

---

[Working Paper No. 842](#)

Keep in mind

The series Working Papers on Economics is published by the Office for Economic Studies at the *Banco de la República* (Central Bank of *Colombia*). The works published are provisional, and their authors are fully responsible for the opinions expressed in them, as well as for possible mistakes. The opinions expressed herein are those of the authors and do not necessarily reflect the views of Banco de la República or its Board of Directors.

AUTHOR OR EDITOR

Rubén Albeiro Loaiza

José Eduardo Gómez

Luis Fernando Melo

AUTHORS AND/OR EDITORS

[Rubén Albeiro Loaiza](#)

---

---

A regular vine copula approach is implemented for testing for contagion among the exchange rates of the six largest Latin American countries. Using daily data from June 2005 through April 2012, we find evidence of contagion among the Brazilian, Chilean, Colombian and Mexican exchange rates. However, there are interesting differences in contagion during periods of large exchange rate depreciation and appreciation. Our results have important implications for the response of Latin American countries to currency crises originated abroad.

The opinions expressed here do not necessarily correspond neither to the Banco de la República nor its Board of Directors.