
Contents

1	Introduction	7
2	The Root Causes	13
2.1	External Relations	13
2.2	The Koruna Becomes an Attractive Currency	15
3	The Immediate Causes of the Exchange Rate Turbulence	23
4	The May 1997 Turbulence	27
4.1	The Onset	27
4.2	CNB Measures During Turbulence	28
4.3	The Escalation	30
4.4	The Change in the CNB's Strategy	31
5	The Post-turbulence Period	35
5.1	The End of May 1997: Stabilisation of the Exchange Rate	35
5.2	June 1997: Interest Rate Landing	36
5.3	July and August 1997: Consolidation	39