

Dynamique du taux de change et des prix relatifs dans le cadre d'un modèle à tendances communes

Mannai Rania

mannairania@topnet.tn

This study analyzes the short and long-term dynamics of the exchange rate and relative prices through a common trends model. Firstly, we tested the empirical validity of the Purchasing Power Parity (PPP) theory. Secondly, we tried to identify the existence of a long run equilibrium relationship, other than the PPP, between the nominal exchange rate and relative prices through a cointegration relation. From this relation, the system can be presented by a common trends model where the joint dynamics of these two variables can be broken in two components : a common trend component and a transitory component. This bivariate analysis of the exchange rate and relative prices allowed us to distinguish between permanent and transitory effects of the shocks that govern on these two variables within the impulse responses functions and the forecast error variance decomposition analysis. The transitory component, that has temporary effects on these variables, captures their short-term dynamics whereas the common trend component, having permanent effects on these variables, captures their long-term dynamics.