

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*). It contributes to the dissemination and promotion of the work by researchers from the institution. This series is indexed at Research Papers in Economics (RePEc).

On multiple occasions, these works have been the result of collaborative work with individuals from other national or international institutions. 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

Miguel Fuentes

Pablo Pincheira

Juan Manuel Julio

Hernán Rincón

Santiago García

Miguel Zerecero

Marco Vega

Erick Lahura

Ramon Moreno

AUTHORS AND/OR EDITORS

[Miguel Fuentes](#)

[Pablo Pincheira](#)

[Santiago García](#)

[Miguel Zerecero](#)

[Marco Vega](#)

[Erick Lahura](#)

[Ramon Moreno](#)

This paper analyses the effects of sterilised, intraday foreign exchange market operations (non-discretionary and discretionary) on foreign exchange returns and volatility in four inflation targeting economies in Latin America. The distribution of exchange rates during intervention and non-intervention days are first compared, and then event study regressions are used to estimate the impact of intervention (and macro surprises) on exchange rate returns and exchange rate volatility as well as on foreign exchange market turnover (in Colombia). In general, the results suggest that the impact of both non-discretionary and discretionary operations is at times significant but transitory. However, an analysis of Chile's experience suggests that the announcement effects of even non-discretionary programmes may be significant and persistent.

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

