

## **ABSTRACT**

This paper attempts to examine whether nominal interest rates has any impact on the interest rate and the exchange rate of currencies between countries from the developing world and the already developed world and test for the existence of International Fisher Effect in sample of developed Australia, Canada and France emerging economies, Mexico South Africa and Singapore. Monthly data for a period of 20 years was used to test for stationarity using the Augmented Dickey-fuller test. Subsequently the Johansen's test for co-integration was applied. The tests showed the presence of long term Fisher Effect in Canada, France and Mexico but no short term Fisher Effect. Singapore and South Africa did not show the presence of Fisher Effect.