```
                                              ___  ___  ___  ___  ___(R)
                                             /__  /  ___/  /  ___/
                                           ___/  /  /___/  /  /___/
                                              Statistics/Data analysis
```

```
      name:  RERTOT_FRL
       log:  C:\Users\jamel\Dropbox\Latex\PROJECTS\24-09-rer-fd-ecs\Revision_FRL\Replication\RERTOT_FRL.smcl
  log type:  smcl
 opened on:  4 Aug 2025, 16:26:32
```

```
.
. use datafintransformed-22-11-17, clear

.
. set scheme stcolor

.
. *search xthreg
.
. **# Table 1: Descriptive statistics.
.
. sum lreer lto ltot lres lgdppk_m100 lgovexp
```

Variable	Obs	Mean	Std. dev.	Min	Max
lreer	2,200	4.632866	.1832542	2.84686	5.567302
lto	2,200	3.650269	.4817038	2.377674	5.392096
ltot	2,200	-.014806	.371138	-2.11197	2.513272
lres	2,200	2.522981	.8929707	.0925683	4.697033
lgdppk_m100	2,200	4.60517	.5413455	3.159225	5.774917
lgovexp	2,127	2.696445	.3713954	-.0494565	3.56532

```
. qui: outreg2 using sum.doc, ///
>  replace sum(log) keep(lreer lto ltot lres lgdppk_m100 lgovexp)
 :
.
. sum fd fi fm fmd if count_lgovexp==20
```

Variable	Obs	Mean	Std. dev.	Min	Max
fd	2,000	.3877101	.2430807	.0260242	.9674348
fi	2,000	.4590305	.2280799	.0496998	.9781906
fm	2,000	.302498	.2785787	0	.9494287
fmd	2,000	.2903551	.297646	0	1

```
. qui: outreg2 using sum1.doc if count_lgovexp==20, ///
>  replace sum(log) keep(fd fi fm fmd)
 :
.
. **# Table 2. Panel threshold regressions and financial development.
.
. // Column 1
.
. **# Financial Dev - Full sample**
. xthreg lreer lgdppk_m100 lgovexp if count_lgovexp==20, ///
> rx(etot_L1lres) qx(l2.fd) thnum(1) grid(300) bs(300)
Estimating the threshold parameters:  1st ...... Done
Boostrap for single threshold
............................................... +   50
............................................... +  100
............................................... +  150
............................................... +  200
............................................... +  250
............................................... +  300

Threshold estimator (level = 95):
```

model	Threshold	Lower	Upper
Th-1	0.0844	0.0791	0.0851

Threshold effect test (bootstrap = 300):

Threshold	RSS	MSE	Fstat	Prob	Crit10	Crit5	Crit1
Single	23.2720	0.0131	12.97	0.7833	36.8851	42.3277	49.8437

Fixed-effects (within) regression   Number of obs   =   1,800
Group variable: **cn**   Number of groups   =   100

R-squared: Obs per group:
    Within = **0.1286**   min =   18
    Between = **0.1258**   avg =   18.0
    Overall = **0.0376**   max =   18

                                            F(**4**, 1696)   =   62.57
corr(u_i, Xb) = **-0.9686**   Prob > F   =   0.0000

lreer	Coefficient	Std. err.	t	P>|t|	[95% conf. interval]	
lgdppk_m100	.6930496	.0551961	12.56	0.000	.58479	.8013091
lgovexp	.1469674	.0218244	6.73	0.000	.1041619	.189773
_cat#c.etot_L1lres						
0	.0034922	.0033994	1.03	0.304	-.0031752	.0101597
1	-.0089182	.0014233	-6.27	0.000	-.0117098	-.0061266
_cons	1.020741	.2654403	3.85	0.000	.5001164	1.541366

sigma_u	.42868485
sigma_e	.11714166
rho	.93051816 (fraction of variance due to u_i)

F test that all u_i=0: F(**99**, 1696) = **14.50**   Prob > F = **0.0000**

```
.
. // Column 2
.
. **Financial Institutions - Full sample**
. xthreg lreer lgdppk_m100 lgovexp if count_lgovexp==20 ///
>     , ///
>        rx(etot_L1lres) qx(l2.fi) thnum(1) grid(600) bs(100) trim(0.10)
Estimating the threshold parameters:  1st ......  Done
Boostrap for single threshold
................................................ +   50
................................................ +  100
```

Threshold estimator (level = 95):

model	Threshold	Lower	Upper
Th-1	0.4806	0.4790	0.4814

Threshold effect test (bootstrap = 100):

Threshold	RSS	MSE	Fstat	Prob	Crit10	Crit5	Crit1
Single	22.9223	0.0129	40.36	0.0500	35.0130	39.2648	45.8237

Fixed-effects (within) regression   Number of obs   =   1,800
Group variable: **cn**   Number of groups   =   100

R-squared: Obs per group:
    Within = **0.1403**   min =   18
    Between = **0.1183**   avg =   18.0
    Overall = **0.0344**   max =   18

                                            F(**4**, 1696)   =   69.20
corr(u_i, Xb) = **-0.9699**   Prob > F   =   0.0000

lreer	Coefficient	Std. err.	t	P>|t|	[95% conf. interval]	
lgdppk_m100	.7112848	.0548386	12.97	0.000	.6037263	.8188433
lgovexp	.153809	.021652	7.10	0.000	.1113415	.1962766
_cat#c.etot_L1lres						
0	-.0096133	.0013982	-6.88	0.000	-.0123557	-.0068708
1	.0077606	.002883	2.69	0.007	.002106	.0134152
_cons	.9178462	.2636877	3.48	0.001	.4006587	1.435034
sigma_u	.44204645					
sigma_e	.11635181					
rho	.93520838	(fraction of variance due to u_i)				

F test that all u_i=0: F(99, 1696) = 14.59   Prob > F = 0.0000

```
.
. sum fm if fi <= 0.4806 & count_lgovexp==20
```

Variable	Obs	Mean	Std. dev.	Min	Max
fm	1,180	.1507849	.1751877	0	.7171974

```
. sum fm if fi > 0.4806 & count_lgovexp==20
```

Variable	Obs	Mean	Std. dev.	Min	Max
fm	820	.5208167	.2536828	.0036177	.9494287

```
.
. // Column 3
.
. **Financial Markets - Full sample**
. xthreg lreer lgdppk_m100 lgovexp if count_lgovexp==20 ///
>      , ///
>        rx(etot_L1lres) qx(l2.fm) thnum(1) grid(300) bs(300)
Estimating  the  threshold  parameters:  1st ......  Done
Boostrap for single threshold
.................................................. +  50
.................................................. + 100
.................................................. + 150
.................................................. + 200
.................................................. + 250
.................................................. + 300
```

Threshold estimator (level = 95):

model	Threshold	Lower	Upper
Th-1	0.1092	0.0977	0.1148

Threshold effect test (bootstrap = 300):

Threshold	RSS	MSE	Fstat	Prob	Crit10	Crit5	Crit1
Single	23.1985	0.0130	18.66	0.5867	38.2236	46.8354	70.2220

Fixed-effects (within) regression   Number of obs   =   1,800
Group variable: **cn**   Number of groups =   100

R-squared: Obs per group:
    Within = 0.1313   min =   18
    Between = 0.1209   avg =   18.0
    Overall = 0.0360   max =   18

                                        F(4, 1696)   =   64.06
corr(u_i, Xb) = -0.9702   Prob > F   =   0.0000

lreer	Coefficient	Std. err.	t	P>|t|	[95% conf. interval]	
lgdppk_m100	.7139527	.0552046	12.93	0.000	.6056763	.8222291
lgovexp	.1441147	.0218229	6.60	0.000	.1013121	.1869174
_cat#c.etot_L1lres						
0	-.0043845	.0015397	-2.85	0.004	-.0074044	-.0013647
1	-.0145245	.0021707	-6.69	0.000	-.018782	-.0102669
_cons	.9325112	.2651255	3.52	0.000	.4125037	1.452519
sigma_u	.44079781					
sigma_e	.11696286					
rho	.9342239	(fraction of variance due to u_i)				

F test that all u_i=0: F(99, 1696) = 14.59   Prob > F = 0.0000

```
.
. // Column 4
.
. **# Financial Markets - ECS**
. xthreg lreer lgdppk_m100 lgovexp if count_lgovexp==20 ///
> & rn==2, ///
> rx(etot_L1lres) qx(L2.fm) thnum(1) grid(300) bs(300)
Estimating  the  threshold  parameters:  1st ......  Done
Boostrap for single threshold
............................................. +   50
............................................. +  100
............................................. +  150
............................................. +  200
............................................. +  250
............................................. +  300
```

Threshold estimator (level = 95):

model	Threshold	Lower	Upper
Th-1	0.0217	0.0210	0.0220

Threshold effect test (bootstrap = 300):

Threshold	RSS	MSE	Fstat	Prob	Crit10	Crit5	Crit1
Single	5.0432	0.0072	61.50	0.0167	39.2743	48.3484	64.8603

Fixed-effects (within) regression   Number of obs   =   720
Group variable: cn   Number of groups =   40

R-squared: Obs per group:
    Within = 0.1814   min =   18
    Between = 0.0010   avg =   18.0
    Overall = 0.0024   max =   18

                                           F(4, 676)   =   37.45
corr(u_i, Xb) = -0.9397   Prob > F   =   0.0000

lreer	Coefficient	Std. err.	t	P>|t|	[95% conf. interval]	
lgdppk_m100	.6172063	.0632999	9.75	0.000	.4929182	.7414944
lgovexp	.1520681	.0408981	3.72	0.000	.0717654	.2323707
_cat#c.etot_L1lres						
0	-.0134782	.0029661	-4.54	0.000	-.019302	-.0076544
1	.0144936	.0026559	5.46	0.000	.0092788	.0197084
_cons	1.076252	.3553874	3.03	0.003	.3784566	1.774048
sigma_u	.21999629					
sigma_e	.08656159					

	rho	.86593778	(fraction of variance due to u_i)

F test that all u_i=0: F(39, 676) = 10.58   Prob > F = 0.0000

. sum fm if fm <= 0.0217 & rn==2 & count_lgovexp==20

Variable	Obs	Mean	Std. dev.	Min	Max
fm	122	.0093684	.0059324	.0028123	.0215554

. sum fm if fm > 0.0217 & rn==2 & count_lgovexp==20

Variable	Obs	Mean	Std. dev.	Min	Max
fm	678	.4301768	.273638	.021737	.9494287

.
. // Column 5
.
. **# Financial Markets Depth - ECS**
. xthreg lreer lgdppk_m100 lgovexp if count_lgovexp==20 ///
> & rn==2, ///
> rx(etot_L1lres) qx(L2.fmd) thnum(1) grid(300) bs(300)
Estimating the threshold parameters: 1st ...... Done
Boostrap for single threshold
.... +   50
.... + 100
.... + 150
.... + 200
.... + 250
.... + 300

Threshold estimator (level = 95):

model	Threshold	Lower	Upper
Th-1	0.0234	0.0173	0.0249

Threshold effect test (bootstrap = 300):

Threshold	RSS	MSE	Fstat	Prob	Crit10	Crit5	Crit1
Single	5.0576	0.0072	59.33	0.0233	41.7778	51.2579	80.7307

Fixed-effects (within) regression   Number of obs   =   720
Group variable: cn   Number of groups =   40

R-squared: Obs per group:
     Within = 0.1826   min =   18
     Between = 0.0013   avg =   18.0
     Overall = 0.0024   max =   18

                                           F(4, 676)   =   37.76
corr(u_i, Xb) = -0.9355   Prob > F   =   0.0000

lreer	Coefficient	Std. err.	t	P>|t|	[95% conf. interval]	
lgdppk_m100	.5809665	.0632187	9.19	0.000	.4568379	.7050951
lgovexp	.1585325	.040872	3.88	0.000	.0782812	.2387837
_cat#c.etot_L1lres						
0	-.012808	.0028886	-4.43	0.000	-.0184797	-.0071362
1	.012576	.0024976	5.04	0.000	.007672	.01748
_cons	1.239264	.3548933	3.49	0.001	.5424382	1.936089
sigma_u	.21322326					
sigma_e	.08649631					
rho	.85869291	(fraction of variance due to u_i)				

F test that all u_i=0: F(**39, 676**) = **10.49**   Prob > F = **0.0000**

. sum fmd if fmd <= 0.0234 & rn==2 & count_lgovexp==20

Variable	Obs	Mean	Std. dev.	Min	Max
fmd	**119**	**.0113428**	**.0052305**	**.0004064**	**.0233997**

. sum fmd if fmd > 0.0234 & rn==2 & count_lgovexp==20

Variable	Obs	Mean	Std. dev.	Min	Max
fmd	**681**	**.410132**	**.3047344**	**.0238967**	**.9888874**

.
. **# Fig. 1. Threshold effect in the ECS region.
.
. gen resgdp = (res/gdp)*100

. by cn: egen resgdp_full = mean(resgdp)

. by cn: egen resgdp_before = mean(resgdp) if year<2008
(1,430 missing values generated)

. by cn: egen resgdp_after = mean(resgdp) if year>2009
(990 missing values generated)

. by cn: egen resgdp_full_sd = sd(resgdp)

. by cn: egen resgdp_before_sd = sd(resgdp) if year<2008
(1,430 missing values generated)

. by cn: egen resgdp_after_sd = sd(resgdp) if year>2009
(990 missing values generated)

.
. graph hbar resgdp_before resgdp_after ///
> if region=="ECS" & eurozone==0, over(cn, sort(2) ///
> label(labsize(small))) ///
> legend(pos(6) label(1 "Before the financial crisis (2007-2009)") label(2 "After the financial crisis (2010-2020)")
> title("Buffer effect in the ECS region without EZ") ///
> note(Source: see the main text.) xsize(7)

.
. graph rename Graph Thres_Res, replace

. graph export Thres_Res.png, as(png) name("Thres_Res") width(3000) replace
file **Thres_Res.png** saved as PNG format

.
. **# Fig. 2, Fig. 3 present the construction of the confidence intervals for the threshold models in the ECS region
.
. // Column 4
.
. **# Financial Markets - ECS**
. xthreg lreer lgdppk_m100 lgovexp if count_lgovexp==20 ///
> & rn==2, ///
> rx(etot_L1lres) qx(L2.fm) thnum(1) grid(300) bs(300)
Estimating the threshold parameters: 1st ...... Done
Boostrap for single threshold
.... +   50
.... + 100
.... + 150
.... + 200
.... + 250
.... + 300

Threshold estimator (level = 95):

model	Threshold	Lower	Upper
Th-1	0.0217	0.0210	0.0220

Threshold effect test (bootstrap = 300):

Threshold	RSS	MSE	Fstat	Prob	Crit10	Crit5	Crit1
Single	5.0432	0.0072	61.50	0.0200	44.1211	54.3420	69.9921

Fixed-effects (within) regression   Number of obs   =   720
Group variable: **cn**   Number of groups =   40

R-squared: Obs per group:
    Within = 0.1814   min =   18
    Between = 0.0010   avg =   18.0
    Overall = 0.0024   max =   18

                                            F(**4, 676**)   =   37.45
corr(u_i, Xb) = **-0.9397**   Prob > F   =   0.0000

lreer	Coefficient	Std. err.	t	P>|t|	[95% conf. interval]	
lgdppk_m100	.6172063	.0632999	9.75	0.000	.4929182	.7414944
lgovexp	.1520681	.0408981	3.72	0.000	.0717654	.2323707
_cat#c.etot_L1lres						
0	-.0134782	.0029661	-4.54	0.000	-.019302	-.0076544
1	.0144936	.0026559	5.46	0.000	.0092788	.0197084
_cons	1.076252	.3553874	3.03	0.003	.3784566	1.774048
sigma_u	.21999629					
sigma_e	.08656159					
rho	.86593778	(fraction of variance due to u_i)				

F test that all u_i=0: F(**39, 676**) = 10.58   Prob > F = **0.0000**

. sum fm if fm <= 0.0217 & rn==2 & count_lgovexp==20

Variable	Obs	Mean	Std. dev.	Min	Max
fm	122	.0093684	.0059324	.0028123	.0215554

. sum fm if fm > 0.0217 & rn==2 & count_lgovexp==20

Variable	Obs	Mean	Std. dev.	Min	Max
fm	678	.4301768	.273638	.021737	.9494287

.
. *ereturn list
.
. capture graph drop LR_FMECS

.

```
. _matplot e(LR), title("ECS FM - buffer effect") ///
> yline(7.35, lpattern(dash)) connect(direct) msize(small) mlabp(0) ///
> mlabs(zero) ytitle("LR Statistics") xtitle("Threshold Parameter") ///
> recast(line) name(LR_FMECS)

.
. graph export LR_FMECS.png, as(png) name("LR_FMECS") width(3000) replace
(file LR_FMECS.png not found)
file LR_FMECS.png saved as PNG format


.
. // Column 5
.
. **# Financial Markets Depth - ECS**
. xthreg lreer lgdppk_m100 lgovexp if count_lgovexp==20 ///
> & rn==2, ///
> rx(etot_L1lres) qx(L2.fmd) thnum(1) grid(300) bs(300)
Estimating the threshold parameters:  1st ......  Done
Boostrap for single threshold
............................................... +   50
............................................... +  100
............................................... +  150
............................................... +  200
............................................... +  250
............................................... +  300
```

Threshold estimator (level = 95):

model	Threshold	Lower	Upper
Th-1	0.0234	0.0173	0.0249

Threshold effect test (bootstrap = 300):

Threshold	RSS	MSE	Fstat	Prob	Crit10	Crit5	Crit1
Single	5.0576	0.0072	59.33	0.0200	39.3432	47.0501	61.2113

```
Fixed-effects (within) regression          Number of obs    =        720
Group variable: cn                         Number of groups =         40

R-squared:                                 Obs per group:
    Within  = 0.1826                                    min =         18
    Between = 0.0013                                    avg =       18.0
    Overall = 0.0024                                    max =         18

                                           F(4, 676)        =      37.76
corr(u_i, Xb) = -0.9355                    Prob > F         =     0.0000
```

lreer	Coefficient	Std. err.	t	P>|t|	[95% conf. interval]	
lgdppk_m100	.5809665	.0632187	9.19	0.000	.4568379	.7050951
lgovexp	.1585325	.040872	3.88	0.000	.0782812	.2387837
_cat#c.etot_L1lres						
0	-.012808	.0028886	-4.43	0.000	-.0184797	-.0071362
1	.012576	.0024976	5.04	0.000	.007672	.01748
_cons	1.239264	.3548933	3.49	0.001	.5424382	1.936089
sigma_u	.21322326					
sigma_e	.08649631					
rho	.85869291	(fraction of variance due to u_i)				

```
F test that all u_i=0: F(39, 676) = 10.49                Prob > F = 0.0000
```

. sum fmd if fmd <= 0.0234 & rn==2 & count_lgovexp==20

Variable	Obs	Mean	Std. dev.	Min	Max
fmd	119	.0113428	.0052305	.0004064	.0233997

. sum fmd if fmd > 0.0234 & rn==2 & count_lgovexp==20

Variable	Obs	Mean	Std. dev.	Min	Max
fmd	681	.410132	.3047344	.0238967	.9888874

.
. *ereturn list
.
. capture graph drop LR_FMDECS

.
. _matplot e(LR), title("ECS FMD - buffer effect") ///
> yline(7.35, lpattern(dash)) connect(direct) msize(small) mlabp(0) ///
> mlabs(zero) ytitle("LR Statistics") xtitle("Threshold Parameter") ///
> recast(line) name(LR_FMDECS)

.
. graph export LR_FMDECS.png, as(png) name("LR_FMDECS") width(3000) replace
(file **LR_FMDECS.png** not found)
file **LR_FMDECS.png** saved as PNG format

.
. **# Appendix A. Robustness checks
.
. **# Robustness 1: Financial Markets Depth - ECS**
. xthreg lreer lgdppk_m100 lgovexp if count_lgovexp==20 ///
> & rn==2, ///
> rx(etot_L1lres) qx(L3.fmd) thnum(1) grid(300) bs(300)
Estimating the threshold parameters: 1st ...... Done
Boostrap for single threshold
.... +   50
.... + 100
.... + 150
.... + 200
.... + 250
.... + 300

Threshold estimator (level = 95):

model	Threshold	Lower	Upper
Th-1	0.0268	0.0248	0.0279

Threshold effect test (bootstrap = 300):

Threshold	RSS	MSE	Fstat	Prob	Crit10	Crit5	Crit1
Single	4.1930	0.0063	54.04	0.0300	37.0046	44.9117	72.4574

Fixed-effects (within) regression		Number of obs	=	680
Group variable: **cn**		Number of groups	=	40

R-squared: Obs per group:
    Within = **0.1597**   min =   **17**
    Between = **0.0107**   avg =   **17.0**
    Overall = **0.0000**   max =   **17**

                                        F(**4, 636**)   =   **30.22**
corr(u_i, Xb) = **-0.9304**   Prob > F   =   **0.0000**

lreer	Coefficient	Std. err.	t	P>|t|	[95% conf. interval]	
lgdppk_m100	.553136	.0671746	8.23	0.000	.4212252	.6850468
lgovexp	.1530125	.0412435	3.71	0.000	.0720225	.2340024
_cat#c.etot_L1lres						
0	-.0103589	.0028371	-3.65	0.000	-.0159301	-.0047877
1	.012047	.0024903	4.84	0.000	.0071568	.0169371
_cons	1.399711	.3766669	3.72	0.000	.6600495	2.139372
sigma_u	.20754116					
sigma_e	.08143554					
rho	.86657808	(fraction of variance due to u_i)				

F test that all u_i=0: F(39, 636) = 11.60   Prob > F = 0.0000

. sum fmd if fmd <= 0.0268 & rn==2 & count_lgovexp==20

Variable	Obs	Mean	Std. dev.	Min	Max
fmd	126	.0121188	.0060165	.0004064	.026792

. sum fmd if fmd > 0.0268 & rn==2 & count_lgovexp==20

Variable	Obs	Mean	Std. dev.	Min	Max
fmd	674	.4141286	.3037641	.0278929	.9888874

```
.
.
. capture graph drop LR_FMDECSR

.
. _matplot e(LR), title("ECS FMD - buffer effect (third lag)") ///
> yline(7.35, lpattern(dash)) connect(direct) msize(small) mlabp(0) ///
> mlabs(zero) ytitle("LR Statistics") xtitle("Threshold Parameter") ///
> recast(line) name(LR_FMDECSR)

.
. graph export LR_FMDECSR.png, as(png) name("LR_FMDECSR") width(3000) replace
(file LR_FMDECSR.png not found)
file LR_FMDECSR.png saved as PNG format

.
. **# Robustness 2: Financial Markets Depth - ECS**
. xthreg lreer lgdppk_m100 lgovexp if count_lgovexp==20 ///
> & rn==2, ///
> rx(etot_L1lres) qx(L2.fmd) thnum(2) grid(300) bs(300 300)
Estimating  the  threshold  parameters:   1st ......  2nd ......  Done
Boostrap for single threshold
............................................... +    50
............................................... +   100
............................................... +   150
............................................... +   200
............................................... +   250
............................................... +   300
Boostrap for double threshold model:
............................................... +    50
............................................... +   100
............................................... +   150
............................................... +   200
............................................... +   250
............................................... +   300
```

Threshold estimator (level = 95):

model	Threshold	Lower	Upper
Th-1	0.0234	0.0173	0.0249
Th-21	0.0282	0.0236	0.0299
Th-22	0.2857	0.2697	0.2922

Threshold effect test (bootstrap = 300 300):

Threshold	RSS	MSE	Fstat	Prob	Crit10	Crit5	Crit1
Single	5.0576	0.0072	59.33	0.0267	41.6066	53.2914	71.1557
Double	4.9570	0.0071	14.25	0.5967	35.6681	43.4968	56.1298

Fixed-effects (within) regression		Number of obs	=	720
Group variable: **cn**		Number of groups	=	40

R-squared:		Obs per group:		
Within = **0.1966**			min =	18
Between = **0.0005**			avg =	18.0
Overall = **0.0035**			max =	18
		F(5, 675)	=	33.03
corr(u_i, Xb) = **-0.9385**		Prob > F	=	0.0000

lreer	Coefficient	Std. err.	t	P>|t|	[95% conf. interval]	
lgdppk_m100	.5975804	.0632136	9.45	0.000	.4734615	.7216993
lgovexp	.1741253	.0406294	4.29	0.000	.0943501	.2539004
_cat#c.etot_L1lres						
0	-.0113923	.0028401	-4.01	0.000	-.0169689	-.0058158
1	.0193939	.0029551	6.56	0.000	.0135915	.0251963
2	.0002597	.0046852	0.06	0.956	-.0089396	.0094589
_cons	1.108105	.3546799	3.12	0.002	.4116961	1.804513
sigma_u	.22030878					
sigma_e	.08581939					
rho	.86824963	(fraction of variance due to u_i)				

F test that all u_i=0: F(**39, 675**) = **10.16**   Prob > F = **0.0000**

```
.
. capture graph drop LR21 LR22

. capture graph drop LR_ECSFMD2

.
. _matplot e(LR21), columns(1 2) yline(7.35, lpattern(dash)) connect(direct) ///
> msize(small) mlabp(0) mlabs(zero) ytitle("LR Statistics") ///
> xtitle("First Threshold") recast(line) name(LR21) nodraw title("ECS FMD - buffer effect (Double Threshold)")

. _matplot e(LR22), columns(1 2) yline(7.35, lpattern(dash)) connect(direct) ///
> msize(small) mlabp(0) mlabs(zero) ytitle("LR Statistics") ///
> xtitle("Second Threshold") recast(line) name(LR22) nodraw
```

. graph combine LR21 LR22, cols(1)

.
. graph rename Graph LR_ECSFMD2

.
. graph export LR_ECSFMD2.png, as(png) name("LR_ECSFMD2") width(3000) replace
(file **LR_ECSFMD2.png** not found)
file **LR_ECSFMD2.png** saved as PNG format

.
. log close _all
      name: **RERTOT_FRL**
       log: **C:\Users\jamel\Dropbox\Latex\PROJECTS\24-09-rer-fd-ecs\Revision_FRL\Replication\RERTOT_FRL.smcl**
  log type: **smcl**
 closed on: **4 Aug 2025, 16:27:38**