General writeup

Marco Brianti

Laura Gati

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1 VAR Results - Comparison of different specifications

1.1 Relative prices LR horizon 8
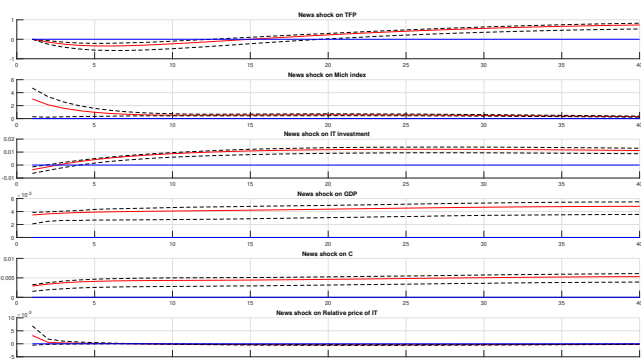
Time it took, for 500 bootstrap, Mac: 61 min

Time it took, for 500 bootstrap, server (w/o parpool): 140 min

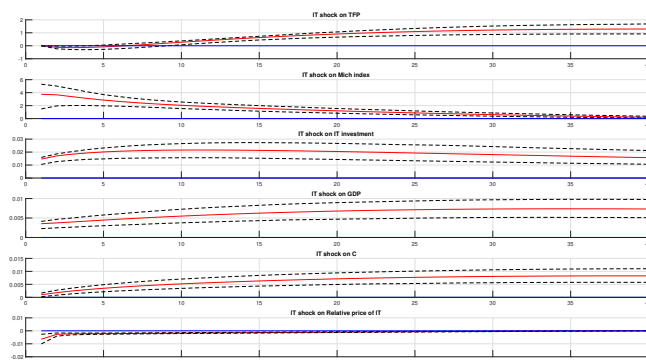Time it took, for 500 bootstrap, server (w/ parpool): ? min

'News' 'IT' 'Total'

'0.17231' '0.5386' '0.7109'

	News	IT	Total
Share of TFP FEV explained	0.2	0.5	0.7

(a) News
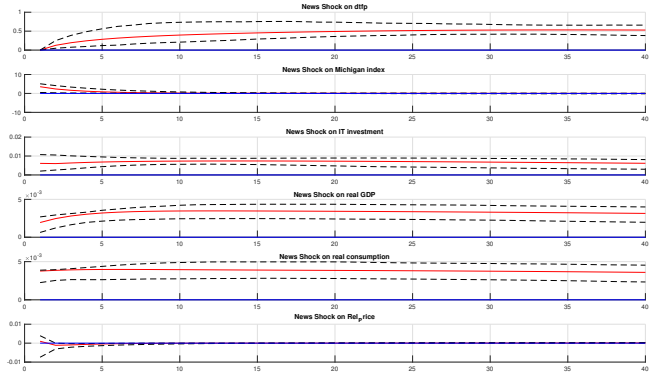

(b) IT

1.2 Relative prices LR horizon 16

Time it took, for 500 bootstrap, Mac: 61 min

'News' 'IT' 'Total'
'0.10054' '0.60847' '0.70901'

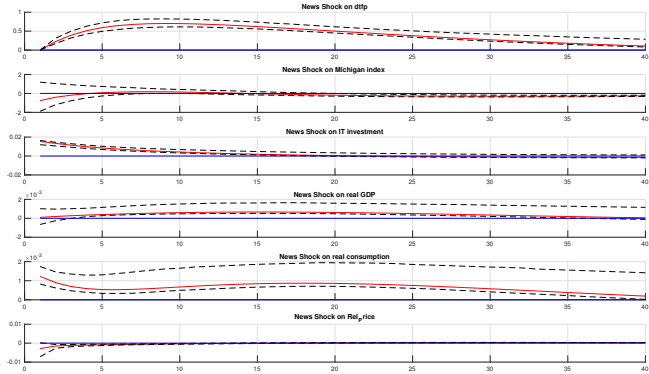|	News	IT	Total
Share of TFP FEV explained	0.1	0.6	0.7

(c) News

(d) IT

2
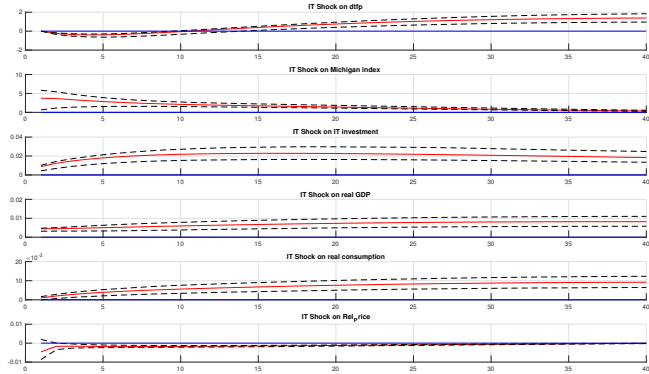
1.3 Relative prices LR horizon 80

Time it took, for 500 bootstrap, Mac: 81 min

'News' 'IT' 'Total'
'0.044546' '0.69612' '0.74067'

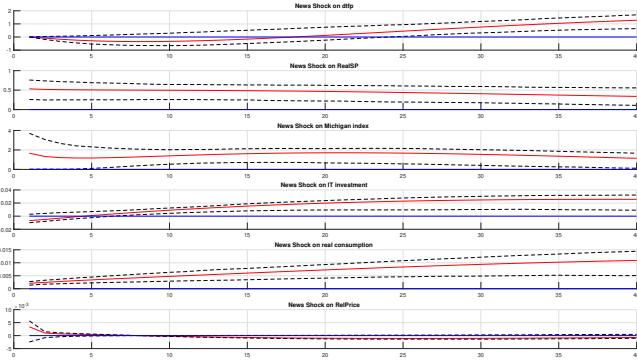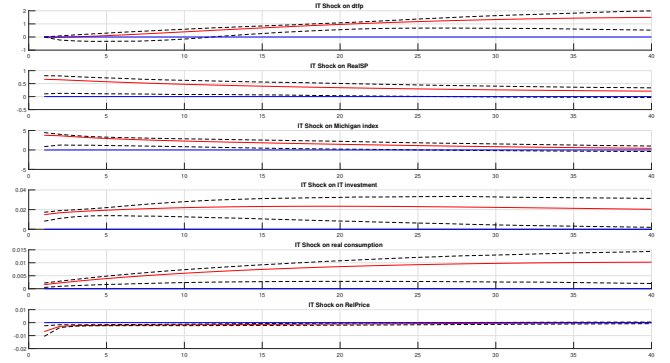|	News	IT	Total
Share of TFP FEV explained	0.0	0.7	0.7

(e) News
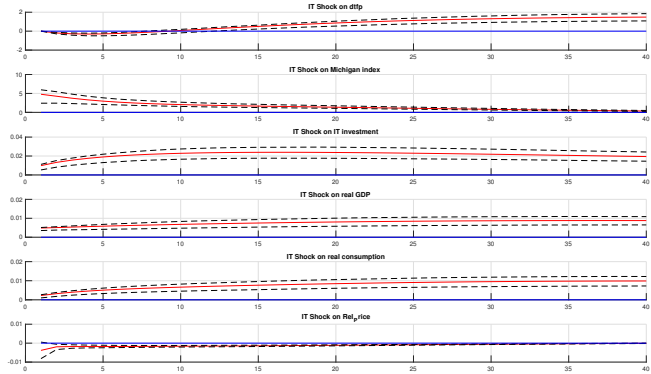
(f) IT

1.4 Relative prices LR horizon 8, adding SP 500

one lag, LR hor = 8, adding real stock prices 500, removing GDP, with relative price

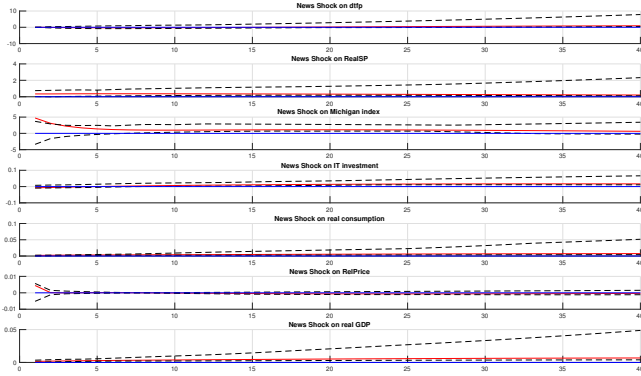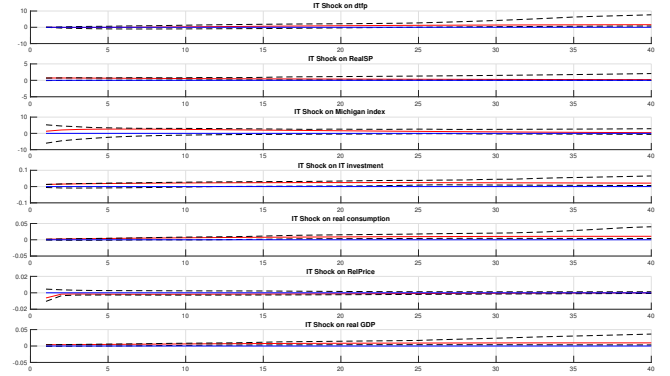|	News	IT	Total
Share of TFP FEV explained	0.45829	0.40823	0.86651

(g) News

(h) IT

1.5 Relative prices LR horizon 8, adding SP 500 and leaving in GDP

one lag, LR hor = 8, adding real stock prices 500, leaving in GDP, with relative price; only 30 bootstrap

|	News	IT	Total
Share of TFP FEV explained	0.3	0.6	0.8

(i) News

(j) IT

I wanted to do this to see if in the previous spec, it was adding SP500 that made things nicer or if it was removing GDP. Clearly, if you keep GDP in, things aren't so nice anymore, but they're not too bad. Things don't move so much anymore; it seems like we have too many variables for the VAR to contain. At the same time, overall they move in the right directions.
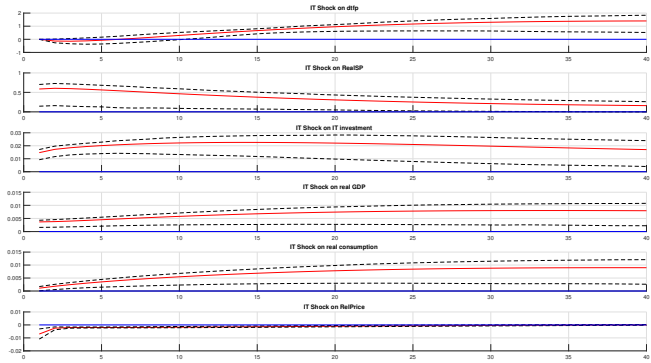
1.6 Relative prices LR horizon 8, adding SP 500 instead of Mich

one lag, LR hor = 8, adding real stock prices 500 instead of Mich, leaving in GDP, with relative price; only 30 bootstrap

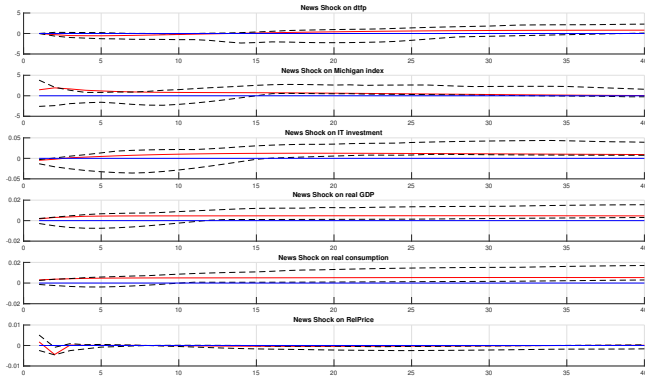|	News	IT	Total
Share of TFP FEV explained	0.37195	0.43944	0.81138
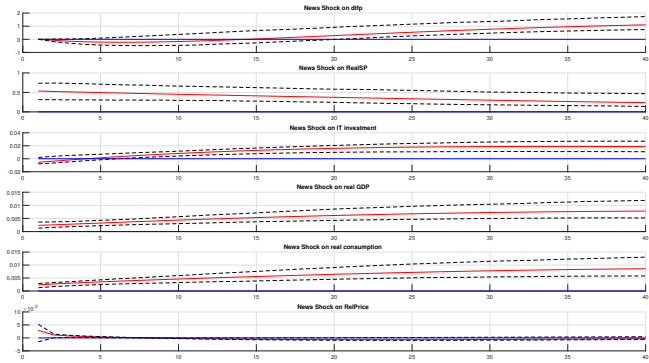
(k) News

(l) IT

I wanted to do this one to see how well SP500 can replace Mich. Results are fairly in line, that's great, contribution of news and IT is *identical*. VERY nice!
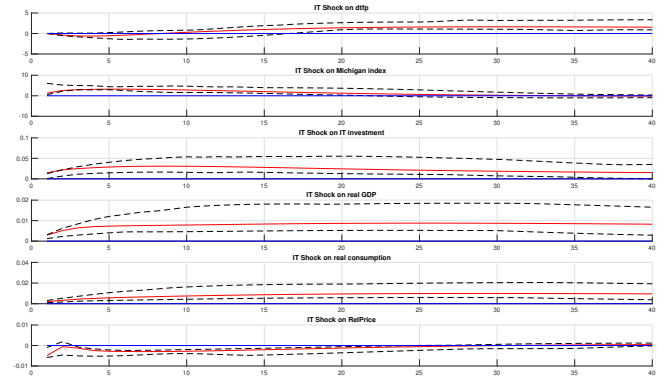
1.7 Default spec, 2 lags

two lags, LR hor = 8, Mich is back, with relative price; only 30 bootstrap

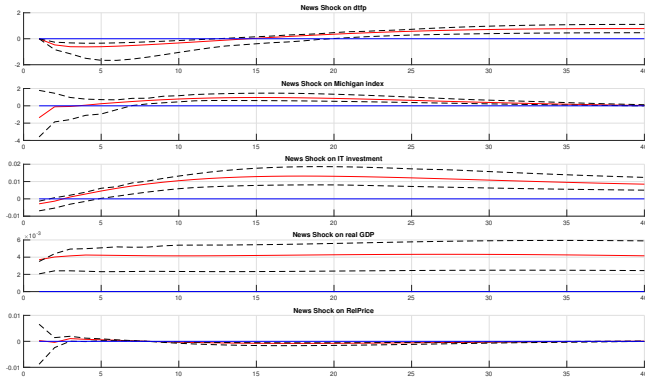|	News	IT	Total
Share of TFP FEV explained	0.2	0.6	0.8

(m) News

(n) IT

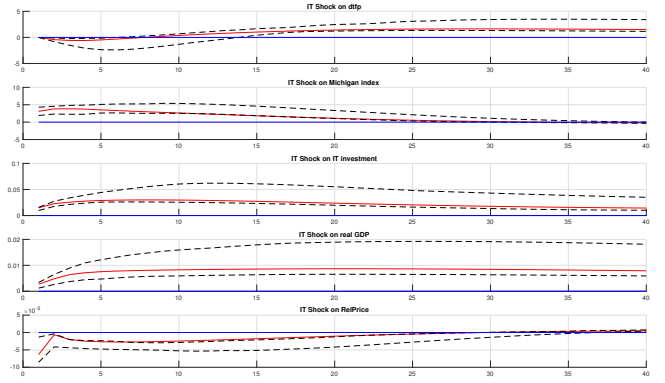A little too much uncertainty here on the news shock side. Doing this with a 500 bootstrap might make sense.

1.8 Default spec, removing consumption

one lag, LR hor = 8, no consumption, with relative price; only 30 bootstrap

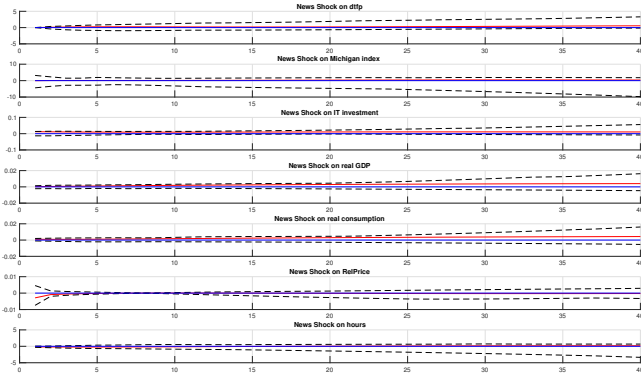|	News	IT	Total
Share of TFP FEV explained	0.2	0.6	0.8

(o) News

(p) IT

Not too bad, but wiggly - strangely enough, something seems to be missing.

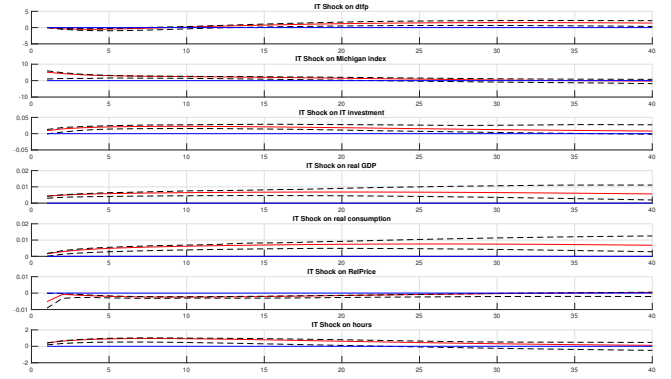## 1.9 Default spec, adding hours

one lag, LR hor = 8, adding hours, with relative price; only 30 bootstrap

	News	IT	Total
Share of TFP FEV explained	0.2	0.6	0.8

(q) News

(r) IT

As usual, it screws up the news shock, leaving the IT shock very nice.
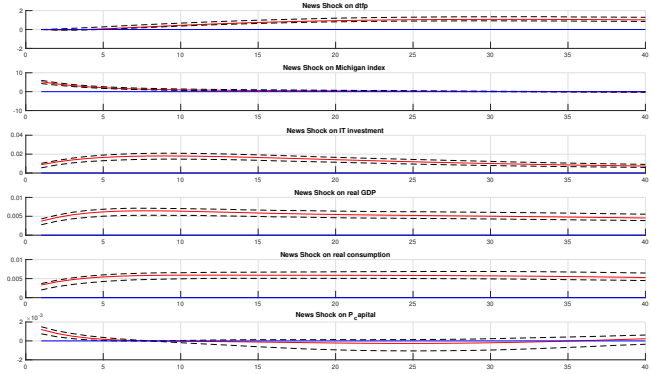
1.10 Capital prices LR horizon 8

Time it took, for 500 bootstrap, Mac: 12 min

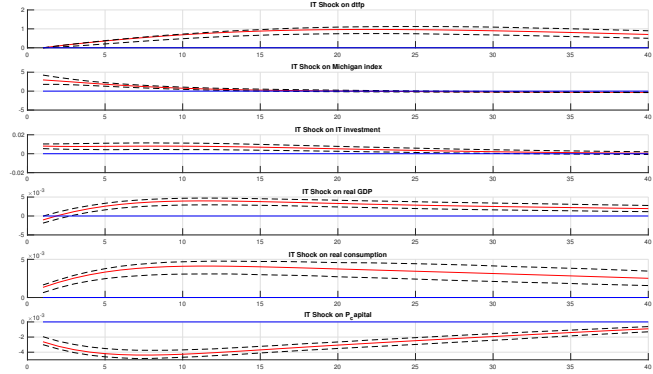Time it took, for 500 bootstrap, server (w/o parpool): 30 min

'News' 'IT' 'Total'

'0.40843' '0.23982' '0.64824'

	News	IT	Total
Share of TFP FEV explained	0.4	0.2	0.6

(s) News

(t) IT

1.11 Relative prices LR horizon 8

	News	IT	Total
Share of TFP FEV explained	0.4737	0.38059	0.85429

(u) News

(v) IT