

## **Are Asian real exchange rates stationary?**

### **ABSTRACT**

By applying the newly developed nonlinear stationary test advanced by Kapetanios et al. [Journal of Econometrics 112 (2003) 359] in examining the stationary property of 11 Asian real exchange rates, this paper rejects unit root in 8 US dollar-based and 6 Japanese yen-based rates, whereas the augmented Dickey-Fuller (ADF) test has led to no rejection at all.

**Keyword:** Real exchange rates; Asia; Mean reversion; Nonlinear stationary test; ADF test