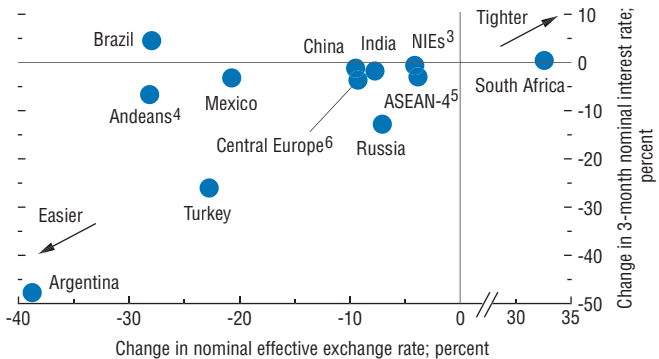
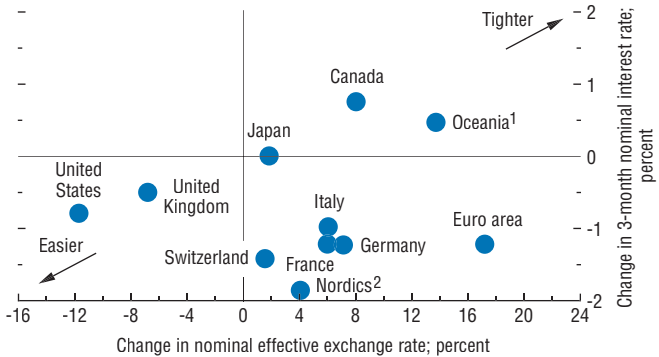


Figure 1.6. Selected Countries: Exchange Rate and Interest Rate Developments

(Movement since February 2002; percent)

The fall of the U.S. dollar since its peak in February 2002 has been matched by appreciation in the euro area, Canada, and some smaller industrial countries; in most of the last group, the contractionary impact has been partly or fully offset by monetary easing. Emerging market currencies have generally depreciated.



Sources: Bloomberg Financial Markets, LP; and Global Insight.

¹Australia and New Zealand.

²Denmark, Norway, and Sweden.

³Hong Kong SAR, Korea, Singapore, and Taiwan Province of China.

⁴Chile, Colombia, Peru, and Venezuela.

⁵Indonesia, Malaysia, the Philippines, and Thailand.

⁶Czech Republic, Hungary, and Poland.