INTRODUCTION 1

PART I. The Foreign Exchange Market and Exchange Rate Regimes
   1. The Foreign Exchange Market 11
   2. Central Banks, Exchange Rate Regimes, and the International Monetary System 49
   3. Foreign Currency Regimes in Developing Countries 78

PART II. The International Financial System
   4. International Money and Capital Markets 101
   5. Exchange Rate Risk and Uncovered International Investments 128
   6. Exchange Rate Forecasting, Risk Premia, and Forward Market Efficiency 145
   7. Onshore Banking in International Perspective 163
   8. Eurocurrencies and Euromarkets: The Offshore Banking System 187

PART III. Introduction to International Macroeconomics
   11. National Income Accounting and the Open Economy 265
   12. The External Debt Crisis of Developing Countries 289
PART IV. Income, Trade, and Capital Flows: Fixed and Flexible Exchange Rates

13. The Determination of Output, Exchange Rates, and the Trade Balance 331
15. Expectations, Exchange Rate Dynamics, and Economic Policy 425

PART V. Inflation, Unemployment, and Economic Policy in the Open Economy

16. Production, Prices, and Unemployment in the Open Economy 461
17. Prices, Output, and Economic Adjustment Under Flexible Exchange Rates 487
18. Expectations, Inflation, and Business Cycles 513

PART VI. Asset Markets, the Balance of Payments, and the Exchange Rate

19. Asset Markets and Exchange Rate Determination 551
20. The Monetary and Asset Market Approach to the Balance of Payments 577

PART VII. Interdependence in the World Economy

21. The International Monetary System: History and Controversies 615
22. Interdependence, Monetary Regimes, and the Current State of the World Economy 639