

Figure 1

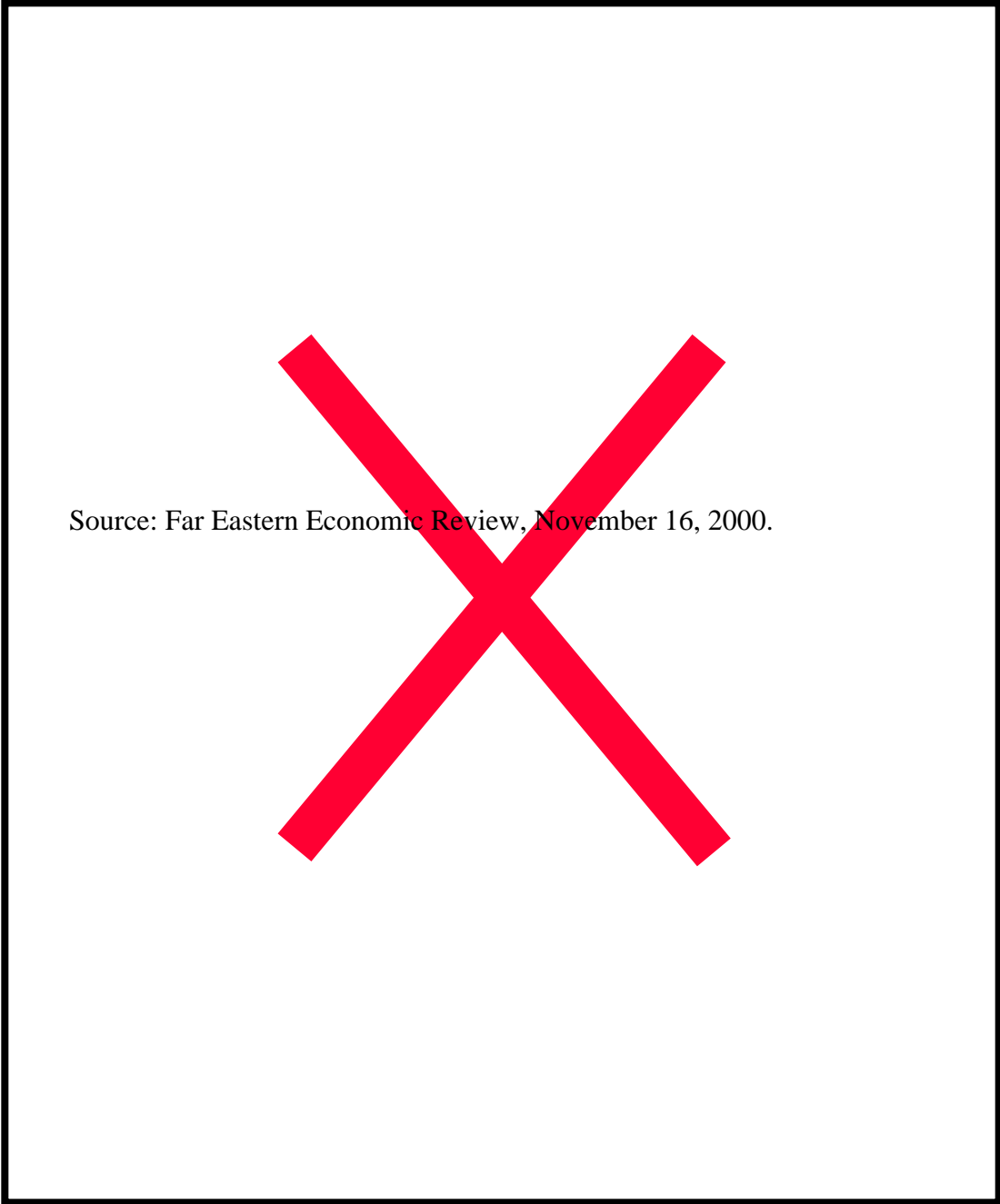
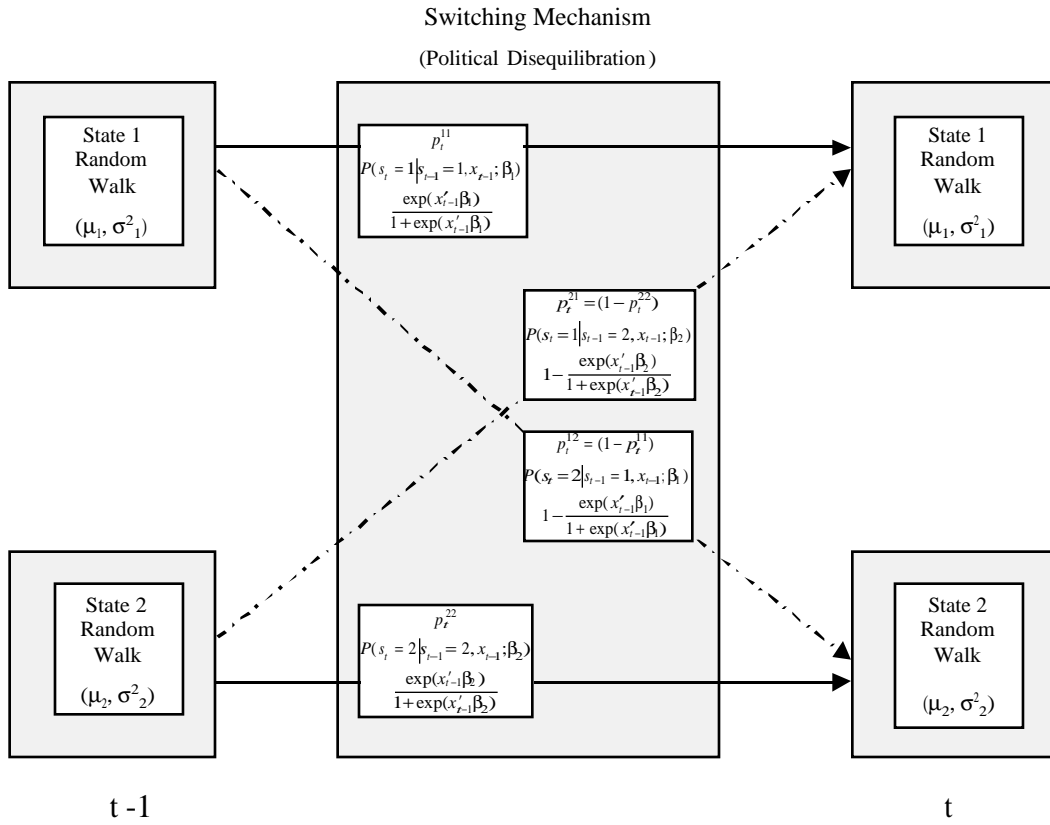


Figure 2. Markov Regime Switching Model of Exchange Rates



Note : $x_{t-1} = (1, x_{1,t-1}, \dots, x_{(k-1),t-1})'$ and $\beta_i = (\beta_{i0}, \beta_{i1}, \dots, \beta_{i(k-1)})'$, $i = 1, 2$. When the last (k - 1) terms of the parameter vectors β_1 and β_2 are set to zero, the time varying transition probability model collapses to the constant transition probability model. The transition probability notation is from Diebold, Lee, and Weinbach (1994, 285).

Figure 3a. Indonesia, Exchange Rate and the Maximum Daily Coercion Score, 3/16/98-9/27/00

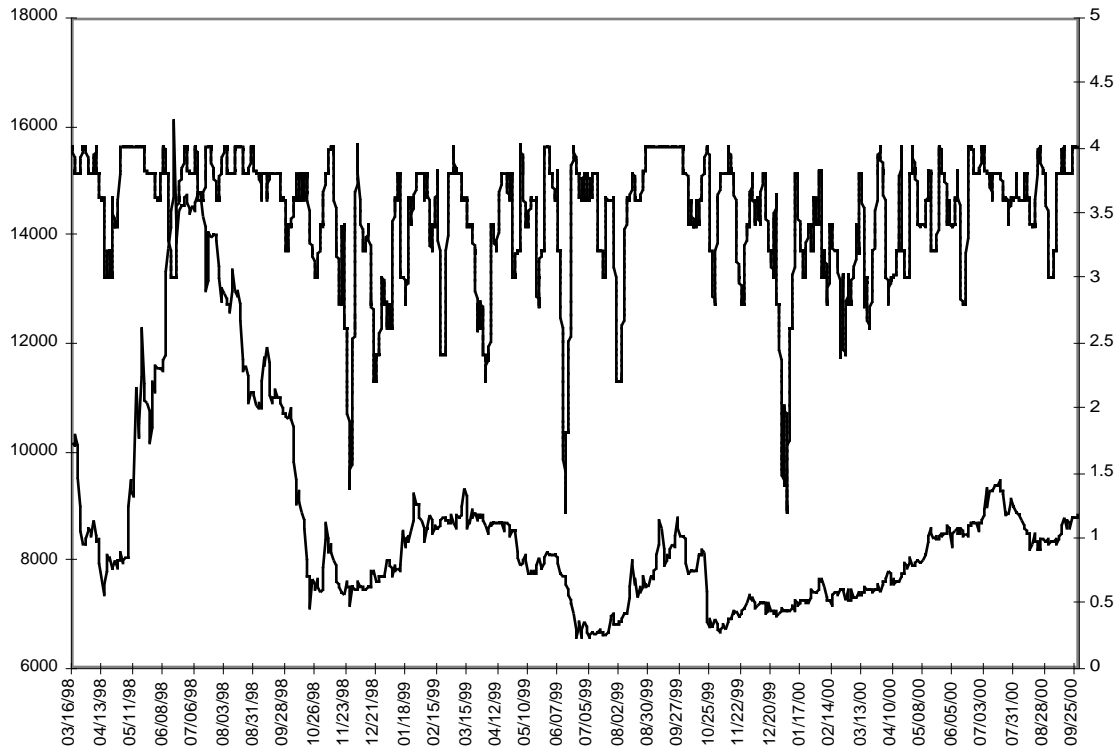


Figure 3b. Maximum Daily Coercion Scores and Regime Switching in the Rupiah/Dollar Exchange Rate

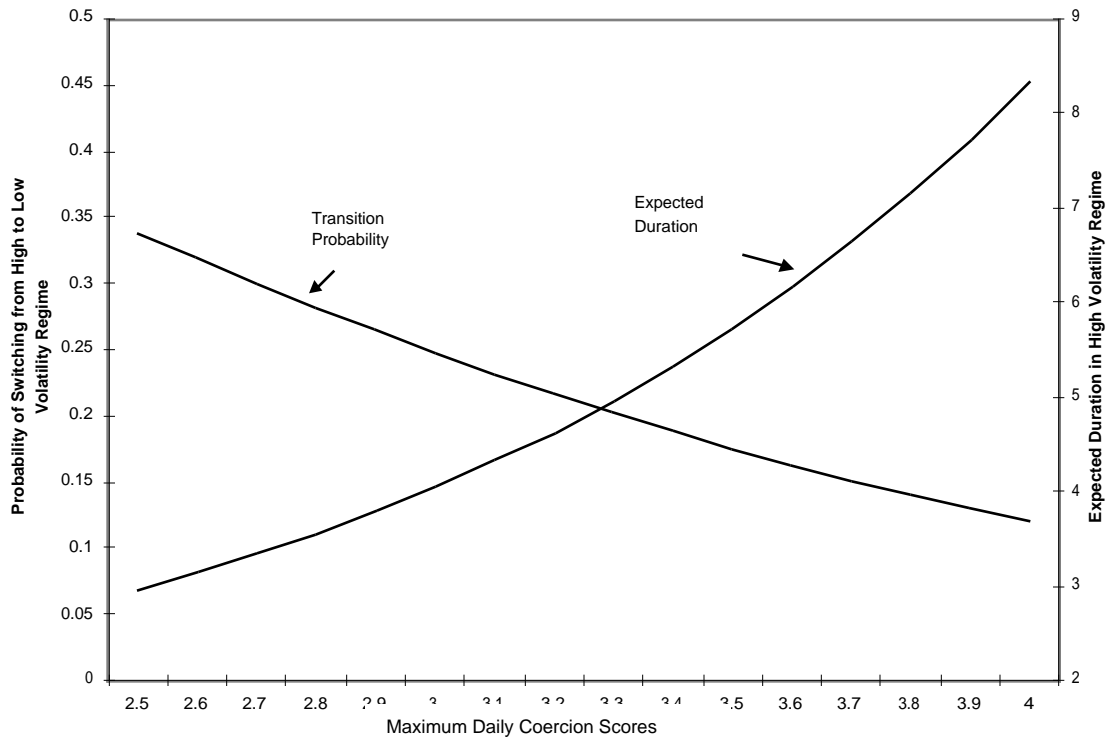


Figure 4a. Philippines, Exchange Rate and Conflict Carrying Capacity, 3/16/98-9/27/00

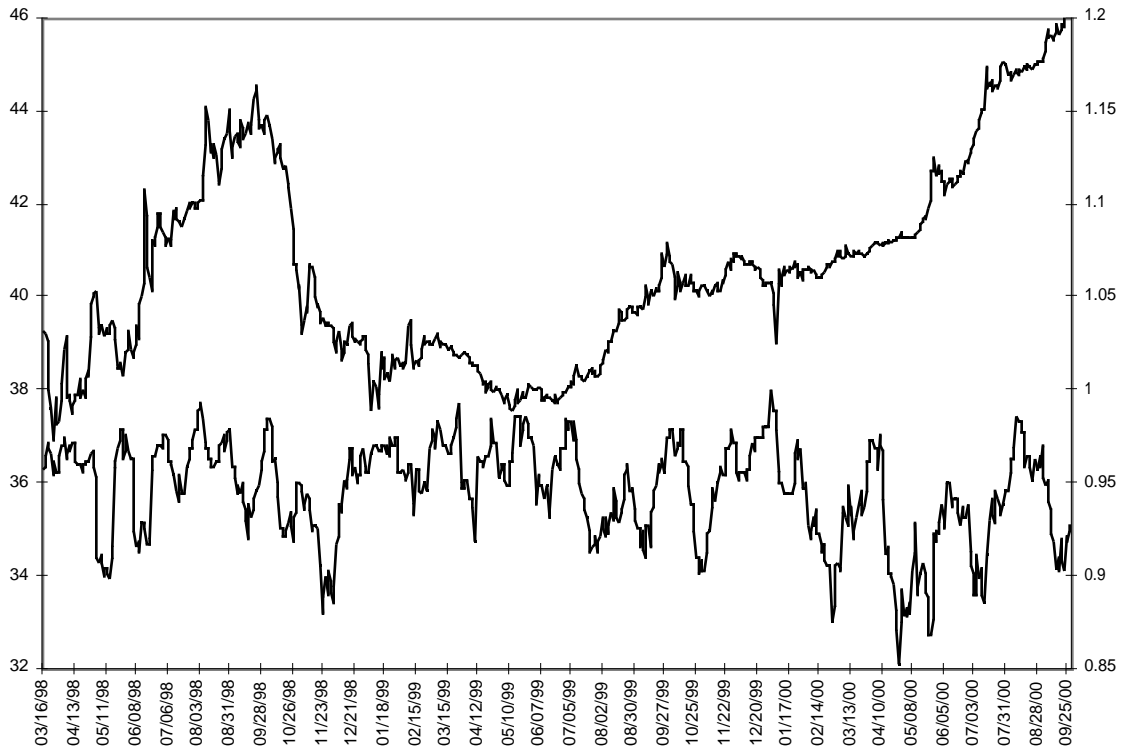


Figure 4b. Conflict Carrying Capacity and Regime Switching in the Peso/Dollar Exchange Rate

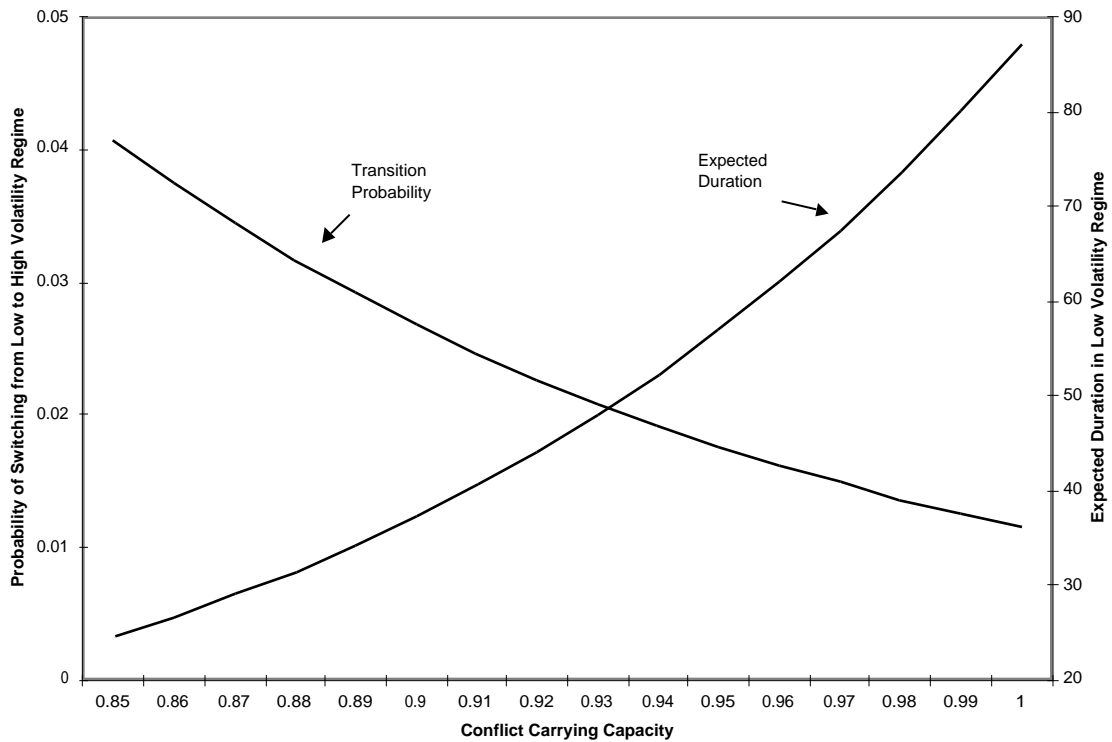


Figure 5a. South Korea, Exchange Rate and Parliamentary Seat Percentage of NCNP/MDP, 3/16/98-9/27/00

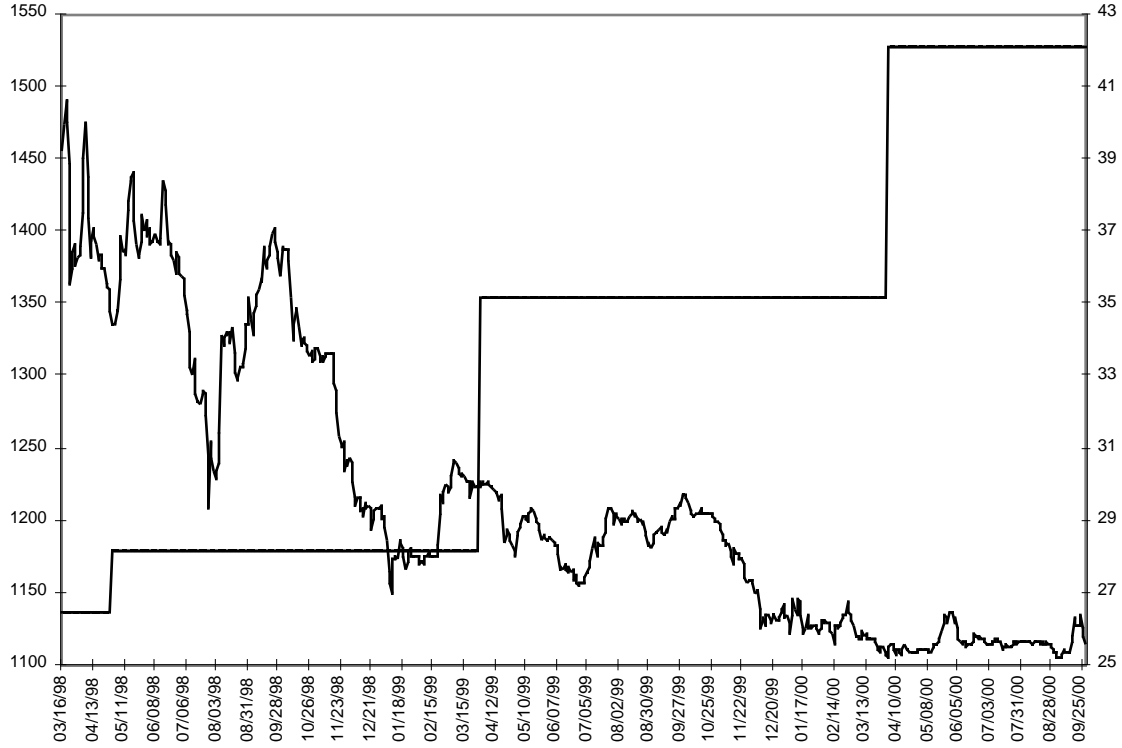


Figure 5b. Seat Percentage of President’s Party and Regime Switching in the Won/Dollar Exchange Rate

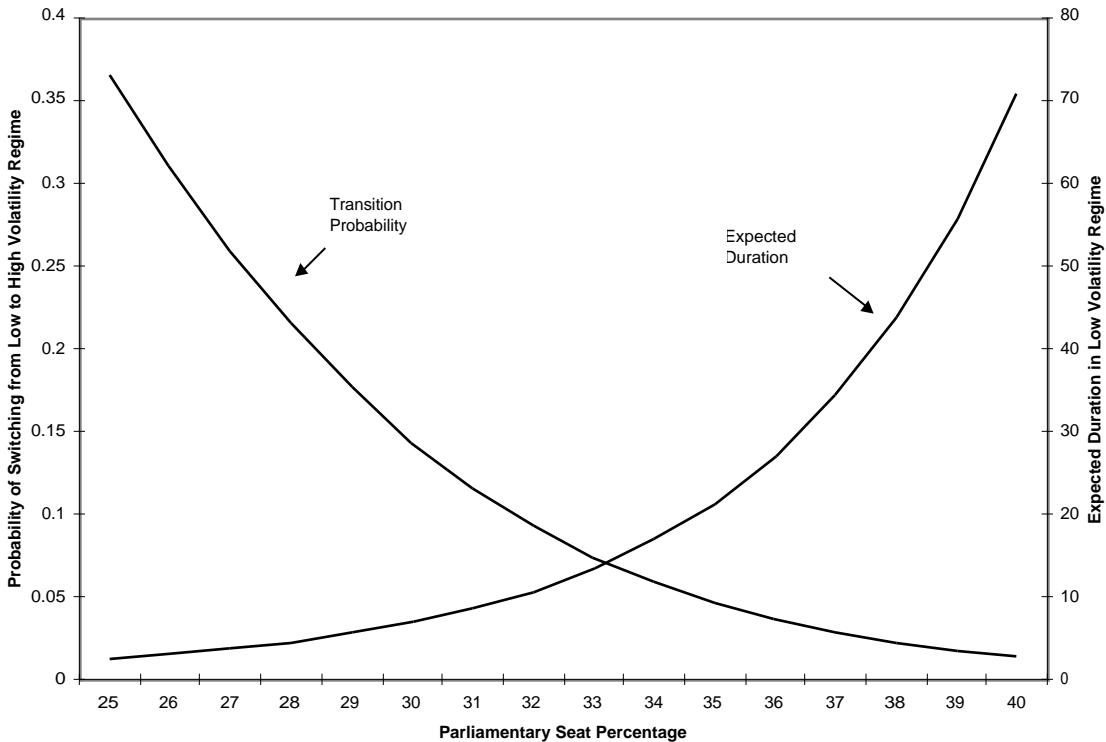


Figure 6a. Thailand, Exchange Rate and Seat Percentage of the Governing Coalition, 3/16/98-9/27/00

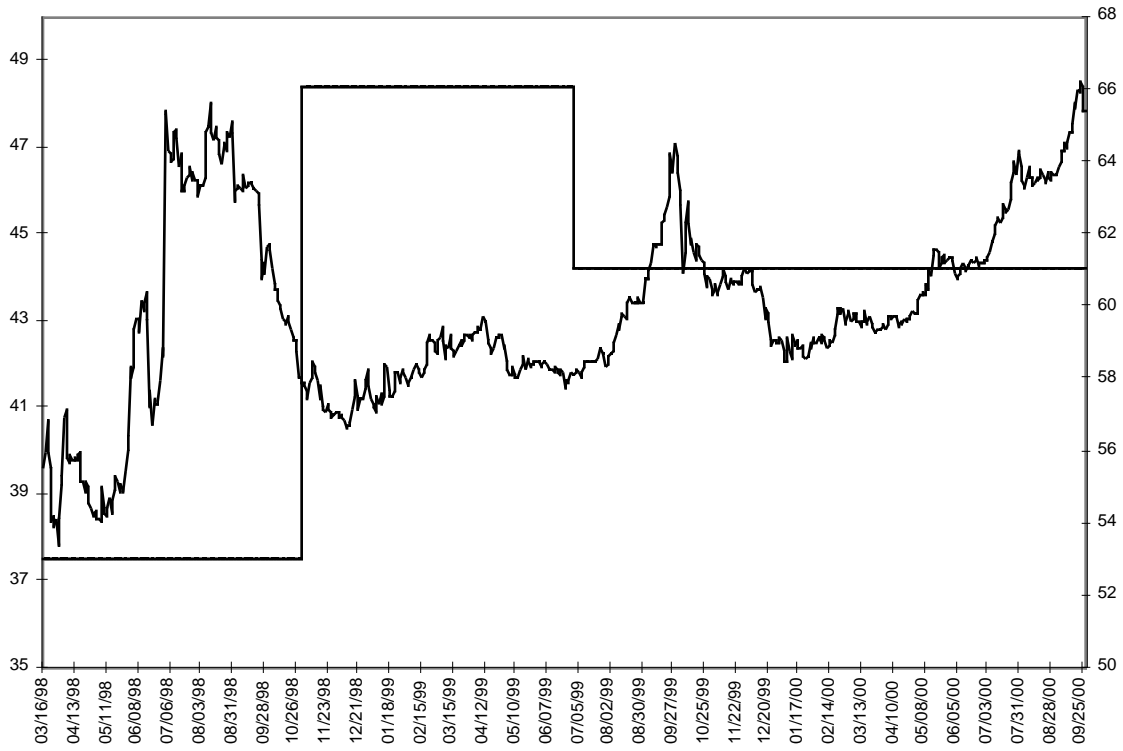


Figure 6b. Seat Percentage of Governing Coalition and Regime Switching in the Baht/Dollar Exchange Rate

