Paper: **"Global Financial Tightening Conditions and Foreign Exchange Volatility in Kenya"**

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Peer review:

Reviewer 1: Jiahua Zhou
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Reviewer 2: Ivan Steenkamp
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Reviewer 3: Vera Komarova
Daugavpils University, Latvia

Reviewer 4: Foldi Kata
University of Debrecen, Hungary

ESJ *Manuscript Evaluation Form 2026*
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Please respond within the appointed time so that we can give the authors timely responses and feedback.

NOTE: ESJ promotes peer review procedure based on scientific validity and technical quality of the paper (not perceived the impact). You are also not required to do proofreading of the paper. It could be recommended as part of the revision.
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Reviewer Name: **Ivan Steenkamp**	
University, Country: **Unicaf University – Zambia**	
Date Manuscript Received: **18 February 2026**	Date Review Report Submitted: **19 February 2026**
Manuscript Title: **Global Financial Tightening Conditions and Foreign Exchange Volatility in Kenya**	
ESJ Manuscript Number:	
You agree your name is revealed to the author of the paper: **Yes**	
You approve, your name as a reviewer of this paper, is available in the "review history" of the paper: You approve, this review report is available in the "review history" of the paper: **Yes**	

Evaluation Criteria:
Please give each evaluation item a numeric rating on a 5-point scale, along with a thorough explanation for each point rating.

Questions	*Rating Result* [Poor] **1-5** [Excellent]
1. The title is clear and it is adequate to the content of the article.	**4**
The title *"Global Financial Tightening Conditions and Foreign Exchange Volatility in Kenya"* accurately reflects the core focus of the study, which empirically examines how global tightening (e.g., US Fed rates, global liquidity) affects Kenya's FX volatility using DCC-EGARCH methods. The scope, geography, and key variables are well aligned with the paper's objectives and findings. However, it could be made slightly more precise by indicating the methodological approach or time dimension if greater specificity is desired.	
2. The abstract presents objectives, methods, and results.	**4**

The abstract clearly states the study objective (testing competing theoretical frameworks on FX volatility in Kenya), specifies the methodology (DCC-GARCH using monthly data from 2004–2025), and summarises the main findings (strong persistence driven by Fed tightening, weak domestic policy response, and evidence supporting the post-Keynesian view). It also provides a concise policy implication. Overall, the abstract is well structured and meets academic expectations, though it could be slightly tightened for brevity and clarity.	
3. There are a few grammatical errors and spelling mistakes in this article.	**3**
The manuscript is generally understandable, but it contains noticeable grammar problems (e.g., subject–verb agreement, article usage, awkward phrasing) and some typographical inconsistencies (e.g., "dysfunctional global economic system yet theoretical models diverge…"). These do not obscure the main message but require careful proofreading and professional language editing to improve clarity and academic polish.	
4. The study methods are explained clearly.	**3**
The paper clearly identifies the econometric framework (DCC-EGARCH and stochastic volatility models), data sources, sample period (January 2004–June 2025), and variable operationalisation. The step-by-step presentation of equations and tests (ADF, ARCH, DCC parameters) demonstrates methodological rigor. However, clarity could be improved by: - briefly justifying the choice of DCC-EGARCH over alternatives, - improving notation consistency and explanation of symbols, and - providing a clearer empirical model equation in readable form. Overall, the methods are understandable and technically sound but would benefit from minor exposition refinements.	
5. The results are clear and do not contain errors.	**3**
The results are presented in a structured and logical manner, with tables and parameter interpretations that largely align with the stated methodology. The discussion appropriately links empirical findings to theory. However, there are some concerns: - a few inconsistencies in reported parameter values (e.g., FX alpha described as 0.906 in the text versus 0.12769 in the table), - occasional notation and formatting problems, and - some overstatements in interpretation that would benefit from tighter statistical wording. These issues do not invalidate the findings but should be corrected for full clarity and accuracy.	
6. The conclusions or summary are accurate and supported by the content.	**3**
The conclusions logically follow from the empirical results presented in the DCC-EGARCH analysis. The paper consistently shows strong persistence in FX volatility driven by global factors (FED, GLI, risk), alongside limited effectiveness of domestic monetary policy, and the summary appropriately reflects these findings. Policy recommendations (e.g., strengthening macroprudential buffers and reserves) are broadly consistent with the evidence. However, the conclusions would be stronger if the authors slightly moderated causal language and more explicitly acknowledged model limitations. Overall, the summary is well aligned with the study's results.	
7. The references are comprehensive and appropriate.	**4**

The reference list covers key theoretical foundations (e.g., Mundell–Fleming, post-Keynesian/Minskyan literature), relevant empirical studies on global monetary spillovers, FX volatility, and emerging markets, as well as Kenya-specific work. The mix of journal articles, working papers, and institutional sources supports the study's arguments effectively.

Minor improvements could include:

- ensuring full consistency in citation formatting,
- updating a few older Kenya-specific sources where possible, and
- verifying that all in-text citations appear in the reference list.

Overall, the references are suitable and sufficiently comprehensive for the study.

Overall Recommendation (mark an X with your recommendation) :

Accepted, no revision needed	
Accepted, minor revision needed	**X**
Return for major revision and resubmission	
Reject	

Comments and Suggestions to the Author(s):

The paper addresses an important and timely topic and demonstrates solid econometric effort; however, the manuscript would benefit from careful language editing to correct grammatical and stylistic issues. Improve consistency between reported coefficients in the text and those in the tables (e.g., FX alpha discrepancy). Clarify model notation and provide a cleaner presentation of the main empirical equation for readability. Briefly strengthen the methodological justification for choosing DCC-EGARCH over alternative volatility models.

Moderate some causal claims and explicitly acknowledge study limitations (e.g., data constraints, model assumptions). Ensure full reference formatting consistency and verify all citations.

Overall, the study is promising and publishable after minor to moderate revisions focused on clarity, consistency, and presentation.

Comments and Suggestions to the Editors Only:

Reviewer A:
Recommendation: Revisions Required

The TITLE is clear and it is adequate to the content of the article.
The title is clear and adequate to the content of the article.
However, for stronger positioning in a European Scientific Journal context, it could be made more specific to reflect the empirical and theoretical contribution.
The ABSTRACT clearly presents objectives, methods, results, and conclusions.
The abstract clearly presents: objectives, methods, results and conclusions. It satisfies European Scientific Journal expectations. Quality level: High, with minor stylistic improvements possible for clarity and brevity.
There are a few grammatical errors and spelling mistakes in this article.
There are several grammatical errors, recurrent capitalization inconsistencies, minor spelling mistakes and stylistic weaknesses in sentence construction.
The article would benefit from thorough proofreading and professional language editing to meet European Scientific Journal publication standards.
Current language quality level: moderate, but not publication-ready without revision.
The study METHODS are explained clearly.
The study methods are explained, and the econometric framework is identifiable and technically appropriate. However, clarity is moderate rather than strong.
For European Scientific Journal standards: the methods are adequately described, they require clearer presentation, better equation formatting, and stronger justification of model selection. Acceptable but needs refinement to meet high-level international publication standards.
The results are clear and do not contain errors.
The results are structured and economically interpreted clearly in many sections.
The CONCLUSION or summary is accurate and supported by the content.
The conclusion is largely accurate and supported by the content of the study. It reflects the empirical findings and maintains internal consistency. However, some theoretical claims are somewhat stronger than the direct econometric evidence strictly justifies.
The list of REFERENCES is comprehensive and appropriate.
The citations are not consistent. The authors are not cited consistently in either strictly descending or strictly ascending chronological order.

In references with three or more authors, sometimes all authors' surnames are listed, while in other cases only the first author's surname is followed by "et al." This inconsistency appears in the following examples:

Abdi, Muturi & Olweny, 2020, then later cited as Abdi et al., 2020
Adrian, Natalucci & Wu, 2024
Ahmed, Akinci & Queralto, 2024
Aghion, Bacchetta & Ranciere, 2009
Arteta, Kamin, & Ruch, 2022

Benigno, Beningo & Nisticò (2012) and elsewhere Benigno et al., 2012
Cevik, Kirci-Cevik, and Dibooglu, 2016, then later cited as Cevik et al., 2016
Checo, Grigoli & Sandri, 2024
Filardo, Gelos & McGregor, 2022
Fratzscher, Gloede & Menkhoff, 2019
Hanusch, Nguyen & Algu, 2018
Olds, Steenkamp, and Van Jaarsveld (2021
Rufai, Udaah & Salisu, 2023
Sumba, Nyabuto & Mugambi, 2024
Matschke, von Ende-Becker & Sattiraju, 2023

In the Reference List

Alam, M.R. et al., 2023 appears in the reference list, but in the text it is cited as Alam's (2023), which is inconsistent.

Included in the Reference List but Not Cited in the Text

The following sources appear in the reference list but are not cited in the body of the article:

Avilés O.E & Flores S.M.M. (2021)
Edewusi, D. G., & Duru, C. J. (2022)
Hoek, J., Kamin, S., & Yoldas, E. (2022
Mohanty, M. S. (2013). Market volatility and foreign exchange intervention in EMEs: What has changed? An Overview (October 2013). BIS Paper, (73a).
MASEconomics (2025)
Rey, H. (2015). Dilemma not trilemma: the global financial cycle and monetary policy independence (No. w21162). National Bureau of Economic Research.

Missing or Incorrect Years

In the in-text citation for Fleming, the year is missing, while in the reference list it appears as Fleming, J. M. (1962).

Mundell, R. A. (1960). The monetary dynamics of international adjustment under fixed and flexible exchange rates. The Quarterly Journal of Economics, 74(2), 227–257.

Maana, Mwita & Odhiambo, 2010 is cited in the text, but in the reference list the year appears as 2017.

The year is missing after the in-text citation: Ndagara et al.
Please rate the TITLE of this paper.
[Poor] **1-5** [Excellent]
4

Please rate the ABSTRACT of this paper.

[Poor] **1-5** [Excellent]
4

Please rate the LANGUAGE of this paper.
[Poor] **1-5** [Excellent]
3

Please rate the METHODS of this paper.
[Poor] **1-5** [Excellent]
4

Please rate the RESULTS of this paper.
[Poor] **1-5** [Excellent]
3

Please rate the CONCLUSION of this paper.
[Poor] **1-5** [Excellent]
4

Please rate the REFERENCES of this paper.
[Poor] **1-5** [Excellent]
3

Overall Recommendation!!!
Reject

Comments and Suggestions to the Author(s):
Your title addresses a highly relevant and timely issue. The topic is strong. The theoretical framing is ambitious. The dataset is rich. The econometric approach is appropriate for volatility analysis. The policy relevance is clear.
However, several areas require minor revision before publication.

1. Results Consistency and Technical Accuracy
• Correct inconsistencies between reported coefficients and textual interpretation.
• Recheck the FX alpha parameter mismatch in the DCC-EGARCH section.
• Clarify contradictions in the ADF stationarity discussion.
• Clearly separate DCC-EGARCH results from Stochastic Volatility results.
• Avoid overstating theoretical validation. Use "consistent with" rather than "validates."
This is the most critical revision area.

2. Methodology Presentation
• Improve equation formatting and notation clarity.
• Define all variables immediately after introducing equations.
• Justify more clearly why DCC-EGARCH is chosen over alternative multivariate volatility models.
• Clarify model selection criteria and lag structure.

• Briefly discuss robustness checks.
Improve transparency and replicability.

3. Language and Style
• Conduct full professional proofreading.
• Correct grammatical errors and typographical mistakes.
• Fix capitalization inconsistencies.
• Shorten long and overloaded sentences.
• Improve clarity in dense theoretical passages.
Language quality must reach publication standard.

4. Abstract Improvement
• Simplify the first sentence.
• Reduce density of theoretical terminology.
• Tighten wording for stronger readability.
The content is strong, but clarity can improve
5. Conclusion Refinement
• Tone down theoretical claims.
• Refer more precisely to numerical findings.
• Keep conclusions tightly linked to empirical evidence.

6. References
• Standardize formatting across all entries.
• Correct spelling errors in author names.
• Ensure consistent citation style.
• Verify all DOIs and URLs.
• Reduce reliance on blogs where possible or justify their use.

7. Overall Structure
• Ensure internal consistency between tables, text, and interpretation.
• Improve flow between empirical results and theoretical implications.
• Maintain precision in econometric language.

The article has strong potential and a solid foundation. With careful revision, improved internal consistency, clearer methodological presentation, and professional language editing, the paper can reach publication standard.

Reviewer B:
Recommendation: Revisions Required

The TITLE is clear and it is adequate to the content of the article.

Yes, the title is generally clear and relevant, but a slightly more specific or informative version would better reflect the depth and uniqueness of the article.

The ABSTRACT clearly presents objectives, methods, results, and conclusions.

The abstract is strong and mostly clear, but it is slightly dense and could improve in structure and clarity, especially in separating objectives and conclusions.

There are a few grammatical errors and spelling mistakes in this article.

The article contains a few grammatical and stylistic errors, but they are minor and fixable with light editing or professional proofreading.

The study METHODS are explained clearly.

The methods are clearly explained and methodologically sound, especially for readers with an econometrics background.

However, they would benefit from simpler explanations, clearer variable definitions, and improved formatting to enhance readability for a broader audience.

The results are clear and do not contain errors.

The results are generally clear and meaningful, but they are not completely error-free.

There are notable inconsistencies (especially in parameter values), minor interpretation issues, and formatting problems that should be corrected before publication.

The CONCLUSION or summary is accurate and supported by the content.

The conclusion is well-aligned with the study's findings and largely justified, but it would benefit from more cautious wording and acknowledgment of limitations to avoid overstatement.

The list of REFERENCES is comprehensive and appropriate.

The reference list is appropriate and sufficiently comprehensive for the study, but it would benefit from:

More region-specific studies,

Additional methodological sources, and

Improved formatting consistency.

Some citations in the text are inconsistent or unclear when matched to the reference list:

"Abdii et al., 2020" appears in-text

→ But the reference list contains "Abdi, Z., Muturi, W., & Olweny, T. (2020)"

Likely a spelling inconsistency (Abdii vs Abdi)

"Uz Akdogan, 2023" appears in results discussion

→ There is no in the reference list

Please rate the TITLE of this paper.

[Poor] **1-5** [Excellent]

4

Please rate the ABSTRACT of this paper.

[Poor] **1-5** [Excellent]

4

Please rate the LANGUAGE of this paper.

[Poor] **1-5** [Excellent]

4

Please rate the METHODS of this paper.

[Poor] **1-5** [Excellent]

Please rate the RESULTS of this paper.
[Poor] **1-5** [Excellent]
4

Please rate the CONCLUSION of this paper.
[Poor] **1-5** [Excellent]
5

Please rate the REFERENCES of this paper.
[Poor] **1-5** [Excellent]
4

Overall Recommendation!!!
Accepted, minor revision needed

Comments and Suggestions to the Author(s):
The manuscript has strong academic potential, but requires minor to moderate revisions focusing on:
Clarity and language
Consistency in results
Citation accuracy
Technical presentation

Reviewer C:
Recommendation: Accept Submission

The TITLE is clear and it is adequate to the content of the article.
The title is clear.
The ABSTRACT clearly presents objectives, methods, results, and conclusions.
The abstract clearly includes objectives, methods, results and conclusions, but a more concise abstract can capture readers' interest more directly.
There are a few grammatical errors and spelling mistakes in this article.
I did not see many grammatical errors and spelling mistakes, but I feel the introduction part needs to be edited more concisely. You need to attract readers' attentions to move to your methodology and analysis result.
The study METHODS are explained clearly.
I recommend that the author move the mathematic introduction part in Model Specification to Appendix. By doing so, you can introduce your complicated model in a smooth and understandable manner.

The results are clear and do not contain errors.
The results are clear. It is fine if the table presentations style matches the journal's requirement. I did not see any deviations from the tableted results.

The CONCLUSION or summary is accurate and supported by the content.
The conclusion and summary are strong. It has a valuable and practical contribution to help emerging economy's policy makers. The research methodology fits the research question well. The author can follow this methodology's steps to achieve the study goal. The evidence (result) can provide a layered and well-structured support for the conclusion.

The list of REFERENCES is comprehensive and appropriate.
The reference is appropriate.

Please rate the TITLE of this paper.
[Poor] **1-5** [Excellent]
5

Please rate the ABSTRACT of this paper.
[Poor] **1-5** [Excellent]
4

Please rate the LANGUAGE of this paper.
[Poor] **1-5** [Excellent]
4

Please rate the METHODS of this paper.
[Poor] **1-5** [Excellent]
5

Please rate the RESULTS of this paper.
[Poor] **1-5** [Excellent]
5

Please rate the CONCLUSION of this paper.
[Poor] **1-5** [Excellent]
5

Please rate the REFERENCES of this paper.
[Poor] **1-5** [Excellent]
4

Overall Recommendation!!!
Accepted, minor revision needed

Comments and Suggestions to the Author(s):
This is a timely and practical topic that can help emerging economy's policy makers. The research methodology fits the research question well. The author can follow this methodology's steps to achieve the study goal. The evidence (result) can provide a layered and well-structured support for the conclusion.

From the perspective of readability, the author(s) need to edit the abstract and the introduction part more concisely and smoothly. It is not easy for me to push myself to read these parts.