



Journal of Post Keynesian Economics >

Volume 25, 2002 - [Issue 2](#)

94	3	0
Views	CrossRef citations to date	Altmetric

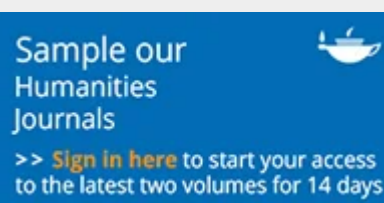
Original Article

Interest parity, risk premia, and Post Keynesian analysis

Marc Lavoie

Pages 237-249 | Published online: 23 Dec 2014

“ Cite this article



“ Citations

Metrics

Reprints & Permissions

Read this article

Share

Abstract

This paper develops the cambist (or Post Keynesian) view of forward exchange rates previously put forward in Lavoie (2000), according to which the forward exchange rate is not a predictor of future spot rates. The paper deals with imperfect asset substitutability, the peculiarities of fixed exchange rates, and the impact of speculation in forward exchange markets. Whereas covered interest parity always holds in the cambist view, with the causality running from differentials in interest rates to differentials between the forward and the spot rates, a graphical analysis is provided to illustrate how the current spot rate may be influenced by the interest rate differential.

Keywords:

CAMBIST VIEW

CURRENCY RISK

FORWARD EXCHANGE MARKETS

SPECULATION

People also read

Recommended articles

Cited by
3

Information for

- Authors
- R&D professionals
- Editors
- Librarians
- Societies

Opportunities

- Reprints and e-prints
- Advertising solutions
- Accelerated publication
- Corporate access solutions

Open access

- Overview
- Open journals
- Open Select
- Dove Medical Press
- F1000Research

Help and information

- Help and contact
- Newsroom
- All journals
- Books

Keep up to date

Register to receive personalised research and resources by email

 Sign me up

