**Replication Files for the GLP-Pandemic Priors BVAR**

**Combination of the replication files for Giannone, Lenza and Primiceri (2015) and the adaption proposed by Cascaldi-Garcia (2023) for the pandemic period.**

**"Prior Selection for Vector Autoregressions,"**

The Review of Economics and Statistics (2015) 97 (2): 436–451.

**"Pandemic Priors,"**

International Finance Discussion Paper # 1352 (Federal Reserve Board).

This folder contains the following files:

* Main function
  + **bvarGLP\_pp.m**: estimates the BVAR-Pandemic Priors
* Auxiliary Functions
  + **logMLVAR\_formin\_pp.m**: computes the marginal likelihood and the posterior mode of the parameters and hyperparameters
  + **logMLVAR\_formcmc\_pp.m**: computes the marginal likelihood and draws from the posterior of the parameters
  + **setpriors\_pp.m**: sets up the default choices for the prior
* Examples: 8 Variables VAR (from January 1975 through August 2023)
  + **ExamplePandemicPriors.m**: Shows how to set and estimate the GLP-Pandemic Priors, with impulse responses to an excess bond premium shock, and forecasts.
* Subroutines are collected in a sub-directory. It also includes the optimization functions “csminwel.m” by Chris Sims (<http://www.princeton.edu/~sims/>)