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inventories

David Backus <dbackus@stern.nyu.edu>

Fri, Oct 15, 2010 at 2:22 PM

To: Joe Foudy <jfoudy@stern.nyu.edu>

Summary of facts, in case this comes up again. Virgiliu Midrigan is a terrific economist in FAS econ.

----- Forwarded message -----

From: David Backus <dbackus@stern.nyu.edu>

Date: Fri, Oct 15, 2010 at 2:21 PM

Subject: inventories

To: David Backus <dbackus@stern.nyu.edu>

From Virgiliu:

Most of the action is in sales, not inventories. If sales S go down 1%, inventories I fall 0.2%, so the ratio I/S rises 0.8%.

Inventory investment lags: DI vs DS .

Mean of I is roughly 1.4 monthly S .
