**Replication Files for Giannone, Lenza and Primiceri (2012).**

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

NBER Working Papers 18467, National Bureau of Economic Research, Inc.

This folder contains the following files:

* Main function
  + **bvarGLP.m**: estimates the BVAR
* Auxiliary Fuctions
  + **logMLVAR\_formin.m**: computes the marginal likelihood and the posterior mode of the parameters and hyperparameters
  + **logMLVAR\_formcmc.m**: computes the marginal likelihood and draws from the posterior of the parameters
  + **setpriors.m**: sets up the default choices for the prior
* Examples: based on a 7 Variables VAR (including Y, P, C, I, H, W, FFR, from 1959Q1 till 2008Q4)
  + **ExampleForecast.m**: Shows how to compute point forecasts (based on the posterior mode of the parameters)
  + **ExamplePredictiveDensity.m**: Shows how to compute density forecasts by using MCMC to draw from the predictive density
  + **ExampleIRFs.m**: Shows how to compute Impulse Response Functions to a Monetary policy shock identified using Cholesky ordering (FFR ordered last)
  + **ExampleMinnesotaOnly.m**: Shows how to set the options in order to use only the Minnesota prior in its simplest form
* Subroutines are collected in a sub-directory. It also includes the optimization functions “csminwel.m” by Chris Sims (<http://www.princeton.edu/~sims/>)