



Debt-triggered currency crises

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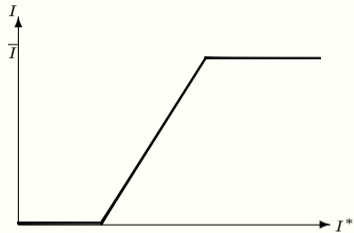
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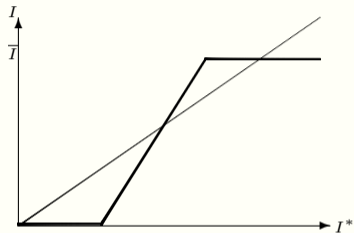
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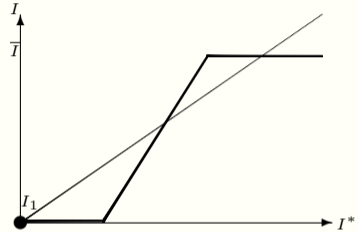
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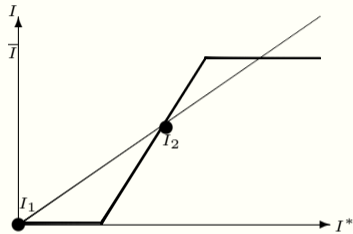
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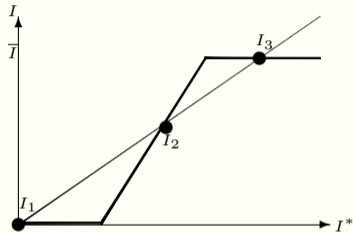
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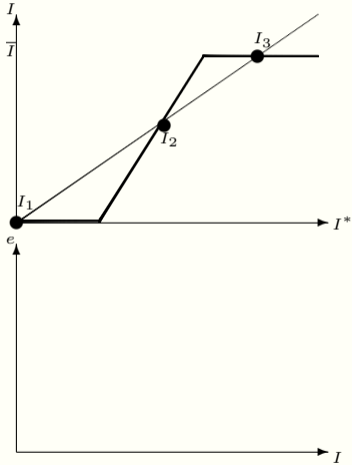
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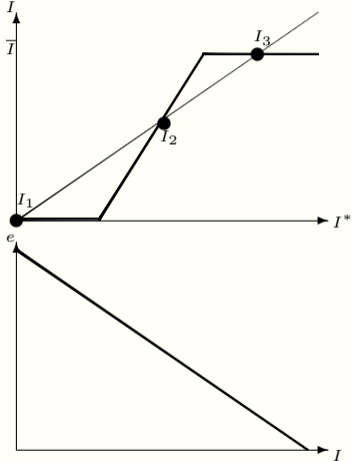
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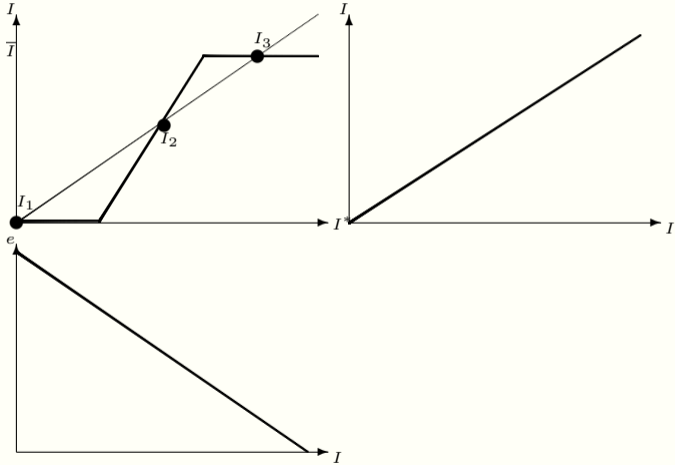
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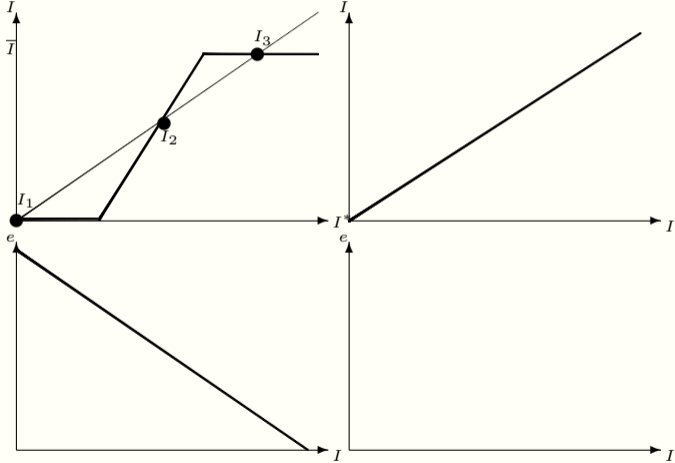
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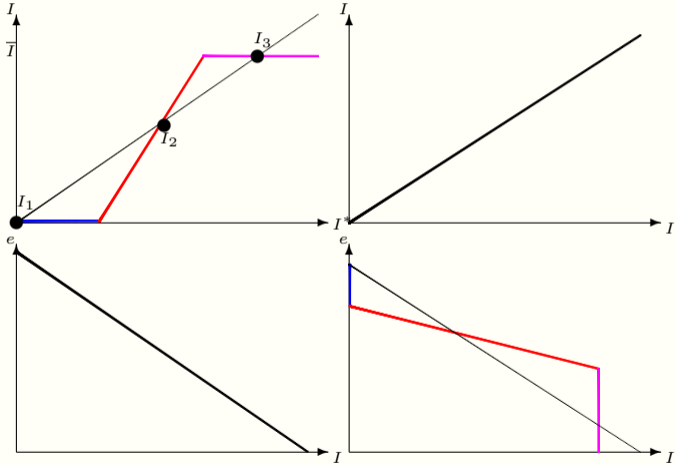
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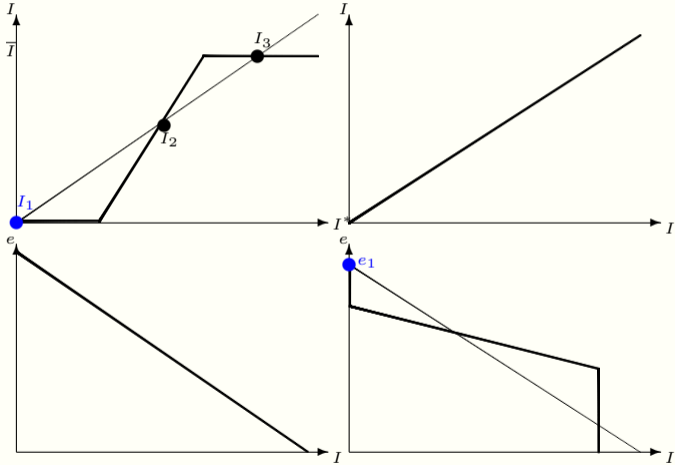
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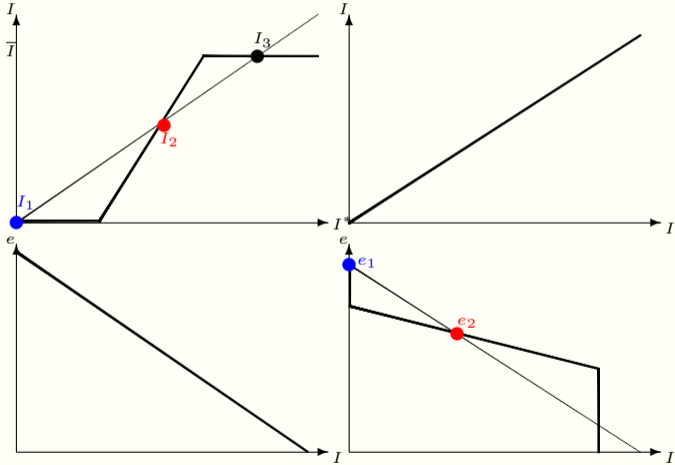
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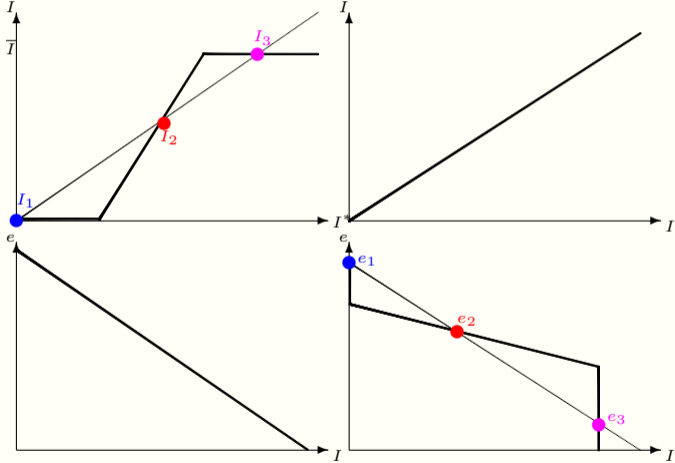
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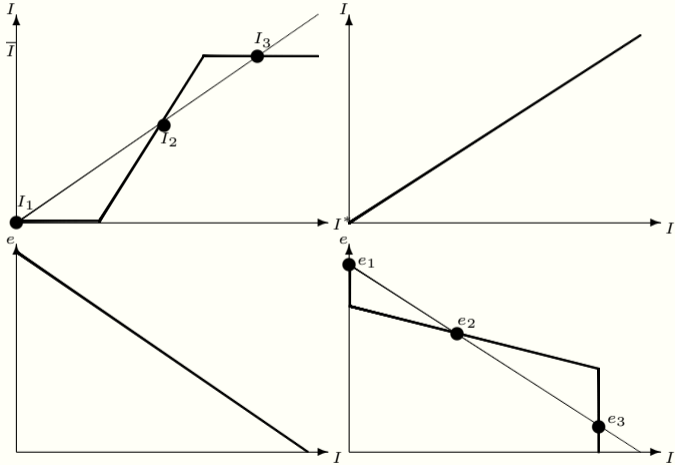
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- ▶ The devaluation in the new equilibrium can be interpreted as a currency crisis
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- ▶ The effect of the lower capital inflows on the wider economy, especially investments, causes the currency to devalue and reach a new equilibrium

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