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CENTRE D'ETUDES EN MACROECONOMIE ET FINANCE INTERNATIONALE

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A determination of a turbulence zone like predictive matter for currency crises in few southern mediterranean emerging-market countries.

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Abstract

This paper provides empirical explanation on the risk potential of currency crises that may occurred in emerging-market countries located in southern mediterranean coast (Morocco, Algeria, Tunisia, Israel and Turkey).

Because of the increasingly volatility of the movements of capital, it is advisable to wonder about the possibility of development of a preventive system as regards currency crises.

We focus our attention on information contained in deteriorated fundamentals and we look for the most significative variables that occurred in the currency crises. Also, from these variables we study their dynamics and we try to draw a modelling.

It is unrealistic to seek to establish a system which would have a predictive capacity in the formation of a currency crisis. Also, failing to seek to formalize a system of prevention of crises, we limit ourselves to determine a zone of turbulence via the development of factors of vulnerability. This definite field will make it possible to prevent the monetary authorities of the imminent risks of a speculative attack and to support their prudential matter provisions.