

Table 2. *Variance of the Forward Rate (Δf_t)
Divided by Variance of Spot Rate (Δs_t)*

	Three months	One year
Germany	0.88	0.87
United Kingdom	1.00	1.00
Japan	0.99	0.99
Canada	0.88	0.89
Italy	0.92	0.91
France	1.08	1.07

Sources: IMF, *International Financial Statistics*; IMF staff estimates.
Note: Quarterly data for 1979Q-I ~ 2000Q-IV.