

Tables 2a and 2b:
Updated estimates of RMB regime through Feb. 2009 (Calculations by DanXia Xie, Peterson
Institute of International Economics, Feb 17, 2009)

**Table 2a: Rolling 12-month regressions of value of RMB
against values of other currencies and Δ EMP**
 Δ (EMP) defined as $[\text{res}(t)-\text{res}(t-1)]/\text{mb}(t-1) + [\text{exr}(t)-\text{exr}(t-1)]/\text{exr}(t-1)$

12-month windows, ending on the month shown

VARIABLES	(1) 06M7	(2) 06M8	(3) 06M9	(4) 06M10	(5) 06M11	(6) 06M12	(7) 07M1	(8) 07M2
usd	0.767*** (0.140)	0.918*** (0.183)	0.866*** (0.201)	0.841*** (0.225)	1.010*** (0.151)	1.050*** (0.181)	0.932*** (0.195)	0.864*** (0.166)
jpy	0.132 (0.093)	0.036 (0.115)	0.065 (0.127)	0.085 (0.147)	-0.067 (0.083)	-0.067 (0.098)	-0.053 (0.111)	-0.088 (0.105)
eur	0.061 (0.105)	0.022 (0.136)	0.020 (0.142)	0.027 (0.137)	-0.045 (0.124)	-0.077 (0.123)	-0.027 (0.113)	0.038 (0.150)
Δ emp	0.193 (0.118)	0.050 (0.172)	0.110 (0.163)	0.127 (0.180)	0.039 (0.116)	-0.026 (0.140)	0.063 (0.128)	0.104 (0.093)
Constant	-0.003 (0.003)	0.000 (0.004)	-0.001 (0.004)	-0.001 (0.005)	0.002 (0.003)	0.003 (0.003)	0.001 (0.003)	-0.001 (0.003)
Observations	12	12	12	12	12	12	12	12
krw	0.041	0.024	0.048	0.047	0.102	0.095	0.149	0.186
R-squared	0.977	0.966	0.961	0.963	0.981	0.976	0.952	0.953

Note: *** p<0.01, ** p<0.05, * p<0.1 Robust standard errors in parentheses

VARIABLES	(1) 07M3	(2) 07M4	(3) 07M5	(4) 07M6	(5) 07M7	(6) 07M8	(7) 07M9	(8) 07M10
usd	0.817*** (0.123)	0.944*** (0.174)	0.916*** (0.165)	0.808*** (0.192)	0.881*** (0.211)	0.874*** (0.132)	0.816*** (0.149)	0.814*** (0.149)
jpy	-0.141 (0.128)	-0.014 (0.086)	-0.002 (0.096)	-0.012 (0.106)	-0.031 (0.085)	0.002 (0.079)	0.026 (0.100)	0.033 (0.101)
eur	0.127 (0.140)	-0.058 (0.127)	-0.033 (0.124)	0.001 (0.130)	-0.040 (0.142)	-0.051 (0.082)	-0.164 (0.178)	-0.155 (0.190)
Δ emp	0.145 (0.087)	0.030 (0.097)	0.060 (0.085)	0.084 (0.085)	0.039 (0.099)	0.053 (0.069)	-0.010 (0.080)	0.009 (0.085)
Constant	-0.002 (0.003)	0.002 (0.004)	0.002 (0.004)	0.001 (0.004)	0.003 (0.005)	0.002 (0.003)	0.005 (0.004)	0.005 (0.004)
Observations	12	12	12	12	12	12	12	12
R-squared	0.963	0.899	0.899	0.843	0.850	0.909	0.919	0.923
krw	0.197	0.129	0.119	0.202	0.191	0.175	0.323	0.308

VARIABLES	(1) 07M11	(2) 07M12	(3) 08M1	(4) 08M2	(5) 08M3	(6) 08M4	(7) 08M5	(8) 08M6
usd	0.863*** (0.190)	1.041*** (0.193)	0.843** (0.309)	0.684** (0.232)	0.678** (0.234)	0.544*** (0.150)	0.643** (0.186)	0.743*** (0.198)
jpy	0.026 (0.128)	-0.096 (0.111)	0.060 (0.122)	0.060 (0.108)	0.066 (0.095)	0.043 (0.095)	0.031 (0.097)	0.019 (0.103)
eur	0.050 (0.275)	0.139 (0.276)	0.095 (0.308)	0.299 (0.235)	0.271 (0.186)	0.402*** (0.072)	0.340* (0.145)	0.270 (0.202)
Δ emp	0.042 (0.114)	0.035 (0.121)	0.115 (0.162)	0.228* (0.114)	0.228* (0.111)	0.251** (0.077)	0.206 (0.123)	0.138 (0.133)
Constant	0.003 (0.005)	0.004 (0.006)	0.002 (0.007)	-0.004 (0.005)	-0.003 (0.004)	-0.005* (0.002)	-0.002 (0.004)	0.001 (0.006)
Observations	12	12	12	12	12	12	12	12
R-squared	0.910	0.924	0.878	0.908	0.956	0.962	0.959	0.953
krw	0.061	-0.084	0.002	-0.044	-0.015	0.011	-0.014	-0.032

VARIABLES	(1) 08M7	(2) 08M8	(3) 08M9	(4) 08M10	(5) 08M11	(6) 08M12	(7) 09M1	(8) 09M2
usd	0.685** (0.206)	0.748*** (0.141)	0.744*** (0.109)	0.787*** (0.110)	0.741*** (0.085)	0.803*** (0.178)	1.095*** (0.149)	1.146*** (0.167)
jpy	0.048 (0.080)	0.064 (0.073)	0.064 (0.068)	0.059 (0.056)	0.075 (0.047)	0.062 (0.092)	-0.086 (0.069)	-0.106 (0.077)
eur	0.261 (0.199)	0.182 (0.153)	0.186 (0.107)	0.120* (0.055)	0.126* (0.056)	0.169 (0.098)	0.012 (0.084)	-0.022 (0.099)
Δ emp	0.163 (0.146)	0.111 (0.134)	0.116 (0.109)	0.045 (0.083)	0.066 (0.080)	0.163 (0.157)	-0.054 (0.121)	-0.096 (0.127)
Constant	0.001 (0.006)	0.004 (0.005)	0.003 (0.004)	0.007* (0.003)	0.007 (0.004)	-0.001 (0.007)	0.007 (0.004)	0.008 (0.005)
Observations	12	12	12	12	12	12	11	10
R-squared	0.974	0.984	0.989	0.991	0.994	0.995	0.997	0.998
krw	0.006	0.006	0.005	0.034	0.058	-0.033	-0.021	-0.018

(Updated Feb 17, 2009)

**Table 2b: Rolling 12-month regressions of value of RMB
against values of other currencies and Δ EMP**

Showing brief significance of won

Δ (EMP) defined as $[\text{res}(t)-\text{res}(t-1)]/\text{mb}(t-1) + [\text{exr}(t)-\text{exr}(t-1)]/\text{exr}(t-1)$

12-month windows, ending on the month shown

VARIABLES	(1) 06M7	(2) 06M8	(3) 06M9	(4) 06M10	(5) 06M11	(6) 06M12	(7) 07M1	(8) 07M2
usd	0.786* (0.374)	1.064** (0.347)	1.056** (0.363)	1.004** (0.371)	1.111*** (0.289)	1.182*** (0.203)	1.009*** (0.221)	0.944*** (0.136)
jpy	0.132 (0.101)	0.050 (0.127)	0.081 (0.140)	0.103 (0.158)	-0.055 (0.094)	-0.063 (0.099)	-0.044 (0.115)	-0.170 (0.103)
krw	0.044 (0.071)	0.053 (0.092)	0.083 (0.079)	0.075 (0.077)	0.118 (0.080)	0.121 (0.072)	0.187* (0.078)	0.324** (0.098)
eur	0.056 (0.132)	-0.016 (0.138)	-0.027 (0.144)	-0.011 (0.144)	-0.065 (0.156)	-0.083 (0.145)	-0.017 (0.136)	0.125 (0.155)
Δ emp	0.185 (0.172)	-0.003 (0.176)	0.037 (0.185)	0.070 (0.202)	0.004 (0.151)	-0.036 (0.131)	0.082 (0.138)	0.153* (0.079)
Constant	-0.003 (0.005)	0.002 (0.005)	0.001 (0.005)	0.000 (0.006)	0.003 (0.004)	0.004 (0.003)	0.001 (0.004)	-0.002 (0.003)
Observations	12	12	12	12	12	12	12	12
myr	-0.017	-0.151	-0.192	-0.171	-0.110	-0.157	-0.135	-0.224
R-squared	0.876	0.841	0.840	0.851	0.923	0.942	0.934	0.953

VARIABLES	(1) 07M3	(2) 07M4	(3) 07M5	(4) 07M6	(5) 07M7	(6) 07M8	(7) 07M9	(8) 07M10
usd	0.850*** (0.103)	0.985*** (0.197)	0.983*** (0.163)	0.957*** (0.240)	1.020*** (0.236)	0.979*** (0.165)	0.871*** (0.159)	0.889*** (0.151)
jpy	-0.211** (0.080)	-0.027 (0.105)	-0.016 (0.114)	-0.026 (0.118)	-0.051 (0.095)	-0.032 (0.101)	0.012 (0.112)	0.016 (0.115)
krw	0.320*** (0.060)	0.155 (0.128)	0.145 (0.121)	0.188 (0.145)	0.179 (0.135)	0.186** (0.071)	0.379* (0.194)	0.386* (0.196)
eur	0.227** (0.073)	-0.039 (0.153)	-0.010 (0.150)	0.012 (0.147)	-0.028 (0.159)	-0.028 (0.111)	-0.190 (0.206)	-0.198 (0.212)
Δ emp	0.209*** (0.056)	0.047 (0.110)	0.075 (0.093)	0.090 (0.088)	0.045 (0.100)	0.061 (0.075)	-0.024 (0.088)	-0.014 (0.085)
Constant	-0.004* (0.002)	0.002 (0.004)	0.002 (0.004)	0.001 (0.004)	0.003 (0.004)	0.002 (0.003)	0.006 (0.005)	0.006 (0.004)
Observations	12	12	12	12	12	12	12	12
R-squared	0.969	0.920	0.924	0.928	0.931	0.942	0.939	0.945
myr	-0.186	-0.074	-0.101	-0.131	-0.120	-0.106	-0.072	-0.093

VARIABLES	(1) 07M11	(2) 07M12	(3) 08M1	(4) 08M2	(5) 08M3	(6) 08M4	(7) 08M5	(8) 08M6
usd	0.843** (0.238)	0.925*** (0.244)	0.761*** (0.190)	0.675*** (0.161)	0.665*** (0.154)	0.548*** (0.125)	0.676** (0.204)	0.812** (0.222)
jpy	0.031 (0.145)	-0.056 (0.139)	0.042 (0.059)	0.046 (0.065)	0.055 (0.054)	0.047 (0.067)	0.030 (0.087)	0.023 (0.087)
krw	0.049 (0.251)	-0.133 (0.155)	-0.146 (0.158)	-0.149 (0.148)	-0.102 (0.089)	-0.046 (0.098)	-0.053 (0.101)	-0.105 (0.116)
eur	0.053 (0.288)	0.124 (0.259)	0.058 (0.232)	0.195 (0.213)	0.120 (0.201)	0.270 (0.176)	0.249 (0.211)	0.109 (0.303)
Δ emp	0.047 (0.121)	0.053 (0.116)	0.098 (0.116)	0.173 (0.104)	0.164 (0.115)	0.187 (0.112)	0.158 (0.144)	0.051 (0.175)
Constant	0.002 (0.006)	0.002 (0.006)	0.001 (0.006)	-0.002 (0.004)	-0.001 (0.005)	-0.003 (0.004)	-0.001 (0.006)	0.004 (0.008)
Observations	12	12	12	12	12	12	12	12
R-squared	0.911	0.895	0.875	0.890	0.902	0.901	0.918	0.912
myr	0.024	0.140	0.285	0.233	0.262	0.181	0.097	0.161

VARIABLES	(1) 08M7	(2) 08M8	(3) 08M9	(4) 08M10	(5) 08M11	(6) 08M12	(7) 09M1	(8) 09M2
usd	0.703** (0.242)	0.750*** (0.152)	0.744*** (0.123)	0.776*** (0.115)	0.741*** (0.094)	0.805*** (0.202)	1.149*** (0.148)	1.231*** (0.147)
jpy	0.048 (0.083)	0.064 (0.081)	0.064 (0.082)	0.040 (0.065)	0.075 (0.066)	0.064 (0.107)	-0.070 (0.079)	-0.091 (0.085)
krw	-0.007 (0.091)	0.003 (0.073)	0.005 (0.063)	0.013 (0.052)	0.059 (0.044)	-0.033 (0.051)	-0.008 (0.041)	-0.002 (0.041)
eur	0.228 (0.298)	0.176 (0.195)	0.187 (0.113)	0.084 (0.065)	0.127 (0.072)	0.173 (0.130)	0.054 (0.117)	0.024 (0.131)
Δ emp	0.145 (0.186)	0.107 (0.158)	0.116 (0.115)	0.012 (0.084)	0.067 (0.082)	0.166 (0.181)	-0.032 (0.143)	-0.079 (0.146)
Constant	0.002 (0.007)	0.004 (0.006)	0.003 (0.005)	0.008* (0.004)	0.007 (0.004)	-0.001 (0.008)	0.006 (0.005)	0.007 (0.005)
Observations	12	12	12	12	12	12	11	10
myr	0.028	0.007	-0.000	0.087	-0.003	-0.009	-0.124	-0.163
R-squared	0.929	0.955	0.949	0.957	0.951	0.935	0.970	0.975