

## Reply to the referee

I gratefully acknowledge the useful comments of the referee.

1. I agree it would be useful to add a brief discussion about the differences among the procedures to test for chaos.
2. Regarding the measure of exchange rates expectations, I have not found an alternative to the phone survey as used in the present paper. I would be grateful if the referee, or other readers of the Discussion Paper, could point towards alternative data sources for exchange rates expectations.
3. It is hard to assess the different results with respect to the original work when the authors of the Economics Letters (2008) paper can not provide any detail of the way they computed the FSA test. I conjecture they are due to compute the FSA distribution for a different sample size, maybe 380 observations (?), whereas I have compute it for 167 observations, which is the relevant sample size in this case. Regarding the Newey-West HAC estimator bandwith, I have set it to a  $n^{1/4}$ , as in Fernandez et al. (2005). Again, original paper's authors do not provide information about this parameter. In any case, do you suggest repeating the analysis for different bandwith values? Finally, the subsamples were constructed as in Resende and Zeidan (2008).
4. Certainly, footnote 4 will be omitted in the revised version.