

Time structure of interest rates in the foreign exchange reserves management

Luis Marcelo Carvajal A.

Abstract

Determining time structure of interest rates is the main task to forecast changes of interest rates over time. This procedure is useful to optimize the foreign exchange reserves management. Consequently, in this environment this paper analyzes the main methodologies focused on modeling United States financial market yields curve due to a large part of investments of Central Bank of Bolivia is done in this financial market.

Keywords: *Time structure of interest rates, foreign exchange reserves management, forecasts*