

Historical indicators of financial volatility. A comparative performance analysis using nominal exchange rates

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ABSTRACT

In contexts of high exchange rate volatility and economic uncertainty, it is necessary to improve monitoring of the market exchange rate. This paper analyzes and proposes fourteen indicators to measure financial volatility, applied to the nominal exchange rate in South American countries. In the particular case of Bolivia, these financial indicators would be very useful for the monetary authority to minimize speculative attacks, reduce exchange rate volatility, anchor public expectations regarding its announcements and be a guide for future interventions in the foreign exchange market.

JEL Classification: D52, O24

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