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```

      name: <unnamed>
      log: /Users/kailiao/Downloads/problem 1.smcl
    log type: smcl
    opened on: 14 Nov 2022, 15:10:34

1 . do "/var/folders/rt/kyq9qr_50fzfcbfdhh8vgyc0000gn/T//SD95790.000000"

2 . import excel "/Users/kailiao/Downloads/ps3.xlsx", sheet("Sheet1") cellrange(A
  > 2:I266) firstrow clear
  (9 vars, 264 obs)

3 .
4 . rename D Confidence_individual

5 .
6 . rename Confidence Confidence_institutional

7 .
8 . destring Confidence_institutional Confidence_individual, replace
  Confidence_institutional: all characters numeric; replaced as double
  (118 missing values generated)
  Confidence_individual: all characters numeric; replaced as double
  (135 missing values generated)

9 .
10 . gen Con_ins_lag1 = Confidence_institutional[_n-1]
  (118 missing values generated)

11 .
12 . gen Con_ind_lag1 = Confidence_individual[_n-1]
  (135 missing values generated)

13 .
14 . destring IndexLevel Con_ind_lag1 Dividends Earnings ConsumerPriceIndes Longin
  > terestrage Con_ins_lag1, replace
  IndexLevel already numeric; no replace
  Con_ind_lag1 already numeric; no replace
  Dividends already numeric; no replace
  Earnings: all characters numeric; replaced as double
  (3 missing values generated)
  ConsumerPriceIndes already numeric; no replace
  Longinterestrage already numeric; no replace
  Con_ins_lag1 already numeric; no replace

15 .
16 . gen index_pct=100*(IndexLevel[_n]-IndexLevel[_n-1])/IndexLevel[_n-1]
  (2 missing values generated)

17 .

```

```
18 . reg index_pct Con_ind_lag1 Con_ins_lag1 Dividends Earnings ConsumerPriceIndes
> Longinterestrate
```

Source	SS	df	MS	Number of obs	=	126
Model	<b>94.5579842</b>	<b>6</b>	<b>15.759664</b>	F(6, 119)	=	<b>0.88</b>
Residual	<b>2132.10754</b>	<b>119</b>	<b>17.9168701</b>	Prob > F	=	<b>0.5122</b>
				R-squared	=	<b>0.0425</b>
				Adj R-squared	=	<b>-0.0058</b>
Total	<b>2226.66553</b>	<b>125</b>	<b>17.8133242</b>	Root MSE	=	<b>4.2328</b>

	Coef.	Std. Err.	t	P> t	[95% Conf. Inte	
index_pct						
Con_ind_lag1	<b>-.0433008</b>	<b>.0942386</b>	<b>-0.46</b>	<b>0.647</b>	<b>-.2299026</b>	<b>.1</b>
Con_ins_lag1	<b>-.0009007</b>	<b>.0811736</b>	<b>-0.01</b>	<b>0.991</b>	<b>-.1616325</b>	<b>.15</b>
Dividends	<b>-.3370315</b>	<b>.1977328</b>	<b>-1.70</b>	<b>0.091</b>	<b>-.7285623</b>	<b>.05</b>
Earnings	<b>.0260484</b>	<b>.0234437</b>	<b>1.11</b>	<b>0.269</b>	<b>-.0203725</b>	<b>.07</b>
ConsumerPriceIndes	<b>.0366673</b>	<b>.0695949</b>	<b>0.53</b>	<b>0.599</b>	<b>-.1011375</b>	<b>.17</b>
Longinterestrate	<b>-.3344914</b>	<b>.8750147</b>	<b>-0.38</b>	<b>0.703</b>	<b>-2.067108</b>	<b>1.3</b>
_cons	<b>3.866037</b>	<b>16.56845</b>	<b>0.23</b>	<b>0.816</b>	<b>-28.94116</b>	<b>36.</b>

```
19 .
20 . gen datee=ym(year, month)
    (1 missing value generated)

21 .
22 . tset datee
    time variable:  datee, 357 to 619
                   delta: 1 unit

23 .
24 . vec index_pct Confidence_individual
```

Vector error-correction model

Sample: 500 - 619	Number of obs	=	120
	AIC	=	9.718321
Log likelihood = -574.0993	HQIC	=	9.803222

Det(Sigma\_ml) = 49.0366 SBIC = 9.927383

Equation	Parms	RMSE	R-sq	chi2	P>chi2
D_index_pct	4	4.21895	0.3585	64.83805	0.0000
D_Confidence_i~l	4	1.72795	0.0412	4.983544	0.2890

		Coef.	Std. Err.	z	P> z	[95% Conf.
> Interval]						
> _____						
<b>D_index_pct</b>						
	_cel					
	L1.	-.7520742	.1170616	-6.42	0.000	-.9815108
> -.5226376						
	index_pct					
	LD.	.0253107	.0971901	0.26	0.795	-.1651784
> .2157997						
	Confidence_individual					
	LD.	-.1304984	.2272729	-0.57	0.566	-.5759451
> .3149483						
	_cons	-.0156153	.3859288	-0.04	0.968	-.7720219
> .7407913						
> _____						
<b>D_Confidence_individual</b>						
	_cel					
	L1.	.0875544	.0479449	1.83	0.068	-.0064159
> .1815247						
	index_pct					
	LD.	-.0129218	.0398061	-0.32	0.745	-.0909404
> .0650968						
	Confidence_individual					
	LD.	-.0191342	.0930841	-0.21	0.837	-.2015757
> .1633074						
	_cons	-.1341325	.1580648	-0.85	0.396	-.4439339
> .1756688						
> _____						

Cointegrating equations

Equation	Parms	chi2	P>chi2
_cel	1	1.71221	0.1907

Identification: beta is exactly identified

Johansen normalization restriction imposed

> _____		beta	Coef.	Std. Err.	z	P> z	[95% Conf. I
> nterval]							
> _____							
_cel		index_pct	1	.	.	.	.
> .		Confidence_individual	-.1013151	.0774276	-1.31	0.191	-.2530705
> .0504402		_cons	8.282046	.	.	.	.
> .							
> _____							

25 .

26 . vec Confidence\_individual index\_pct

Vector error-correction model

Sample: 500 - 619	Number of obs	=	120
	AIC	=	9.718321
Log likelihood = -574.0993	HQIC	=	9.803222
Det(Sigma_ml) = 49.0366	SBIC	=	9.927383

Equation	Parms	RMSE	R-sq	chi2	P>chi2
D_Confidence_i~l	4	1.72795	0.0412	4.983544	0.2890
D_index_pct	4	4.21895	0.3585	64.83805	0.0000

> _____		Coef.	Std. Err.	z	P> z	[95% Conf.
> Interval]						
> _____						
D_Confidence_individual						
_cel						
L1.		-.0088706	.0048575	-1.83	0.068	-.0183912

```

> .00065
Confidence_individual
LD. -0.0191342 .0930841 -0.21 0.837 -.2015757
> .1633074
index_pct
LD. -0.0129218 .0398061 -0.32 0.745 -.0909404
> .0650968
_cons -0.1341325 .1580648 -0.85 0.396 -.4439339
> .1756688
_____
> _____
D_index_pct
_cons -0.0761965 .0118601 6.42 0.000 .0529511
> .0994419
Confidence_individual
LD. -0.1304984 .2272729 -0.57 0.566 -.5759451
> .3149483
index_pct
LD. .0253107 .0971901 0.26 0.795 -.1651784
> .2157997
_cons -0.0156153 .3859288 -0.04 0.968 -.7720219
> .7407913
_____
> _____

```

Cointegrating equations

Equation	Parms	chi2	P>chi2
_cel	1	48.17257	0.0000

Identification: beta is exactly identified

Johansen normalization restriction imposed

	beta	Coef.	Std. Err.	z	P> z	[95% Conf. I
> _____						
> nterval]						
> _____						
_cel						
Confidence_individual		1	.	.	.	.

```
>      .
>      index_pct | -9.870193   1.422086   -6.94   0.000   -12.65743   -
> 7.082956
>      _cons | -81.74539           .           .           .
> _____
> _____
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27 .  
end of do-file

28 . log close  
name: <unnamed>  
log: /Users/kailiao/Downloads/problem 1.smcl  
log type: smcl  
closed on: 14 Nov 2022, 15:10:53

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