```
      name:  <unnamed>
       log:  /Users/Pavel/Documents/GitHub/Book/Ch_Synthetic/Docs/Tables/impac
> t_regs.smcl
  log type:  smcl
 opened on:  29 Sep 2020, 19:59:03

 1 . // do "$pathcode/spov_pre"
 2 . do "$pathcode/spov_levels_group"

 3 . * ==========================================================================
  > ====
 4 . * Local projections: AE and EM
 5 . * ==========================================================================
  > ====
 6 . use $file_dta2, clear

 7 .
 8 .
 9 . * Define local variables
10 . local xtcmd xtscc                      // xtreg

11 . local xtopt fe level(90)        // fe level(90) cluster($id)

12 . local maxlag  = 2                      // 1

13 .
14 . foreach group in 0 1 {
     2.         if `group' == 0 {
     3.                 local grp "AE"
     4.                 local vars nom dyp dtp // nom usyc rho phi      //  nom s
  > yn rho phi
     5.                 local region regionae
     6.         }
     7.         else {
     8.                 local grp "EM"
     9.                 local vars nom dyp dtp phi // nom usyc rho phi  //      n
  > om syn rho phi
    10.                 local region regionem
    11.         }
    12.
```

```
15 .         foreach t in 24 120 {
 13.                 // regressions
16 .                foreach v in `vars' {
 14.
17 .                        // variables to store the betas and confidence inter
   > vals
18 .                        capture {
 15.                           foreach shock in mp1 path lsap {
 16.                                   gen b_`shock'_`v'`t'm   = .
 17.                                   gen ll1_`shock'_`v'`t'm = .
 18.                                   gen ul1_`shock'_`v'`t'm = .
 19.                           }       // `shock'
 20.                           }
 21.
19 .                        // controls
20 .                        local ctrl`v'`t'm l(1/`maxlag').`v'`t'm l(1/1).fx
 22. //                        local ctrl`v'`t'm l(1/`maxlag').d`v'`t'm l(1/`max
   > lag').fx
21 .
22 .                        forvalues h = 0/$horizon {
 23.                                   // response variables
23 .                                capture gen `v'`t'm`h' = (f`h'.`v'`t'm)
 24. //                                capture gen `v'`t'm`h' = (f`h'.`v'`t'm -
   > l.`v'`t'm)
24 .
25 .                                // conditions
26 .                                local condition em == `group'   // & `region
   > ' == 4
 25.
27 .                                // one regression for each horizon
28 .                                if `h' == 0 {
 26.                                           `xtcmd' `v'`t'm`h' mp1 path lsap
   > `ctrl`v'`t'm' if `condition', `xtopt'  // on-impact effect
 27.                                           foreach shock in mp1 path lsap {
 28.                                                   local pvalue = (2 * ttail
   > (e(df_r),abs(_b[`shock']/_se[`shock'])))
 29.                                                   if `pvalue' < 0.1 local `
   > shock'`v'  = -1*_b[`shock']
 30.                                                   else local `shock'`v' = 0
 31.                                           }
 32.                                   }
 33.                                   quiet `xtcmd' `v'`t'm`h' mp1 path lsap `c
   > trl`v'`t'm' if `condition', `xtopt'
 34.
```

```
29 .                                    capture {
 35.                                       foreach shock in mp1 path lsap {
 36.                                               replace b_`shock'_`v'`t'm  = -1*_
> b[`shock'] if _n == `h'+1
 37.
30 .                                            // confidence intervals
31 .                                            matrix R = r(table)
 38.                                               replace ll1_`shock'_`v'`t'm = -1*
> el(matrix(R),rownumb(matrix(R),"ll"),colnumb(matrix(R),"`shock'")) if _n ==
> `h'+1
 39.                                               replace ul1_`shock'_`v'`t'm = -1*
> el(matrix(R),rownumb(matrix(R),"ul"),colnumb(matrix(R),"`shock'")) if _n ==
> `h'+1
 40.                                       }               // `shock'
 41.                                       drop `v'`t'm`h'
 42.                                       }
 43.                               }               // `h' horizon
 44.                     }               // `v' yield component
 45.
32 .                    // graphs
33 .                    local j = 0
 46.                       foreach shock in mp1 path lsap {
 47.                               local ++j
 48.                               if `j' == 1 local shk "Target"
 49.                               if `j' == 2 local shk "Path"
 50.                               if `j' == 3 local shk "LSAP"
 51.
34 .                           local k = 0
 52.                               foreach v in `vars' {
 53.                                       local ++k
 54.                                       if `k' == 1 local yxtitles ytitle("Basis
> Points", size(medsmall)) xtitle("Days", size(medsmall))
 55.                                       else local yxtitles xtitle("Days", size(m
> edsmall))
 56.                                       twoway  (line ll1_`shock'_`v'`t'm days, l
> color(gs6) lpattern(dash)) ///
>                                                       (line ul1_`shock'_`v'`t'm da
> ys, lcolor(gs6) lpattern(dash)) ///
>                                                       (line b_`shock'_`v'`t'm days
> , lcolor(blue*1.25) lpattern(solid) lwidth(thick)) ///
>                                                       (line zero days, lcolor(blac
> k)), ///
>                                       `yxtitles' xlabel(0(15)$horizon, nogrid) yla
> bel(``shock'`v'' ">", add custom labcolor(red) tlcolor(red) nogrid) ///
>                                       graphregion(color(white)) plotregion(color(w
> hite)) legend(off) name(`v'`t'm, replace) ///
>                                       title(`: variable label `v'`t'm', color(blac
> k) size(medium))
 57.
```

```
35 . //                              graph export $pathfigs/LPs/`shk'/`grp'/`v'`t
   > 'm.eps, replace
36 .                                local graphs`shock'`grp'`t' `graphs`shock'`g
   > rp'`t'' `v'`t'm
    58.                                drop *_`shock'_`v'`t'm
   >        // b_ and confidence intervals
    59.                           }       // `v' yield component
    60.
37 .                          graph combine `graphs`shock'`grp'`t'', rows(1) ycomm
   > on
    61.                           graph export $pathfigs/LPs/`shk'/`grp'/`shk'`grp'
   > nomyptpphi`t'm.eps, replace
    62.                           graph drop _all
    63.                   }               // `shock'
    64.           }               // `t' tenor
    65. }               // `group' AE or EM
```

Regression with Driscoll-Kraay standard errors Number of obs = **47710**
Method: **Fixed-effects regression** Number of groups = **10**
Group variable (i): **imf** F(**6, 4770**) = **3281945.57**
maximum lag: **9** Prob > F = **0.0000**
within R-squared = **0.9994**

nom24m0	Coef.	Drisc/Kraay Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	**.1571738**	**.0489886**	**3.21**	**0.001**	**.076579**	**.2377686**
path	**.1830411**	**.0334316**	**5.48**	**0.000**	**.1280403**	**.2380418**
lsap	**.1373083**	**.0767947**	**1.79**	**0.074**	**.0109677**	**.2636489**
nom24m						
L1.	**1.065526**	**.0098442**	**108.24**	**0.000**	**1.049331**	**1.081721**
L2.	**-.0659446**	**.00983**	**-6.71**	**0.000**	**-.0821167**	**-.0497725**
fx						
L1.	**.002406**	**.0015729**	**1.53**	**0.126**	**-.0001817**	**.0049938**
_cons	**-.0161384**	**.0501226**	**-0.32**	**0.747**	**-.0985988**	**.066322**

Regression with Driscoll-Kraay standard errors Number of obs = **47710**
Method: **Fixed-effects regression** Number of groups = **10**
Group variable (i): **imf** F(**6, 4770**) = **3856484.17**
maximum lag: **9** Prob > F = **0.0000**
within R-squared = **0.9995**

dyp24m0	Drisc/Kraay Coef.	Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	.1576989	.0376144	4.19	0.000	.0958168	.2195811
path	.1305935	.0270152	4.83	0.000	.0861489	.1750382
lsap	.0166442	.0451382	0.37	0.712	-.0576159	.0909043
dyp24m						
L1.	1.087656	.0104241	104.34	0.000	1.070507	1.104806
L2.	-.088004	.0104349	-8.43	0.000	-.1051713	-.0708368
fx						
L1.	.0014008	.0012622	1.11	0.267	-.0006758	.0034774
_cons	-.0144058	.0363038	-0.40	0.692	-.0741318	.0453202

Regression with Driscoll-Kraay standard errors
Method: **Fixed-effects regression**
Group variable (i): **imf**
maximum lag: **9**

Number of obs = **47710**
Number of groups = **10**
F(**6, 4770**) =**1085071.43**
Prob > F = **0.0000**
within R-squared = **0.9978**

dtp24m0	Drisc/Kraay Coef.	Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	.0037183	.0129459	0.29	0.774	-.01758	.0250166
path	.0563056	.0099779	5.64	0.000	.0398902	.0727209
lsap	.1063662	.0319368	3.33	0.001	.0538246	.1589078
dtp24m						
L1.	1.031979	.0113219	91.15	0.000	1.013353	1.050606
L2.	-.0331964	.0113223	-2.93	0.003	-.0518235	-.0145692
fx						
L1.	.0009609	.0006309	1.52	0.128	-.0000771	.0019989
_cons	.0218526	.0203742	1.07	0.284	-.0116665	.0553718

```
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> arget/AE/TargetAEnomyptpphi24m.eps not found)
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> AE/TargetAEnomyptpphi24m.eps written in EPS format)
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> ath/AE/PathAEnomyptpphi24m.eps not found)
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> /PathAEnomyptpphi24m.eps written in EPS format)
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> SAP/AE/LSAPAEnomyptpphi24m.eps not found)
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> /LSAPAEnomyptpphi24m.eps written in EPS format)

Regression with Driscoll-Kraay standard errors   Number of obs     =     47710
Method: Fixed-effects regression                 Number of groups  =        10
Group variable (i): imf                          F(  6,  4770)     =1701361.59
maximum lag: 9                                   Prob > F          =    0.0000
                                                 within R-squared  =    0.9990
```

nom120m0	Coef.	Drisc/Kraay Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	.0360897	.0537227	0.67	0.502	-.0522934	.1244729
path	.2301029	.0388731	5.92	0.000	.1661498	.2940559
lsap	.4514772	.1079929	4.18	0.000	.2738102	.6291442
nom120m						
L1.	1.021511	.0098557	103.65	0.000	1.005297	1.037725
L2.	-.0220754	.0098495	-2.24	0.025	-.0382795	-.0058713
fx						
L1.	.0032299	.002813	1.15	0.251	-.001398	.0078577
_cons	.0485887	.1167465	0.42	0.677	-.1434794	.2406569

```
Regression with Driscoll-Kraay standard errors   Number of obs     =     47710
Method: Fixed-effects regression                 Number of groups  =        10
Group variable (i): imf                          F(  6,  4770)     =3676672.65
maximum lag: 9                                   Prob > F          =    0.0000
                                                 within R-squared  =    0.9994
```

dyp120m0	Drisc/Kraay Coef.	Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	.0785614	.0265724	2.96	0.003	.0348451	.1222776
path	.095287	.0175512	5.43	0.000	.0664123	.1241617
lsap	.0404787	.0329729	1.23	0.220	-.0137674	.0947248
dyp120m						
L1.	1.078429	.0098807	109.15	0.000	1.062174	1.094685
L2.	-.0788007	.0098703	-7.98	0.000	-.095039	-.0625624
fx						
L1.	.0009909	.0007798	1.27	0.204	-.000292	.0022739
_cons	-.0062692	.0256518	-0.24	0.807	-.0484708	.0359324

Regression with Driscoll-Kraay standard errors
Method: **Fixed-effects regression**
Group variable (i): **imf**
maximum lag: **9**

Number of obs = **47710**
Number of groups = **10**
F(**6, 4770**) = **942626.06**
Prob > F = **0.0000**
within R-squared = **0.9980**

dtp120m0	Drisc/Kraay Coef.	Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	-.0419947	.0327594	-1.28	0.200	-.0958896	.0119002
path	.1409688	.0272844	5.17	0.000	.0960812	.1858565
lsap	.4021315	.0878976	4.58	0.000	.2575249	.5467382
dtp120m						
L1.	1.041879	.0104054	100.13	0.000	1.02476	1.058998
L2.	-.0428831	.0104254	-4.11	0.000	-.0600348	-.0257314
fx						
L1.	.002008	.0025461	0.79	0.430	-.0021808	.0061967
_cons	.1216433	.0926907	1.31	0.189	-.030849	.2741355

```
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> arget/AE/TargetAEnomyptpphi120m.eps not found)
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> AE/TargetAEnomyptpphi120m.eps written in EPS format)
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> ath/AE/PathAEnomyptpphi120m.eps not found)
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> /PathAEnomyptpphi120m.eps written in EPS format)
(note: file /Users/Pavel/Documents/GitHub/Book/Ch_Synthetic/Docs/Figures/LPs/L
> SAP/AE/LSAPAEnomyptpphi120m.eps not found)
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> /LSAPAEnomyptpphi120m.eps written in EPS format)

Regression with Driscoll-Kraay standard errors   Number of obs     =     58255
Method: Fixed-effects regression                 Number of groups  =        15
Group variable (i): imf                          F(  6,  4770)     =  727632.88
maximum lag: 9                                   Prob > F          =    0.0000
                                                 within R-squared  =    0.9981

------------------------------------------------------------------------------
             |               Drisc/Kraay
     nom24m0 |      Coef.   Std. Err.      t    P>|t|     [90% Conf. Interval]
-------------+----------------------------------------------------------------
         mp1 |   .1625902   .0531894     3.06   0.002     .0750844    .250096
        path |    .119831   .0587083     2.04   0.041     .0232457    .2164163
        lsap |   .1363031   .0628409     2.17   0.030     .0329189    .2396872
             |
      nom24m |
          L1.|   .9249777   .0241353    38.32   0.000     .8852709    .9646844
          L2.|   .0740435   .0240846     3.07   0.002     .0344202    .1136669
             |
          fx |
          L1.|  -.0000691   .0001003    -0.69   0.491    -.0002341    .0000959
             |
       _cons |   .5316377   .2915856     1.82   0.068     .0519289    1.011346
------------------------------------------------------------------------------

Regression with Driscoll-Kraay standard errors   Number of obs     =     54153
Method: Fixed-effects regression                 Number of groups  =        15
Group variable (i): imf                          F(  6,  4762)     =  268276.47
maximum lag: 9                                   Prob > F          =    0.0000
                                                 within R-squared  =    0.9948
```

dyp24m0	Coef.	Drisc/Kraay Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	.0558804	.0822571	0.68	0.497	-.0794468	.1912076
path	-.0178161	.0943504	-0.19	0.850	-.1730389	.1374068
lsap	.3410664	.1042466	3.27	0.001	.1695626	.5125701
dyp24m						
L1.	.8116922	.0233676	34.74	0.000	.7732485	.8501359
L2.	.1859022	.0233612	7.96	0.000	.1474689	.2243354
fx						
L1.	-.0000496	.0000687	-0.72	0.470	-.0001627	.0000634
_cons	1.199784	.4406205	2.72	0.006	.4748867	1.924681

Regression with Driscoll-Kraay standard errors
Method: **Fixed-effects regression**
Group variable (i): **imf**
maximum lag: **9**

Number of obs = **54153**
Number of groups = **15**
F(**6, 4762**) = **34107.65**
Prob > F = **0.0000**
within R-squared = **0.9766**

dtp24m0	Coef.	Drisc/Kraay Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	-.0290852	.1273924	-0.23	0.819	-.2386677	.1804974
path	.0027015	.0733944	0.04	0.971	-.1180449	.123448
lsap	-.0797869	.1123941	-0.71	0.478	-.2646947	.1051208
dtp24m						
L1.	.7850766	.0505711	15.52	0.000	.7018783	.8682748
L2.	.2048033	.0519273	3.94	0.000	.119374	.2902327
fx						
L1.	.000156	.0001618	0.96	0.335	-.0001103	.0004222
_cons	.0741371	.2009345	0.37	0.712	-.256435	.4047092

Regression with Driscoll-Kraay standard errors Number of obs = **51692**
Method: **Fixed-effects regression** Number of groups = **15**
Group variable (i): **imf** F(**6, 4343**) = **33688.59**
maximum lag: **9** Prob > F = **0.0000**
within R-squared = **0.9716**

phi24m0	Coef.	Drisc/Kraay Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	.0404725	.1245791	0.32	0.745	-.1644857	.2454307
path	.1810242	.082314	2.20	0.028	.0456008	.3164475
lsap	-.130563	.146174	-0.89	0.372	-.3710492	.1099231
phi24m						
L1.	.7995704	.0263547	30.34	0.000	.7562115	.8429293
L2.	.1878719	.0269496	6.97	0.000	.1435343	.2322096
fx						
L1.	-.0003924	.0001333	-2.94	0.003	-.0006117	-.0001731
_cons	1.346762	.2542486	5.30	0.000	.9284708	1.765053

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> EM/TargetEMnomyptpphi24m.eps written in EPS format)
(file /Users/Pavel/Documents/GitHub/Book/Ch_Synthetic/Docs/Figures/LPs/Path/EM
> /PathEMnomyptpphi24m.eps written in EPS format)
(file /Users/Pavel/Documents/GitHub/Book/Ch_Synthetic/Docs/Figures/LPs/LSAP/EM
> /LSAPEMnomyptpphi24m.eps written in EPS format)

Regression with Driscoll-Kraay standard errors Number of obs = **58255**
Method: **Fixed-effects regression** Number of groups = **15**
Group variable (i): **imf** F(**6, 4770**) = **325092.16**
maximum lag: **9** Prob > F = **0.0000**
within R-squared = **0.9951**

nom120m0	Coef.	Drisc/Kraay Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	.1359583	.0920757	1.48	0.140	-.0155222	.2874389
path	.2370423	.074413	3.19	0.001	.11462	.3594645
lsap	.1785198	.1341521	1.33	0.183	-.0421837	.3992232
nom120m						
L1.	.8862525	.0326309	27.16	0.000	.8325691	.939936
L2.	.1111075	.0322311	3.45	0.001	.0580818	.1641332

fx						
L1.	-.0001479	.0001301	-1.14	0.256	-.0003619	.0000661
_cons	1.829575	.6097639	3.00	0.003	.8264079	2.832742

Regression with Driscoll-Kraay standard errors
Method: **Fixed-effects regression**
Group variable (i): **imf**
maximum lag: **9**

Number of obs = **54153**
Number of groups = **15**
F(**6, 4762**) = **593172.21**
Prob > F = **0.0000**
within R-squared = **0.9943**

dyp120m0	Drisc/Kraay Coef.	Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	.0077279	.0499829	0.15	0.877	-.0745025	.0899584
path	-.0464762	.0663002	-0.70	0.483	-.1555514	.0625991
lsap	.3160395	.0619201	5.10	0.000	.2141702	.4179089
dyp120m						
L1.	.7879449	.0204565	38.52	0.000	.7542904	.8215993
L2.	.2093996	.0204163	10.26	0.000	.1758113	.242988
fx						
L1.	.0000519	.0000705	0.74	0.461	-.000064	.0001679
_cons	1.033658	.2448892	4.22	0.000	.6307732	1.436544

Regression with Driscoll-Kraay standard errors
Method: **Fixed-effects regression**
Group variable (i): **imf**
maximum lag: **9**

Number of obs = **54153**
Number of groups = **15**
F(**6, 4762**) = **66412.16**
Prob > F = **0.0000**
within R-squared = **0.9863**

dtp120m0	Coef.	Drisc/Kraay Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	-.2352276	.0598666	-3.93	0.000	-.3337185	-.1367367
path	.0526014	.066515	0.79	0.429	-.0568273	.1620302
lsap	.3389219	.1366713	2.48	0.013	.1140738	.56377
dtp120m						
L1.	.8025293	.0244227	32.86	0.000	.7623497	.8427088
L2.	.1909979	.0244226	7.82	0.000	.1508186	.2311773
fx						
L1.	-.000285	.0001481	-1.92	0.054	-.0005287	-.0000414
_cons	1.55366	.464482	3.34	0.001	.7895066	2.317814

Regression with Driscoll-Kraay standard errors
Method: **Fixed-effects regression**
Group variable (i): **imf**
maximum lag: **9**

Number of obs = **51692**
Number of groups = **15**
F(**6, 4343**) = **40237.13**
Prob > F = **0.0000**
within R-squared = **0.9512**

phi120m0	Coef.	Drisc/Kraay Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	.3465561	.1296206	2.67	0.008	.1333037	.5598085
path	.2782245	.1596697	1.74	0.081	.0155351	.5409138
lsap	-.5144039	.2663767	-1.93	0.054	-.9526481	-.0761596
phi120m						
L1.	.6801533	.0460628	14.77	0.000	.6043706	.755936
L2.	.3005249	.0433423	6.93	0.000	.2292179	.3718318
fx						
L1.	-.0002299	.0001476	-1.56	0.119	-.0004727	.0000129
_cons	1.840248	.37466	4.91	0.000	1.223856	2.456641

```
   (file /Users/Pavel/Documents/GitHub/Book/Ch_Synthetic/Docs/Figures/LPs/Target/
   > EM/TargetEMnomyptpphi120m.eps written in EPS format)
   (file /Users/Pavel/Documents/GitHub/Book/Ch_Synthetic/Docs/Figures/LPs/Path/EM
   > /PathEMnomyptpphi120m.eps written in EPS format)
   (file /Users/Pavel/Documents/GitHub/Book/Ch_Synthetic/Docs/Figures/LPs/LSAP/EM
   > /LSAPEMnomyptpphi120m.eps written in EPS format)

38 .
   end of do-file

39 . do "$pathcode/spov_levels_usyc"

40 . * ============================================================================
   > ====
41 . * Local projections: US YC
42 . * ============================================================================
   > ====
43 . use $file_dta2, clear

44 .
45 .
46 . * Define local variables
47 . local xtcmd reg         // xtreg        // xtscc

48 . local xtopt robust level(90)    // fe level(90) cluster($id)    // fe level(
   > 90)

49 . local maxlag = 2                                 // 1

50 . local grp "CHF"

51 . local vars usyc usyp ustp

52 .
53 . foreach t in 24 120 {
     2.         // regressions
54 .         foreach v in `vars' {
     3.
```

```
55 .                // variables to store the betas and confidence intervals
56 .                capture {
     4.                 foreach shock in mp1 path lsap {
     5.                         gen b_`shock'_`v'`t'm   = .
     6.                         gen ll1_`shock'_`v'`t'm = .
     7.                         gen ul1_`shock'_`v'`t'm = .
     8.                 }       // `shock'
     9.                 }
    10.
57 .                // controls
58 .                local ctrl`v'`t'm l(1/`maxlag').`v'`t'm  // l(1/1).fx
    11. //              local ctrl`v'`t'm l(1/`maxlag').d`v'`t'm        // l(1/`m
   > axlag').fx
59 .
60 .                forvalues h = 0/$horizon {
    12.                         // response variables
61 .                       capture gen `v'`t'm`h' = (f`h'.`v'`t'm)
    13. //                     capture gen `v'`t'm`h' = (f`h'.`v'`t'm - l.`v'`t'
   > m)
62 .
63 .                        // conditions
64 .                        local condition cty == "`grp'"
    14.
65 .                        // one regression for each horizon
66 .                        if `h' == 0 {
    15.                                 `xtcmd' `v'`t'm`h' mp1 path lsap `ctrl`v'
   > `t'm' if `condition', `xtopt'  // on-impact effect
    16.                                 foreach shock in mp1 path lsap {
    17.                                         local pvalue = (2 * ttail(e(df_r)
   > ,abs(_b[`shock']/_se[`shock'])))
    18.                                         if `pvalue' < 0.1 local `shock'`v
   > '  = -1*_b[`shock']
    19.                                         else local `shock'`v' = 0
    20.                                 }
    21.                         }
    22.                         quiet `xtcmd' `v'`t'm`h' mp1 path lsap `ctrl`v'`t
   > 'm' if `condition', `xtopt'
    23.
```

```
67 .                         capture {
 24.                            foreach shock in mp1 path lsap {
 25.                                    replace b_`shock'_`v'`t'm  = -1*_b[`shock
> '] if _n == `h'+1
 26.
68 .                                 // confidence intervals
69 .                                 matrix R = r(table)
 27.                                    replace ll1_`shock'_`v'`t'm = -1*el(matri
> x(R),rownumb(matrix(R),"ll"),colnumb(matrix(R),"`shock'")) if _n == `h'+1
 28.                                    replace ul1_`shock'_`v'`t'm = -1*el(matri
> x(R),rownumb(matrix(R),"ul"),colnumb(matrix(R),"`shock'")) if _n == `h'+1
 29.                            }       // `shock'
 30.                            drop `v'`t'm`h'
 31.                            }
 32.                  }                        // `h' horizon
 33.          }                        // `v' yield component
 34.
70 .          // graphs
71 .          local j = 0
 35.             foreach shock in mp1 path lsap {
 36.                     local ++j
 37.                     if `j' == 1 local shk "Path"
 38. //                  if `j' == 1 local shk "Target"
72 . //              if `j' == 2 local shk "Path"
73 . //              if `j' == 3 local shk "LSAP"
74 .
75 .                  local k = 0
 39.                    foreach v in `vars' {
 40.                            local ++k
 41.                            if `k' == 1 local yxtitles ytitle("Basis Points",
>  size(medsmall)) xtitle("Days", size(medsmall))
 42.                            else local yxtitles xtitle("Days", size(medsmall)
> )
 43.                            twoway  (line ll1_`shock'_`v'`t'm days, lcolor(gs
> 6) lpattern(dash)) ///
>                                         (line ul1_`shock'_`v'`t'm days, lcol
> or(gs6) lpattern(dash)) ///
>                                         (line b_`shock'_`v'`t'm days, lcolor
> (blue*1.25) lpattern(solid) lwidth(thick)) ///
>                                         (line zero days, lcolor(black)), ///
>                           `yxtitles' xlabel(0(15)$horizon, nogrid) ylabel(``sh
> ock'`v'' ">", add custom labcolor(red) tlcolor(red) nogrid) ///
>                           graphregion(color(white)) plotregion(color(white)) l
> egend(off) name(`v'`t'm, replace) ///
>                           title(`: variable label `v'`t'm', color(black) size(
> medium))
 44.
```

```
76 . //                              graph export $pathfigs/LPs/`shk'/CTY/`shk'`g
   > rp'`v'`t'm.eps, replace
77 .                         local graphs`shock'`grp'`t' `graphs`shock'`grp'`t''
   > `v'`t'm
 45.                           drop *_`shock'_`v'`t'm                          /
   > / b_ and confidence intervals
 46.                   }       // `v' yield component
 47.
78 .                  graph combine `graphs`shock'`grp'`t'', rows(1) ycommon
 48.                   graph export $pathfigs/LPs/`shk'/CTY/`shk'USDnomyptp`t'm.
   > eps, replace
 49.                   graph drop _all
 50.           }               // `shock'
 51. }                 // `t' tenor
```

Linear regression

Number of obs	= **4,771**
F(5, 4765)	> **99999.00**
Prob > F	= **0.0000**
R-squared	= **0.9992**
Root MSE	= **5.0434**

usyc24m0	Coef.	Robust Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	**.3553352**	**.1244211**	**2.86**	**0.004**	**.150641**	**.5600294**
path	**.4990642**	**.0845319**	**5.90**	**0.000**	**.3599946**	**.6381338**
lsap	**.4501232**	**.1160734**	**3.88**	**0.000**	**.2591622**	**.6410842**
usyc24m						
L1.	**.988576**	**.0222571**	**44.42**	**0.000**	**.9519591**	**1.025193**
L2.	**.0104001**	**.0222585**	**0.47**	**0.640**	**-.026219**	**.0470192**
_cons	**.1536984**	**.0888254**	**1.73**	**0.084**	**.0075652**	**.2998315**

Linear regression

Number of obs	= **4,771**
F(5, 4765)	> **99999.00**
Prob > F	= **0.0000**
R-squared	= **0.9997**
Root MSE	= **2.5837**

usyp24m0	Coef.	Robust Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	.2722972	.0817317	3.33	0.001	.1378344	.40676
path	.2021671	.0350575	5.77	0.000	.1444914	.2598428
lsap	.2643564	.0567861	4.66	0.000	.1709334	.3577795
usyp24m						
L1.	1.259563	.023998	52.49	0.000	1.220082	1.299044
L2.	-.2601018	.0240134	-10.83	0.000	-.2996079	-.2205957
_cons	.0744736	.0477037	1.56	0.119	-.0040072	.1529544

Linear regression

Number of obs	=	4,771
F(5, 4765)	>	99999.00
Prob > F	=	0.0000
R-squared	=	0.9965
Root MSE	=	1.4901

ustp24m0	Coef.	Robust Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	.0158823	.0279117	0.57	0.569	-.0300373	.0618018
path	.1501017	.0270469	5.55	0.000	.1056048	.1945986
lsap	.2780914	.0371087	7.49	0.000	.2170412	.3391416
ustp24m						
L1.	1.253957	.0194248	64.55	0.000	1.222	1.285914
L2.	-.2568515	.0194163	-13.23	0.000	-.2887947	-.2249083
_cons	.0333608	.0218499	1.53	0.127	-.0025861	.0693077

```
(note: file /Users/Pavel/Documents/GitHub/Book/Ch_Synthetic/Docs/Figures/LPs/P
> ath/CTY/PathUSDnomyptp24m.eps not found)
(file /Users/Pavel/Documents/GitHub/Book/Ch_Synthetic/Docs/Figures/LPs/Path/CT
> Y/PathUSDnomyptp24m.eps written in EPS format)
(file /Users/Pavel/Documents/GitHub/Book/Ch_Synthetic/Docs/Figures/LPs/Path/CT
> Y/PathUSDnomyptp24m.eps written in EPS format)
(file /Users/Pavel/Documents/GitHub/Book/Ch_Synthetic/Docs/Figures/LPs/Path/CT
> Y/PathUSDnomyptp24m.eps written in EPS format)
```

Linear regression

Number of obs	= 4,771
F(5, 4765)	> 99999.00
Prob > F	= 0.0000
R-squared	= 0.9980
Root MSE	= 5.7495

usyc120m0	Coef.	Robust Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	.0519862	.1107106	0.47	0.639	-.1301519	.2341243
path	.425771	.0844151	5.04	0.000	.2868935	.5646485
lsap	1.488335	.1271456	11.71	0.000	1.279159	1.697512
usyc120m						
L1.	1.00017	.0177311	56.41	0.000	.9709993	1.029341
L2.	-.0018258	.0177213	-0.10	0.918	-.0309804	.0273288
_cons	.5359398	.2278315	2.35	0.019	.1611175	.9107621

Linear regression

Number of obs	= 4,771
F(5, 4765)	> 99999.00
Prob > F	= 0.0000
R-squared	= 0.9995
Root MSE	= 1.9478

usyp120m0	Coef.	Robust Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	.1206411	.0572407	2.11	0.035	.0264702	.214812
path	.1638327	.0294766	5.56	0.000	.1153385	.2123269
lsap	.3855591	.0435945	8.84	0.000	.3138386	.4572796
usyp120m						
L1.	1.204844	.018842	63.94	0.000	1.173846	1.235842
L2.	-.205606	.0188444	-10.91	0.000	-.2366083	-.1746036
_cons	.2072941	.0859482	2.41	0.016	.0658943	.3486938

Linear regression

Number of obs	= 4,771
F(5, 4765)	> 99999.00
Prob > F	= 0.0000
R-squared	= 0.9977
Root MSE	= 2.5726

ustp120m0	Coef.	Robust Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	**-.0152242**	**.0481677**	**-0.32**	**0.752**	**-.0944684**	**.0640201**
path	**.2418547**	**.0471009**	**5.13**	**0.000**	**.1643655**	**.3193438**
lsap	**.59715**	**.0656217**	**9.10**	**0.000**	**.4891908**	**.7051091**
ustp120m						
L1.	**1.261432**	**.0173747**	**72.60**	**0.000**	**1.232848**	**1.290017**
L2.	**-.2631019**	**.0173509**	**-15.16**	**0.000**	**-.2916471**	**-.2345566**
_cons	**.0710794**	**.0442733**	**1.61**	**0.108**	**-.0017579**	**.1439166**

```
(note: file /Users/Pavel/Documents/GitHub/Book/Ch_Synthetic/Docs/Figures/LPs/P
> ath/CTY/PathUSDnomyptp120m.eps not found)
(file /Users/Pavel/Documents/GitHub/Book/Ch_Synthetic/Docs/Figures/LPs/Path/CT
> Y/PathUSDnomyptp120m.eps written in EPS format)
(file /Users/Pavel/Documents/GitHub/Book/Ch_Synthetic/Docs/Figures/LPs/Path/CT
> Y/PathUSDnomyptp120m.eps written in EPS format)
(file /Users/Pavel/Documents/GitHub/Book/Ch_Synthetic/Docs/Figures/LPs/Path/CT
> Y/PathUSDnomyptp120m.eps written in EPS format)

79 .
   end of do-file

80 . do "$pathcode/spov_levels_rho"

81 . * ============================================================================
   > ====
82 . * Local projections: Forward premium
83 . * ============================================================================
   > ====
84 . use $file_dta2, clear

85 .
86 .
```

```
87 . * Define local variables
88 . local xtcmd xtscc                        // xtreg

89 . local xtopt fe level(90)        // fe level(90) cluster($id)

90 . local maxlag = 2                          // 1

91 . local vars rho

92 .
93 . foreach group in 0 1 {
     2.         if `group' == 0 {
     3.                 local grp "AE"
     4.                 local region regionae
     5.         }
     6.         else {
     7.                 local grp "EM"
     8.                 local region regionem
     9.         }
    10.
94 .         // regressions
95 .         foreach v in `vars' {
    11.                 foreach t in 24 120 { // 3 6 12 24 60 120  {
    12.
96 .                         // variables to store the betas and confidence inter
   > vals
97 .                         capture {
    13.                         foreach shock in mp1 path lsap {
    14.                                 gen b_`shock'_`v'`t'm   = .
    15.                                 gen ll1_`shock'_`v'`t'm = .
    16.                                 gen ul1_`shock'_`v'`t'm = .
    17.                         }       // `shock'
    18.                         }
    19.
98 .                         // controls
99 .                         local ctrl`v'`t'm l(1/`maxlag').`v'`t'm l(1/1).fx
    20. //                          local ctrl`v'`t'm l(1/`maxlag').d`v'`t'm l(1/`max
   > lag').fx       // l(2).`v'`t'm l(1).fx
```

```
100 .
101 .                         forvalues h = 0/$horizon {
     21.                            // response variables
102 .                               capture gen `v'`t'm`h' = (f`h'.`v'`t'm)
     22. //                            capture gen `v'`t'm`h' = (f`h'.`v'`t'm -
    > l.`v'`t'm)
103 .
104 .                               // conditions
105 .                               local condition em == `group' //        & `d
    > atecond' & `region' == 4
     23.
106 .                               // one regression for each horizon
107 .                               if `h' == 0 {
     24.                                    `xtcmd' `v'`t'm`h' mp1 path lsap
    > `ctrl`v'`t'm' if `condition', `xtopt'  // on-impact effect
     25.                                    foreach shock in mp1 path lsap {
     26.                                            local pvalue = (2 * ttail
    > (e(df_r),abs(_b[`shock']/_se[`shock'])))
     27.                                            if `pvalue' < 0.1 local `
    > shock'`t'  = -1*_b[`shock']
     28.                                            else local `shock'`t' = 0
     29.                                    }
     30.                                }
     31.                                quiet `xtcmd' `v'`t'm`h' mp1 path lsap `c
    > trl`v'`t'm' if `condition', `xtopt'
     32.
108 .                               capture {
     33.                                foreach shock in mp1 path lsap {
     34.                                        replace b_`shock'_`v'`t'm  = -1*_
    > b[`shock'] if _n == `h'+1
     35.
109 .                                     // confidence intervals
110 .                                     matrix R = r(table)
     36.                                   replace ll1_`shock'_`v'`t'm = -1*
    > el(matrix(R),rownumb(matrix(R),"ll"),colnumb(matrix(R),"`shock'")) if _n ==
    > `h'+1
     37.                                        replace ul1_`shock'_`v'`t'm = -1*
    > el(matrix(R),rownumb(matrix(R),"ul"),colnumb(matrix(R),"`shock'")) if _n ==
    > `h'+1
     38.                                }               // `shock'
     39.                                drop `v'`t'm`h'
     40.                                }
     41.                           }               // `h' horizon
     42.         }               // `t' tenor
     43.
```

```
111 .         // graphs
112 .         local j = 0
     44.         foreach shock in mp1 path lsap {
     45.                 local ++j
     46.                 if `j' == 1 local shk "Target"
     47.                 if `j' == 2 local shk "Path"
     48.                 if `j' == 3 local shk "LSAP"
     49.
113 .                 local k = 0
     50.                 foreach t in 24 120 { // 3 6 12 24 60 120  {
     51.                         local ++k
     52.                         if `k' == 1 local yxtitles ytitle("Basis Points",
    >  size(medsmall)) xtitle("Days", size(medsmall))
     53.                         else local yxtitles xtitle("Days", size(medsmall)
    > )
     54.                         local ty = `t'/12
     55.                         twoway  (line ll1_`shock'_`v'`t'm days, lcolor(gs
    > 6) lpattern(dash)) ///
    >                                         (line ul1_`shock'_`v'`t'm days, lcol
    > or(gs6) lpattern(dash)) ///
    >                                         (line b_`shock'_`v'`t'm days, lcolor
    > (blue*1.25) lpattern(solid) lwidth(thick)) ///
    >                                         (line zero days, lcolor(black)), ///
    >                         `yxtitles' xlabel(0(15)$horizon, nogrid) ylabel(``sh
    > ock'`t'' ">", add custom labcolor(red) tlcolor(red) nogrid) ///
    >                         graphregion(color(white)) plotregion(color(white)) l
    > egend(off) name(`v'`t'm, replace) ///
    >                         title(`ty' Years, color(black) size(medium))
    >                     // for rho version
     56.
114 . //                                graph export $pathfigs/LPs/`shk'/`grp'/`v'`t
    > 'm.eps, replace
115 .                         local graphs`shock'`grp' `graphs`shock'`grp'' `v'`t'
    > m           // for rho version
     57.
116 .                         drop *_`shock'_`v'`t'm                            // b
    > _ and confidence intervals
     58.                 }       // `t' tenor
     59.
```

```
117 .                 graph combine `graphs`shock'`grp'', rows(1) ycommon
    >                     // for rho version
 60.                  graph export $pathfigs/LPs/`shk'/`grp'/`shk'`grp'rho.eps,
    >  replace
 61.                  graph drop _all
 62.                  }       // `shock'
 63.          }       // `v' yield component
 64. }       // `group' AE or EM
```

Regression with Driscoll-Kraay standard errors — Number of obs = **45169**
Method: **Fixed-effects regression** — Number of groups = **10**
Group variable (i): **imf** — F(**6, 4770**) = **1211135.80**
maximum lag: **9** — Prob > F = **0.0000**
— within R-squared = **0.9982**

rho24m0	Coef.	Drisc/Kraay Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	**-.401645**	**.1240988**	**-3.24**	**0.001**	**-.605809**	**-.1974809**
path	**-.4432126**	**.0733903**	**-6.04**	**0.000**	**-.5639523**	**-.3224729**
lsap	**-.3280224**	**.12514**	**-2.62**	**0.009**	**-.5338994**	**-.1221454**
rho24m						
L1.	**.9058972**	**.0169702**	**53.38**	**0.000**	**.8779783**	**.9338161**
L2.	**.0933426**	**.0170099**	**5.49**	**0.000**	**.0653584**	**.1213269**
fx						
L1.	**.0020618**	**.0069401**	**0.30**	**0.766**	**-.0093558**	**.0134795**
_cons	**-.0712496**	**.0989603**	**-0.72**	**0.472**	**-.2340564**	**.0915572**

Regression with Driscoll-Kraay standard errors — Number of obs = **45169**
Method: **Fixed-effects regression** — Number of groups = **10**
Group variable (i): **imf** — F(**6, 4770**) = **379923.32**
maximum lag: **9** — Prob > F = **0.0000**
— within R-squared = **0.9941**

rho120m0	Coef.	Drisc/Kraay Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	-.3392088	.0950854	-3.57	0.000	-.4956408	-.1827769
path	-.4196706	.0721008	-5.82	0.000	-.538289	-.3010523
lsap	-.8334738	.1037442	-8.03	0.000	-1.004151	-.6627966
rho120m						
L1.	.8401241	.0139362	60.28	0.000	.8171966	.8630516
L2.	.157172	.0139806	11.24	0.000	.1341715	.1801726
fx						
L1.	-.0051379	.0070653	-0.73	0.467	-.0167615	.0064858
_cons	-.0621363	.1075998	-0.58	0.564	-.2391566	.1148841

```
(note: file /Users/Pavel/Documents/GitHub/Book/Ch_Synthetic/Docs/Figures/LPs/T
> arget/AE/TargetAErho.eps not found)
(file /Users/Pavel/Documents/GitHub/Book/Ch_Synthetic/Docs/Figures/LPs/Target/
> AE/TargetAErho.eps written in EPS format)
(note: file /Users/Pavel/Documents/GitHub/Book/Ch_Synthetic/Docs/Figures/LPs/P
> ath/AE/PathAErho.eps not found)
(file /Users/Pavel/Documents/GitHub/Book/Ch_Synthetic/Docs/Figures/LPs/Path/AE
> /PathAErho.eps written in EPS format)
(note: file /Users/Pavel/Documents/GitHub/Book/Ch_Synthetic/Docs/Figures/LPs/L
> SAP/AE/LSAPAErho.eps not found)
(file /Users/Pavel/Documents/GitHub/Book/Ch_Synthetic/Docs/Figures/LPs/LSAP/AE
> /LSAPAErho.eps written in EPS format)

Regression with Driscoll-Kraay standard errors   Number of obs     =     53961
Method: Fixed-effects regression                 Number of groups  =        15
Group variable (i): imf                          F(  6,  4770)     = 106855.48
maximum lag: 9                                   Prob > F          =    0.0000
                                                 within R-squared  =    0.9928
```

rho24m0	Coef.	Drisc/Kraay Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	-.585129	.173519	-3.37	0.001	-.8705977	-.2996603
path	-.4983428	.0933335	-5.34	0.000	-.6518926	-.3447931
lsap	-.2843744	.1230887	-2.31	0.021	-.4868766	-.0818721
rho24m						
L1.	.9029371	.0441072	20.47	0.000	.8303731	.975501
L2.	.0936791	.0443167	2.11	0.035	.0207704	.1665877

fx						
L1.	-.0001588	.0001871	-0.85	0.396	-.0004666	.0001489
_cons	1.350055	.5466173	2.47	0.014	.4507753	2.249335

Regression with Driscoll-Kraay standard errors
Method: **Fixed-effects regression**
Group variable (i): **imf**
maximum lag: **9**

Number of obs = **53961**
Number of groups = **15**
F(**6, 4770**) = **196252.10**
Prob > F = **0.0000**
within R-squared = **0.9902**

rho120m0	Coef.	Drisc/Kraay Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	-.3887298	.1864505	-2.08	0.037	-.6954732	-.0819864
path	-.6293327	.1354806	-4.65	0.000	-.8522217	-.4064437
lsap	-.7442151	.145413	-5.12	0.000	-.9834446	-.5049855
rho120m						
L1.	.8145866	.0200774	40.57	0.000	.7815557	.8476174
L2.	.1809167	.0199488	9.07	0.000	.1480974	.2137359
fx						
L1.	-.0001401	.000142	-0.99	0.324	-.0003738	.0000935
_cons	1.474747	.358424	4.11	0.000	.8850771	2.064416

```
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> arget/EM/TargetEMrho.eps not found)
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> EM/TargetEMrho.eps written in EPS format)
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> ath/EM/PathEMrho.eps not found)
(file /Users/Pavel/Documents/GitHub/Book/Ch_Synthetic/Docs/Figures/LPs/Path/EM
> /PathEMrho.eps written in EPS format)
(note: file /Users/Pavel/Documents/GitHub/Book/Ch_Synthetic/Docs/Figures/LPs/L
> SAP/EM/LSAPEMrho.eps not found)
(file /Users/Pavel/Documents/GitHub/Book/Ch_Synthetic/Docs/Figures/LPs/LSAP/EM
> /LSAPEMrho.eps written in EPS format)
```

```
118 .
    end of do-file

119 . do "$pathcode/spov_levels_group_path"

120 . * ============================================================================
    > ====
121 . * Local projections: AE and EM
122 . * ============================================================================
    > ====
123 . use $file_dta2, clear

124 .
125 .
126 . * Define local variables
127 . local xtcmd xtscc                        // xtreg

128 . local xtopt fe level(90)        // fe level(90) cluster($id)

129 . local maxlag = 2                        // 1

130 .
131 . foreach group in 0 1 {
      2.         if `group' == 0 {
      3.                 local grp "AE"
      4.                 local vars nom dyp dtp // nom usyc rho phi      //  nom s
    > yn rho phi
      5.                 local region regionae
      6.         }
      7.         else {
      8.                 local grp "EM"
      9.                 local vars nom dyp dtp phi // nom usyc rho phi  //      n
    > om syn rho phi
     10.                 local region regionem
     11.         }
     12.
132 .         foreach t in 24 120 {
     13.                 // regressions
```

```
133 .                 foreach v in `vars' {
     14.
134 .                         // variables to store the betas and confidence inter
    > vals
135 .                         capture {
     15.                            foreach shock in path { // mp1 path lsap {
     16.                                    gen b_`shock'_`v'`t'm   = .
     17.                                    gen ll1_`shock'_`v'`t'm = .
     18.                                    gen ul1_`shock'_`v'`t'm = .
     19.                            }       // `shock'
     20.                            }
     21.
136 .                         // controls
137 .                         local ctrl`v'`t'm l(1/`maxlag').`v'`t'm l(1/1).fx
     22. //                       local ctrl`v'`t'm l(1/`maxlag').d`v'`t'm l(1/`max
    > lag').fx
138 .
139 .                         forvalues h = 0/$horizon {
     23.                                    // response variables
140 .                                 capture gen `v'`t'm`h' = (f`h'.`v'`t'm)
     24. //                             capture gen `v'`t'm`h' = (f`h'.`v'`t'm -
    > l.`v'`t'm)
141 .
142 .                                 // conditions
143 .                                 local condition em == `group' & date < td(1o
    > ct2008)     // & `region' == 4
     25.
144 .                                 // one regression for each horizon
145 .                                 if `h' == 0 {
     26.                                            `xtcmd' `v'`t'm`h' mp1 path lsap
    > `ctrl`v'`t'm' if `condition', `xtopt'  // on-impact effect
     27.                                            foreach shock in path { // mp1 pa
    > th lsap {
     28.                                                    local pvalue = (2 * ttail
    > (e(df_r),abs(_b[`shock']/_se[`shock'])))
     29.                                                    if `pvalue' < 0.1 local `
    > shock'`v'  = -1*_b[`shock']
     30.                                                    else local `shock'`v' = 0
     31.                                            }
     32.                                    }
     33.                                    quiet `xtcmd' `v'`t'm`h' mp1 path lsap `c
    > trl`v'`t'm' if `condition', `xtopt'
     34.
```

```
146 .                                   capture {
 35.                                       foreach shock in path { // mp1 path lsap
> {
 36.                                              replace b_`shock'_`v'`t'm  = -1*_
> b[`shock'] if _n == `h'+1
 37.
147 .                                          // confidence intervals
148 .                                          matrix R = r(table)
 38.                                       replace ll1_`shock'_`v'`t'm = -1*
> el(matrix(R),rownumb(matrix(R),"ll"),colnumb(matrix(R),"`shock'")) if _n ==
> `h'+1
 39.                                       replace ul1_`shock'_`v'`t'm = -1*
> el(matrix(R),rownumb(matrix(R),"ul"),colnumb(matrix(R),"`shock'")) if _n ==
> `h'+1
 40.                                   }               // `shock'
 41.                                   drop `v'`t'm`h'
 42.                                   }
 43.                           }               // `h' horizon
 44.                   }               // `v' yield component
 45.
149 .                  // graphs
150 .                  local j = 0
 46.                   foreach shock in path { // mp1 path lsap {
 47.                           local ++j
 48.                           if `j' == 1 local shk "Path"
 49. //                       if `j' == 1 local shk "Target"
151 . //                    if `j' == 2 local shk "Path"
152 . //                    if `j' == 3 local shk "LSAP"
153 .
154 .                        local k = 0
 50.                           foreach v in `vars' {
 51.                                   local ++k
 52.                                   if `k' == 1 local yxtitles ytitle("Basis
> Points", size(medsmall)) xtitle("Days", size(medsmall))
 53.                                   else local yxtitles xtitle("Days", size(m
> edsmall))
 54.                                   twoway  (line ll1_`shock'_`v'`t'm days, l
> color(gs6) lpattern(dash)) ///
>                                                  (line ul1_`shock'_`v'`t'm da
> ys, lcolor(gs6) lpattern(dash)) ///
>                                                  (line b_`shock'_`v'`t'm days
> , lcolor(blue*1.25) lpattern(solid) lwidth(thick)) ///
>                                                  (line zero days, lcolor(blac
> k)), ///
>                                   `yxtitles' xlabel(0(15)$horizon, nogrid) yla
> bel(``shock'`v'' ">", add custom labcolor(red) tlcolor(red) nogrid) ///
>                                   graphregion(color(white)) plotregion(color(w
> hite)) legend(off) name(`v'`t'm, replace) ///
>                                   title(`: variable label `v'`t'm', color(blac
```

```
    > k) size(medium))
     55.
155 . //                              graph export $pathfigs/LPs/`shk'/`grp'/`v'`t
    > 'm.eps, replace
156 .                                 local graphs`shock'`grp'`t' `graphs`shock'`g
    > rp'`t'' `v'`t'm
     56.                                 drop *_`shock'_`v'`t'm
    >        // b_ and confidence intervals
     57.                           }       // `v' yield component
     58.
157 .                          graph combine `graphs`shock'`grp'`t'', rows(1) ycomm
    > on
     59.                           graph export $pathfigs/LPs/`shk'/`grp'/`shk'`grp'
    > nomyptpphi`t'mPre.eps, replace
     60.                           graph drop _all
     61.                   }               // `shock'
     62.          }               // `t' tenor
     63. }               // `group' AE or EM
```

Regression with Driscoll-Kraay standard errors | Number of obs = **21870**
Method: **Fixed-effects regression** | Number of groups = **10**
Group variable (i): **imf** | F(**5, 2186**) = **593555.05**
maximum lag: **7** | Prob > F = **0.0000**
| within R-squared = **0.9975**

nom24m0	Coef.	Drisc/Kraay Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	**.1476586**	**.048425**	**3.05**	**0.002**	**.0679728**	**.2273443**
path	**.1748147**	**.0418298**	**4.18**	**0.000**	**.1059817**	**.2436477**
lsap	**0**	(omitted)				
nom24m						
L1.	**1.085904**	**.0133462**	**81.36**	**0.000**	**1.063942**	**1.107866**
L2.	**-.0875731**	**.0134081**	**-6.53**	**0.000**	**-.1096369**	**-.0655094**
fx						
L1.	**.0037219**	**.0092529**	**0.40**	**0.688**	**-.0115042**	**.018948**
_cons	**.5291416**	**.2554287**	**2.07**	**0.038**	**.1088207**	**.9494626**

Regression with Driscoll-Kraay standard errors Number of obs = **21870**
Method: **Fixed-effects regression** Number of groups = **10**
Group variable (i): **imf** F(**5, 2186**) = **731814.94**
maximum lag: **7** Prob > F = **0.0000**
within R-squared = **0.9981**

dyp24m0	Coef.	Drisc/Kraay Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	.1518147	.0381121	3.98	0.000	.0890993	.2145302
path	.1329689	.0358298	3.71	0.000	.0740091	.1919287
lsap	0	(omitted)				
dyp24m						
L1.	1.100743	.0134133	82.06	0.000	1.078671	1.122816
L2.	-.1019296	.0134458	-7.58	0.000	-.1240553	-.079804
fx						
L1.	.0007176	.007744	0.09	0.926	-.0120256	.0134608
_cons	.3354686	.1926574	1.74	0.082	.018441	.6524962

Regression with Driscoll-Kraay standard errors Number of obs = **21870**
Method: **Fixed-effects regression** Number of groups = **10**
Group variable (i): **imf** F(**5, 2186**) = **265317.55**
maximum lag: **7** Prob > F = **0.0000**
within R-squared = **0.9943**

dtp24m0	Coef.	Drisc/Kraay Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	-.0000566	.0123716	-0.00	0.996	-.0204147	.0203015
path	.0403487	.010194	3.96	0.000	.023574	.0571234
lsap	0	(omitted)				
dtp24m						
L1.	1.022499	.0167189	61.16	0.000	.9949868	1.05001
L2.	-.0258942	.0167468	-1.55	0.122	-.0534519	.0016635
fx						
L1.	.0010581	.0025648	0.41	0.680	-.0031624	.0052785
_cons	.1714284	.0694721	2.47	0.014	.0571086	.2857482

```
(note: file /Users/Pavel/Documents/GitHub/Book/Ch_Synthetic/Docs/Figures/LPs/P
> ath/AE/PathAEnomyptpphi24mPre.eps not found)
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> /PathAEnomyptpphi24mPre.eps written in EPS format)
```

Regression with Driscoll-Kraay standard errors — Number of obs = **21870**
Method: **Fixed-effects regression** — Number of groups = **10**
Group variable (i): **imf** — F(**5, 2186**) = **201767.24**
maximum lag: **7** — Prob > F = **0.0000**
within R-squared = **0.9945**

nom120m0	Coef.	Drisc/Kraay Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	.0163276	.0497596	0.33	0.743	-.0655543	.0982096
path	.1712756	.0367282	4.66	0.000	.1108374	.2317138
lsap	0	(omitted)				
nom120m						
L1.	1.016089	.0137395	73.95	0.000	.9934799	1.038698
L2.	-.0196822	.0137775	-1.43	0.153	-.0423537	.0029893
fx						
L1.	.0160908	.0105875	1.52	0.129	-.0013314	.033513
_cons	1.280614	.4789979	2.67	0.008	.4923986	2.06883

Regression with Driscoll-Kraay standard errors — Number of obs = **21870**
Method: **Fixed-effects regression** — Number of groups = **10**
Group variable (i): **imf** — F(**5, 2186**) = **460164.24**
maximum lag: **7** — Prob > F = **0.0000**
within R-squared = **0.9971**

dyp120m0	Coef.	Drisc/Kraay Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	.0754004	.0269989	2.79	0.005	.0309724	.1198285
path	.0947142	.0231067	4.10	0.000	.0566909	.1327375
lsap	0	(omitted)				
dyp120m						
L1.	1.077669	.0135105	79.77	0.000	1.055437	1.099902
L2.	-.0794556	.0135592	-5.86	0.000	-.1017679	-.0571433
fx						

L1.	.0031467	.0049034	0.64	0.521	-.0049221	.0112155
_cons	.2983269	.1509825	1.98	0.048	.0498774	.5467763

Regression with Driscoll-Kraay standard errors
Method: **Fixed-effects regression**
Group variable (i): **imf**
maximum lag: **7**

Number of obs	= 21870
Number of groups	= 10
F(5, 2186)	= 253102.22
Prob > F	= 0.0000
within R-squared	= 0.9948

dtp120m0	Coef.	Drisc/Kraay Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	-.0560254	.03092	-1.81	0.070	-.1069058	-.0051451
path	.0822071	.0249104	3.30	0.001	.0412157	.1231985
lsap	0	(omitted)				
dtp120m						
L1.	1.036862	.0119651	86.66	0.000	1.017173	1.056552
L2.	-.0398633	.0119477	-3.34	0.001	-.0595239	-.0202028
fx						
L1.	.0078301	.0082958	0.94	0.345	-.005821	.0214813
_cons	.5460016	.2464651	2.22	0.027	.1404307	.9515725

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> ath/AE/PathAEnomyptpphi120mPre.eps not found)
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> /PathAEnomyptpphi120mPre.eps written in EPS format)

Regression with Driscoll-Kraay standard errors
Method: **Fixed-effects regression**
Group variable (i): **imf**
maximum lag: **7**

Number of obs	= 20118
Number of groups	= 13
F(5, 2186)	= 879622.78
Prob > F	= 0.0000
within R-squared	= 0.9973

nom24m0	Coef.	Drisc/Kraay Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	.1254833	.0428738	2.93	0.003	.0549322	.1960344
path	.0376907	.0509439	0.74	0.459	-.0461402	.1215215
lsap	0	(omitted)				
nom24m						
L1.	.9838958	.029518	33.33	0.000	.9353224	1.032469
L2.	.0143639	.0295032	0.49	0.626	-.0341851	.0629129
fx						
L1.	.001506	.0014103	1.07	0.286	-.0008147	.0038267
_cons	-.1216666	1.274821	-0.10	0.924	-2.219449	1.976116

Regression with Driscoll-Kraay standard errors
Method: **Fixed-effects regression**
Group variable (i): **imf**
maximum lag: **7**

Number of obs	=	15581
Number of groups	=	14
F(5, 2178)	=	103675.76
Prob > F	=	0.0000
within R-squared	=	0.9881

dyp24m0	Coef.	Drisc/Kraay Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	.1096324	.0468056	2.34	0.019	.0326113	.1866535
path	-.0792247	.062961	-1.26	0.208	-.1828304	.024381
lsap	0	(omitted)				
dyp24m						
L1.	.8086788	.0281844	28.69	0.000	.7622998	.8550578
L2.	.1864587	.0280515	6.65	0.000	.1402985	.2326189
fx						
L1.	.0006303	.0004011	1.57	0.116	-.0000298	.0012904
_cons	2.355504	1.078888	2.18	0.029	.5801359	4.130872

Regression with Driscoll-Kraay standard errors Number of obs = **15581**
Method: **Fixed-effects regression** Number of groups = **14**
Group variable (i): **imf** F(**5, 2178**) = **34058.53**
maximum lag: **7** Prob > F = **0.0000**
within R-squared = **0.9776**

dtp24m0	Coef.	Drisc/Kraay Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	-.1310257	.0902372	-1.45	0.147	-.2795159	.0174644
path	.2261361	.0799898	2.83	0.005	.0945086	.3577636
lsap	0	(omitted)				
dtp24m						
L1.	.7618407	.0344469	22.12	0.000	.7051565	.818525
L2.	.2264046	.0340472	6.65	0.000	.1703782	.2824311
fx						
L1.	.0029774	.0009827	3.03	0.002	.0013604	.0045945
_cons	-3.167014	1.190384	-2.66	0.008	-5.125854	-1.208173

Regression with Driscoll-Kraay standard errors Number of obs = **13555**
Method: **Fixed-effects regression** Number of groups = **13**
Group variable (i): **imf** F(**5, 1759**) = **15510.36**
maximum lag: **7** Prob > F = **0.0000**
within R-squared = **0.9602**

phi24m0	Coef.	Drisc/Kraay Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	.079308	.0999546	0.79	0.428	-.0851893	.2438053
path	-.0862157	.1005136	-0.86	0.391	-.251633	.0792016
lsap	0	(omitted)				
phi24m						
L1.	.7701181	.018806	40.95	0.000	.7391687	.8010674
L2.	.2163551	.0183751	11.77	0.000	.1861148	.2465953
fx						
L1.	-.0008595	.0012861	-0.67	0.504	-.0029761	.0012571
_cons	2.097507	1.552313	1.35	0.177	-.4571661	4.652181

```
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> ath/EM/PathEMnomyptpphi24mPre.eps not found)
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> /PathEMnomyptpphi24mPre.eps written in EPS format)

Regression with Driscoll-Kraay standard errors   Number of obs     =     20118
Method: Fixed-effects regression                 Number of groups  =        13
Group variable (i): imf                          F(  5,  2186)     =  388429.42
maximum lag: 7                                   Prob > F          =    0.0000
                                                 within R-squared  =    0.9944

------------------------------------------------------------------------------
             |               Drisc/Kraay
    nom120m0 |      Coef.   Std. Err.      t    P>|t|     [90% Conf. Interval]
-------------+----------------------------------------------------------------
         mp1 |    .124826    .066057     1.89   0.059     .0161258    .2335261
        path |   .0440022   .0483908     0.91   0.363    -.0356273    .1236317
        lsap |         0  (omitted)
             |
     nom120m |
          L1. |   .9159712   .0270538    33.86   0.000     .8714528    .9604896
          L2. |   .0807748   .0269976     2.99   0.003     .0363489    .1252007
             |
          fx |
          L1. |    .001215   .0014406     0.84   0.399    -.0011556    .0035856
             |
       _cons |    1.33271    1.25386     1.06   0.288    -.7305799      3.396
------------------------------------------------------------------------------

Regression with Driscoll-Kraay standard errors   Number of obs     =     15581
Method: Fixed-effects regression                 Number of groups  =        14
Group variable (i): imf                          F(  5,  2178)     =  133067.81
maximum lag: 7                                   Prob > F          =    0.0000
                                                 within R-squared  =    0.9885

------------------------------------------------------------------------------
             |               Drisc/Kraay
    dyp120m0 |      Coef.   Std. Err.      t    P>|t|     [90% Conf. Interval]
-------------+----------------------------------------------------------------
         mp1 |   .0322049   .0426861     0.75   0.451    -.0380374    .1024471
        path |   .0125739   .0363074     0.35   0.729    -.0471718    .0723197
        lsap |         0  (omitted)
             |
     dyp120m |
          L1. |   .7766659   .0243246    31.93   0.000     .7366384    .8166934
          L2. |   .2184298   .0244142     8.95   0.000     .1782549    .2586046
             |
          fx |
```

L1.	.0012114	.0005354	2.26	0.024	.0003304	.0020924
_cons	1.081941	.9576494	1.13	0.259	-.4939222	2.657805

Regression with Driscoll-Kraay standard errors
Method: **Fixed-effects regression**
Group variable (i): **imf**
maximum lag: **7**

Number of obs	= 15581
Number of groups	= 14
F(5, 2178)	= 89884.46
Prob > F	= 0.0000
within R-squared	= 0.9833

dtp120m0	Coef.	Drisc/Kraay Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	-.2138016	.076004	-2.81	0.005	-.3388703	-.0887329
path	-.18953	.0769581	-2.46	0.014	-.3161686	-.0628914
lsap	0	(omitted)				
dtp120m						
L1.	.7143376	.0268911	26.56	0.000	.6700869	.7585884
L2.	.2777011	.0270066	10.28	0.000	.2332603	.3221419
fx						
L1.	.0003648	.0006495	0.56	0.574	-.000704	.0014336
_cons	1.46427	.9634733	1.52	0.129	-.1211767	3.049717

Regression with Driscoll-Kraay standard errors
Method: **Fixed-effects regression**
Group variable (i): **imf**
maximum lag: **7**

Number of obs	= 13555
Number of groups	= 13
F(5, 1759)	= 16626.31
Prob > F	= 0.0000
within R-squared	= 0.9362

phi120m0	Coef.	Drisc/Kraay Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	.3436099	.0526778	6.52	0.000	.2569169	.4303029
path	.2937777	.0759278	3.87	0.000	.1688217	.4187337
lsap	0	(omitted)				
phi120m						
L1.	.7090069	.0226658	31.28	0.000	.6717054	.7463085
L2.	.2654208	.0227365	11.67	0.000	.2280029	.3028387

```
          fx |
          L1. |   .0014478   .0020556     0.70   0.481    -.0019352    .0048307
       _cons |  -.3554541   2.439268    -0.15   0.884    -4.369807    3.658899
------------------------------------------------------------------------------

(note: file /Users/Pavel/Documents/GitHub/Book/Ch_Synthetic/Docs/Figures/LPs/P
> ath/EM/PathEMnomyptpphi120mPre.eps not found)
(file /Users/Pavel/Documents/GitHub/Book/Ch_Synthetic/Docs/Figures/LPs/Path/EM
> /PathEMnomyptpphi120mPre.eps written in EPS format)

158 .
end of do-file

159 . do "$pathcode/spov_levels_usyc_path"

160 . * ============================================================================
> ====
161 . * Local projections: US YC
162 . * ============================================================================
> ====
163 . use $file_dta2, clear

164 .
165 .
166 . * Define local variables
167 . local xtcmd reg         // xtreg        // xtscc

168 . local xtopt robust level(90)    // fe level(90) cluster($id)    // fe level(
> 90)

169 . local maxlag = 2                                  // 1

170 . local grp "CHF"

171 . local vars usyc usyp ustp
```

```
172 .
173 . foreach t in 24 120 {
      2.         // regressions
174 .         foreach v in `vars' {
      3.
175 .                 // variables to store the betas and confidence intervals
176 .                 capture {
      4.                    foreach shock in path { // mp1 path lsap {
      5.                            gen b_`shock'_`v'`t'm   = .
      6.                            gen ll1_`shock'_`v'`t'm = .
      7.                            gen ul1_`shock'_`v'`t'm = .
      8.                    }       // `shock'
      9.                    }
     10.
177 .                 // controls
178 .                 local ctrl`v'`t'm l(1/`maxlag').`v'`t'm  // l(1/1).fx
     11. //              local ctrl`v'`t'm l(1/`maxlag').d`v'`t'm        // l(1/`m
    > axlag').fx
179 .
180 .                 forvalues h = 0/$horizon {
     12.                           // response variables
181 .                       capture gen `v'`t'm`h' = (f`h'.`v'`t'm)
     13. //                    capture gen `v'`t'm`h' = (f`h'.`v'`t'm - l.`v'`t'
    > m)
182 .
183 .                       // conditions
184 .                       local condition cty == "`grp'" & date <  td(1oct2008
    > )
     14.
185 .                       // one regression for each horizon
186 .                       if `h' == 0 {
     15.                                   `xtcmd' `v'`t'm`h' mp1 path lsap `ctrl`v'
    > `t'm' if `condition', `xtopt'  // on-impact effect
     16.                                   foreach shock in path { // mp1 path lsap
    > {
     17.                                           local pvalue = (2 * ttail(e(df_r)
    > ,abs(_b[`shock']/_se[`shock'])))
     18.                                           if `pvalue' < 0.1 local `shock'`v
    > '  = -1*_b[`shock']
     19.                                           else local `shock'`v' = 0
     20.                                   }
     21.                           }
     22.                           quiet `xtcmd' `v'`t'm`h' mp1 path lsap `ctrl`v'`t
    > 'm' if `condition', `xtopt'
     23.
```

```
187 .                         capture {
 24.                            foreach shock in path { // mp1 path lsap {
 25.                                    replace b_`shock'_`v'`t'm  = -1*_b[`shock
> '] if _n == `h'+1
 26.
188 .                                 // confidence intervals
189 .                                 matrix R = r(table)
 27.                                    replace ll1_`shock'_`v'`t'm = -1*el(matri
> x(R),rownumb(matrix(R),"ll"),colnumb(matrix(R),"`shock'")) if _n == `h'+1
 28.                                    replace ul1_`shock'_`v'`t'm = -1*el(matri
> x(R),rownumb(matrix(R),"ul"),colnumb(matrix(R),"`shock'")) if _n == `h'+1
 29.                            }       // `shock'
 30.                            drop `v'`t'm`h'
 31.                            }
 32.                  }                        // `h' horizon
 33.          }                        // `v' yield component
 34.
190 .          // graphs
191 .          local j = 0
 35.             foreach shock in path { // mp1 path lsap {
 36.                     local ++j
 37.                     if `j' == 1 local shk "Path"
 38. //                  if `j' == 1 local shk "Target"
192 . //              if `j' == 2 local shk "Path"
193 . //              if `j' == 3 local shk "LSAP"
194 .
195 .                 local k = 0
 39.                    foreach v in `vars' {
 40.                            local ++k
 41.                            if `k' == 1 local yxtitles ytitle("Basis Points",
>  size(medsmall)) xtitle("Days", size(medsmall))
 42.                            else local yxtitles xtitle("Days", size(medsmall)
> )
 43.                            twoway  (line ll1_`shock'_`v'`t'm days, lcolor(gs
> 6) lpattern(dash)) ///
>                                         (line ul1_`shock'_`v'`t'm days, lcol
> or(gs6) lpattern(dash)) ///
>                                         (line b_`shock'_`v'`t'm days, lcolor
> (blue*1.25) lpattern(solid) lwidth(thick)) ///
>                                         (line zero days, lcolor(black)), ///
>                           `yxtitles' xlabel(0(15)$horizon, nogrid) ylabel(``sh
> ock'`v'' ">", add custom labcolor(red) tlcolor(red) nogrid) ///
>                           graphregion(color(white)) plotregion(color(white)) l
> egend(off) name(`v'`t'm, replace) ///
>                           title(`: variable label `v'`t'm', color(black) size(
> medium))
 44.
```

```
196 . //                              graph export $pathfigs/LPs/`shk'/CTY/`shk'`g
    > rp'`v'`t'm.eps, replace
197 .                         local graphs`shock'`grp'`t' `graphs`shock'`grp'`t''
    > `v'`t'm
 45.                           drop *_`shock'_`v'`t'm                          /
    > / b_ and confidence intervals
 46.                   }       // `v' yield component
 47.
198 .                  graph combine `graphs`shock'`grp'`t'', rows(1) ycommon
 48.                   graph export $pathfigs/LPs/`shk'/CTY/`shk'USDnomyptp`t'mP
    > re.eps, replace
 49.                   graph drop _all
 50.           }               // `shock'
 51. }                 // `t' tenor
note: lsap omitted because of collinearity

Linear regression                               Number of obs     =      2,187
                                                F(4, 2182)        >   99999.00
                                                Prob > F          =     0.0000
                                                R-squared         =     0.9980
                                                Root MSE          =     6.5101

------------------------------------------------------------------------------
             |               Robust
    usyc24m0 |      Coef.   Std. Err.      t    P>|t|     [90% Conf. Interval]
-------------+----------------------------------------------------------------
         mp1 |    .380648   .1277317     2.98   0.003     .1704588    .5908372
        path |     .52609   .1320076     3.99   0.000     .3088646    .7433154
        lsap |          0  (omitted)
             |
     usyc24m |
          L1. |    1.00207   .0273122    36.69   0.000     .9571261    1.047013
          L2. |  -.0035574   .0273361    -0.13   0.896    -.0485403    .0414255
             |
       _cons |   .3569553   .4006277     0.89   0.373    -.3022986    1.016209
------------------------------------------------------------------------------
note: lsap omitted because of collinearity

Linear regression                               Number of obs     =      2,187
                                                F(4, 2182)        >   99999.00
                                                Prob > F          =     0.0000
                                                R-squared         =     0.9994
                                                Root MSE          =     3.3712
```

usyp24m0	Coef.	Robust Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	**.281726**	**.0846901**	**3.33**	**0.001**	**.142364**	**.4210879**
path	**.2208287**	**.0535873**	**4.12**	**0.000**	**.132648**	**.3090094**
lsap	**0**	(omitted)				
usyp24m						
L1.	**1.290757**	**.0276834**	**46.63**	**0.000**	**1.245203**	**1.336312**
L2.	**-.2913432**	**.02767**	**-10.53**	**0.000**	**-.3368757**	**-.2458107**
_cons	**.085933**	**.189425**	**0.45**	**0.650**	**-.2257757**	**.3976418**

note: lsap omitted because of collinearity

Linear regression

Number of obs	=	**2,187**
F(4, 2182)	=	**68790.35**
Prob > F	=	**0.0000**
R-squared	=	**0.9927**
Root MSE	=	**1.6993**

ustp24m0	Coef.	Robust Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	**.0197213**	**.0287891**	**0.69**	**0.493**	**-.0276527**	**.0670954**
path	**.1306825**	**.0340407**	**3.84**	**0.000**	**.0746668**	**.1866982**
lsap	**0**	(omitted)				
ustp24m						
L1.	**1.262696**	**.0270894**	**46.61**	**0.000**	**1.218119**	**1.307274**
L2.	**-.268392**	**.0271107**	**-9.90**	**0.000**	**-.3130042**	**-.2237799**
_cons	**.1835565**	**.07719**	**2.38**	**0.017**	**.0565364**	**.3105766**

(note: file /Users/Pavel/Documents/GitHub/Book/Ch_Synthetic/Docs/Figures/LPs/P
> ath/CTY/PathUSDnomyptp24mPre.eps not found)
(file /Users/Pavel/Documents/GitHub/Book/Ch_Synthetic/Docs/Figures/LPs/Path/CT
> Y/PathUSDnomyptp24mPre.eps written in EPS format)
note: lsap omitted because of collinearity

Linear regression

Number of obs	=	**2,187**
F(4, 2182)	=	**67140.02**
Prob > F	=	**0.0000**
R-squared	=	**0.9923**
Root MSE	=	**5.8129**

usyc120m0	Coef.	Robust Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	.0486045	.1138658	0.43	0.670	-.1387676	.2359765
path	.3096284	.0789484	3.92	0.000	.1797148	.4395421
lsap	0	(omitted)				
usyc120m						
L1.	1.004171	.0245715	40.87	0.000	.9637378	1.044605
L2.	-.0095772	.0246002	-0.39	0.697	-.0500581	.0309037
_cons	2.508584	.9569803	2.62	0.009	.9338231	4.083345

note: lsap omitted because of collinearity

Linear regression

Number of obs	=	2,187
F(4, 2182)	>	99999.00
Prob > F	=	0.0000
R-squared	=	0.9987
Root MSE	=	2.283

usyp120m0	Coef.	Robust Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	.1239368	.0583526	2.12	0.034	.0279145	.219959
path	.1393598	.0347539	4.01	0.000	.0821705	.1965491
lsap	0	(omitted)				
usyp120m						
L1.	1.200818	.0258905	46.38	0.000	1.158213	1.243422
L2.	-.2020361	.0258553	-7.81	0.000	-.2445823	-.15949
_cons	.4113246	.3264672	1.26	0.208	-.1258942	.9485434

note: lsap omitted because of collinearity

Linear regression

Number of obs	=	2,187
F(4, 2182)	>	99999.00
Prob > F	=	0.0000
R-squared	=	0.9956
Root MSE	=	2.706

ustp120m0	Coef.	Robust Std. Err.	t	P>|t|	[90% Conf.	Interval]
mp1	**-.0122641**	**.0486261**	**-0.25**	**0.801**	**-.0922808**	**.0677527**
path	**.1842314**	**.0493415**	**3.73**	**0.000**	**.1030374**	**.2654254**
lsap	**0**	(omitted)				
ustp120m						
L1.	**1.237569**	**.0251987**	**49.11**	**0.000**	**1.196103**	**1.279035**
L2.	**-.2405555**	**.0251439**	**-9.57**	**0.000**	**-.281931**	**-.1991799**
_cons	**.2514652**	**.1255559**	**2.00**	**0.045**	**.0448564**	**.4580741**

```
(note: file /Users/Pavel/Documents/GitHub/Book/Ch_Synthetic/Docs/Figures/LPs/P
> ath/CTY/PathUSDnomyptp120mPre.eps not found)
(file /Users/Pavel/Documents/GitHub/Book/Ch_Synthetic/Docs/Figures/LPs/Path/CT
> Y/PathUSDnomyptp120mPre.eps written in EPS format)

199 .
end of do-file

200 . // do "$pathcode/spov_drivers"
201 . log close
      name:  <unnamed>
       log:  /Users/Pavel/Documents/GitHub/Book/Ch_Synthetic/Docs/Tables/impac
> t_regs.smcl
  log type:  smcl
 closed on:  29 Sep 2020, 21:42:25
```