

**EFFECTS OF THE GLOBAL FINANCIAL CRISIS AND EXIT STRATEGY
OF QUANTITATIVE EASING ON EAST ASIAN CURRENCIES**

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《SUMMARY》

This paper bases on Ogawa and Wang (2013b, 2014, 2015) to investigate two issues. The first one is how East Asian currencies made misalignments before and after the global financial crisis. Methodologies involving β -convergence and σ -convergence are used to examine convergence or divergence among East Asian currencies. The empirical results show that East Asian currencies did diverge during most of the sample periods, especially after late 2005, and active international capital flows such as yen carry trades also affected their movements. The second one is how FRB's raising interest rate would affect interest rates, exchange rates, and capital flows of East Asian countries. Two variable VAR models are used to analyze effects of interest rate in the United States and interest differentials between the United States and East Asian countries on interest rates, exchange rates, and capital flows in the East Asian emerging market countries. The analytical results imply that East Asian countries would face capital outflows that depreciate their home currencies while having upward pressure against their own interest rates if the FRB raised the interest rate.