

Replication code documentation of Amir-Ahmadi, Matthes and Wang (2018, JBES)

Main file to run code and replicate result:

Main_AAMW.m

Main code to run the reduced form estimation.

DoRecursiveIRF_kappaJBES.m

Main code to run IRF calculation after running

Main_AAMW.m.

DoConditionalMoments_JBES.m

Main code to calculate evolving long-run means
after running **Main_AAMW.m**.

To replicate the empirical results of the main paper, ideally run the above three codes for all the relevant specifications and countries. The specifications are the two main priors for the hyperparameters setting `prior_sel = 1`; for fixed hyperparameters and `prior_sel = 3`; for estimated hyperparameters following an inverse Gamma prior. Details are provided in the paper. Run the calculations for Euro area and UK data separately. The relevant results folders will be generated automatically.

Codes to generate empirical graphs in the paper:

Figure3.m

Produces figure 3 of the paper, which depicts the prior vs. posterior distribution of the four estimated hyperparameters and the corresponding fixed value from Primiceri (2005, REStud). Requires to have run **Main_AAMW.m** for all relevant specifications and data sets beforehand.

Figure_4_and_5.m

Posterior IRFs for UK and Euro area. Comparison between fixed and estimated hyperparameters. Requires to have run **Main_AAMW.m** for all relevant specifications and data sets beforehand.

Figure_6.m

Posterior mean of reduced form parameters. Comparison Between fixed and estimated hyperparameters. Requires to have run **Main_AAMW.m** for all relevant specifications and data sets beforehand.

Figure_7.m

Requires to have run **DoRecursiveIRF_kappaJBES.m** for all relevant specifications and data sets beforehand.

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