546	-0.00212	-1.36089	5
	t-Statistics	0.50292	-0.58307	-8.91730	
	Critical Values	t	1%	5%	10%
		-8.91730	-3.98698	-3.42377	-3.13456

Table 10
Phillips-Perron Unit Root Test for Changes in Real Exchange Rates

		Constant	Time	Variable	Lags
Argentina	Coefficients	-0.07000	0.00024	-1.34129	5
	t-Statistics	-0.04962	0.03596	-27.3740	
	Critical Values	t	1%	5%	10%
		-26.63540	-3.98666	-3.42362	-3.13447
Bolivia	Coefficients	1.41677	-0.00204	-1.10957	5
	t-Statistics	0.68350	-0.21142	-21.41430	
	Critical Values	t	1%	5%	10%
		-21.59794	-3.98666	-3.42362	-3.13447
Brazil	Coefficients	0.13488	-0.00108	-0.84546	5
	t-Statistics	0.22819	-0.39162	-16.41955	
	Critical Values	t	1%	5%	10%
		-16.22682	-3.98666	-3.42362	-3.13447
Colombia	Coefficients	-0.03998	0.00048	-0.61117	
	t-Statistics	-0.20463	0.52365	-12.77545	
	Critical Values	t	1%	5%	10%
		-12.72802	-3.98666	-3.42362	-3.13447
Costa Rica	Coefficients	0.50569	-0.00139	-0.83642	5
	t-Statistics	1.09729	-0.64816	-16.26493	
	Critical Values	t	1%	5%	10%
		-16.08072	-3.98666	-3.42362	-3.13447
Chile	Coefficients	0.47459	-0.00106	-0.99512	5
	t-Statistics	0.42883	-0.20654	-19.0758	
	Critical Values	t	1%	5%	10%
		-19.22276	-3.98666	-3.42362	-3.13447
Ecuador	Coefficients	0.29962	-0.00016	-1.02010	5
	t-Statistics	0.52692	-0.06063	-19.5664	
	Critical Values	t	1%	5%	10%
		-19.67375	-3.98666	-3.42362	-3.13447
El salvador	Coefficients	-0.16946	-0.00020	-1.04839	5
	t-Statistics	-0.36683	-0.09452	-20.13547	
	Critical Values	t	1%	5%	10%
		-20.17761	-3.98666	-3.42362	-3.13447
Guatemala	Coefficients	0.03839	0.00026	-1.02356	5
	t-Statistics	0.06745	0.09856	-19.64012	
	Critical Values	t	1%	5%	10%
		-19.65681	-3.98666	-3.42362	-3.13447

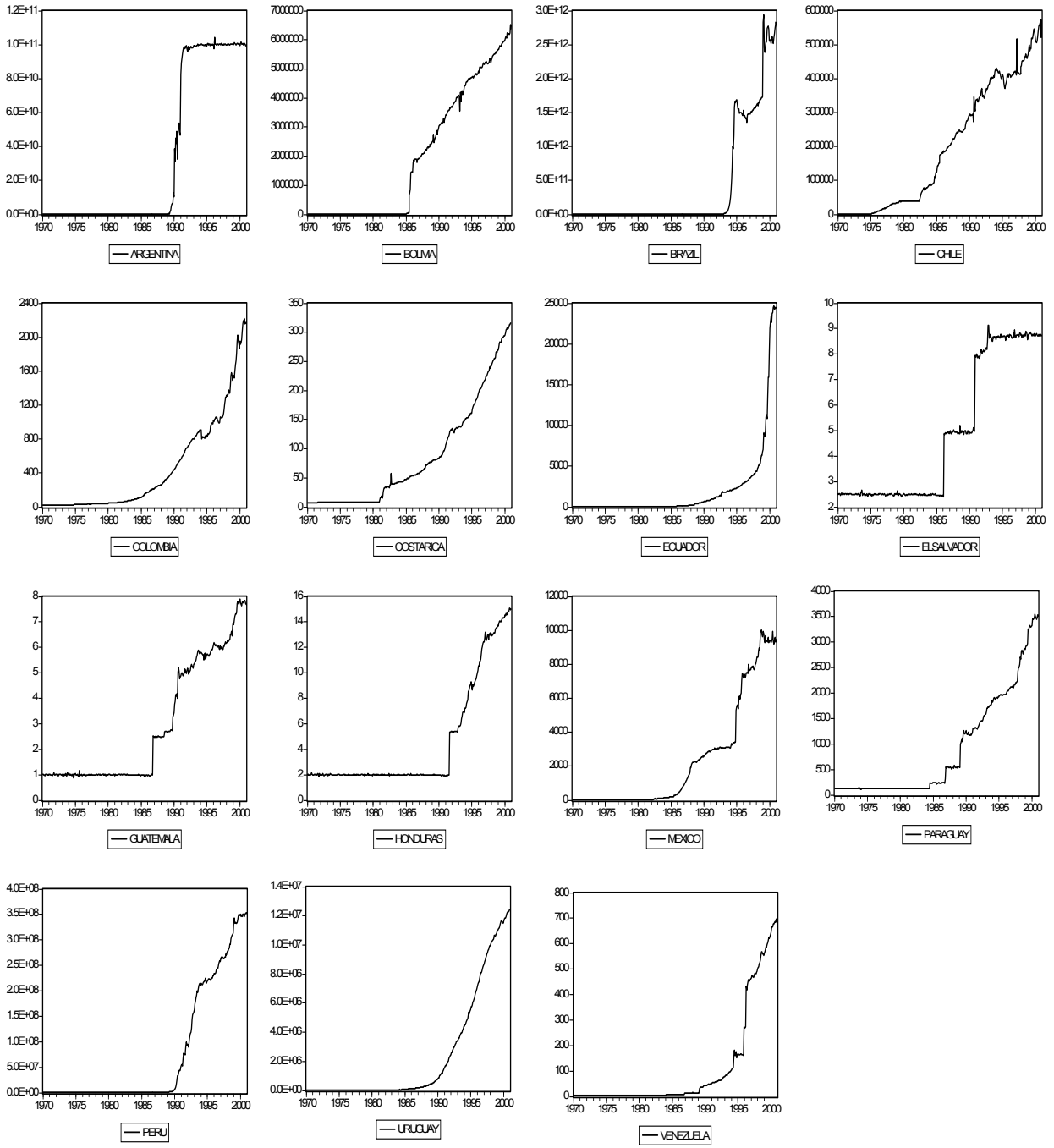
Table 10
Phillips-Perron Unit Root Test for Changes in Real Exchange Rates

		Constant	Time	Variable	Lags
Honduras	Coefficients	0.03733	0.00030	-1.00018	5
	t-Statistics	0.06826	0.11620	-19.18648	
	Critical Values	t	1%	5%	10%
		-19.18683	-3.98666	-3.42362	-3.13447
Mexico	t-Statistics	-0.29372	0.55450	-17.65004	
	Critical Values	t	1%	5%	10%
		-17.59760	-3.98666	-3.42362	-3.13447
Paraguay	Coefficients	-0.182046	0.001602	-0.91683	5
	t-Statistics	-0.293717	0.554500	-17.65004	
	Critical Values	t	1%	5%	10%
		-17.59760	-3.98666	-3.42362	-3.13447
Peru	Coefficients	0.26447	0.00523	-0.89432	5
	t-Statistics	0.19545	0.82859	-17.25149	
	Critical Values	t	1%	5%	10%
		-17.84703	-3.98666	-3.42362	-3.13447
Uruguay	Coefficients	-0.12823	0.00005	-1.15128	5
	t-Statistics	-0.23255	0.01982	-22.34273	
	Critical Values	t	1%	5%	10%
		-22.24579	-3.98666	-3.42362	-3.13447
Venezuela	Coefficients	0.31178	-0.00168	-1.08877	5
	t-Statistics	0.40794	-0.47259	-20.97006	
	Critical Values	t	1%	5%	10%
		-21.28227	-3.98666	-3.42362	-3.13447

Table 11
Analysis for the Chow's Breakpoint Tests

Country	Breakpoint	F-statistic	Probability	Log Likelihood Ratio	Probability
Argentina	12/31/1989	64.91	0	112.36	0
Bolivia	12/31/1984	7.70	0	15.26	0
Brazil	12/31/1998	73.64	0	125.19	0
Colombia	12/31/1996	6.86	0	13.62	0
Costa Rica	12/31/1981	4.37	0.01	8.74	0.01
Chile	12/31/1996	5.37	0	10.70	0
Ecuador	12/31/1999	156.94	0	229.28	0
El Salvador	12/31/1989	8.85	0	17.48	0
Guatemala	12/31/1985	10.96	0	21.54	0
Honduras	12/31/1990	16.83	0	32.56	0
Mexico	12/31/1994	51.96	0	92.50	0
Paraguay	12/31/1997	12.65	0	24.74	0
Peru	12/31/1989	37.35	0	68.74	0
Uruguay	12/31/1995	57.21	0	100.68	0
Venezuela	12/31/1995	46.43	0	83.69	0

Figure 1: Real Exchange Rates
1970-2000



**Figure 2: Real Exchange Rate Changes
1970-2000**

