

The Currency Composition of Foreign Exchange Reserves: Retrospect and Prospect, Issues 2000-2131, ISSN 1018-5941, . 2000. Barry J. Eichengreen, Donald J. Mathieson. International Monetary Fund, 2000. 34 pages. 9781451855272

Keywords: foreign exchange reserves, international currency; key currency; currency zones; invoicing of trade, currency of international debt, foreign exchange reserve management
JEL classification: E44, E58, F14, F31. 1 Respectively, Chair, Department of Economics, Portland State University (email: ito@pdx.edu); and retired Senior Adviser, Monetary and Economic Department, Bank for International Settlements (BIS, email: robertneilmccauley@gmail.com).
Other research on the currency composition of reserves has not analysed co-movement with key currencies except in the polar case of currency pegs (Dooley et al (1989) and Eichengreen and Mathieson (2000)). The basket of reserve currencies was created at the IMF in 1969, after the Bretton Woods system of fixed exchange rates was no longer relevant. During the recent years, the United States has repeatedly criticized China for its monetary policy. The US is particularly concerned about the understated Chinese RMB exchange rate (Ren Min Bi, or yuan) that stimulates exports from China. The yuan exchange rate changes within the corridor of the People's Bank of China. According to the US Treasury, Beijing should conduct "necessary reforms" before the yuan is included in the basket of re... Retrospect and Prospect. The management of international reserves remains one of the understudied aspects of the international monetary system. There are now a number of reasons why this should change.
Our single most important finding is the striking stability over time not just of the currency composition of reserves but also of the relationship between the demand for reserves denominated in different currencies and its principal determinants: trade flows, financial flows and currency pegs. This is not something that would have been predicted from recent contributions to the literature, which have forecast sharp shifts in the currency composition of central banks' holdings of foreign exchange.
Are you sure you want to remove **The currency composition of foreign exchange reserves** from your list? The currency composition of foreign exchange reserves. retrospect and prospect. by Barry J. Eichengreen. Published 2000 by UNU World Institute for Development Economics Research in Helsinki . Written in English. Subjects. Bank reserves, International finance, Foreign exchange. There's no description for this book yet. Can you add one? Edition Notes. "April 2000." Includes bibliographical references. Series. The paper examines the management of foreign exchange reserves in countries under monetary integration. Central banks in European Union countries exert a major influence on global financial markets because they manage a common pool of foreign exchange, MÅ,odkowski notes. Reserve assets are a crucial resource for common monetary and exchange rate policies.
For a large sample of countries over the period 1962-2000 we find that membership in a PTA is associated with an increase in the extent of intra-industry trade. In addition, we find that the effect of PTA membership on IIT is larger when a PTA is formed between two developed countries. View.
The Currency Composition of Foreign Exchange Reserves - Retrospect and Prospect. Article. Aug 2000.