

Readme file

This file explains how to reproduce the figures in ``No News in Business Cycles''
by Mario Forni, Luca Gambetti, Marco Lippi and Luca Sala
AEJMacro-2015-0359 - No News in Business Cycles

There are 2 folders (DSGE and kilian_bootstrap), put them in the Matlab path.

%%

The main replication file is: replication_Noisy_News_Business_Cycles.m
By running this, all the figures in the papers and all the tables are generated.
%%

MainProgAEJRevision_1.m	: replicates the empirical results in the paper
MainProgAEJRevision_2.m	: replicates the empirical results in the paper
FAVARNewsNoiseChol.m	: estimates a VAR model, identifies a noise and a news shock (FAVARCholImp.m) and computes confidence bands (FAVARCholBoot.m).
DoFiguresBC_luca2_rev.m	: draw figures
DoFiguresBC_luca2_rev2.m	: draw figures
ReadDataNews_EJ_data.m	: loads data
dataset_EJ_data.xlsx	: data in excel format
population.xlsx	: population data in excel format
Robustness_mario3.m	: robustness analysis
Robustness_luca2.m	: robustness analysis
ortotest.m	: computes the orthogonality test in Forni-Gambetti, JME, 2014.
FAVARCholIdent.m	: identifies reduced form impulse reponses with a Cholesky order
FAVARCholBoot.m	: computes bootstrapped impulse responses from a Cholesky identification
FAVARNewsNoiseMax.m	: estimates a VAR model, identifies a noise and a news shock and computes confidence bands.
FAVARCholBootMax.m	: bootstrap analysis in the estimated VARs using the maximal impulse response identification scheme
myols.m	: OLS estimation
FAVARNewsImp.m	: computes impulse responses using the maximal impulse response identification scheme
LongRunEffectZ.m	: function to be maximized to obtain the maximal impulse response identification scheme
ComputeIrfOneShock.m	: takes an identified shock and computes its impulse responses
GenerateNewSeries.m	: uses the estimated VAR generates new series
VarParameters.m	: takes VAR estimates and builds a companion form
aicbic.m	: computes information criteria
cfilter.m	: computes band passed time series
FAVARRaw.m	: computes impulse responses
FAVARCholImp.m	: computes impulse responses using a Cholesky identification scheme
VAR_str.m	: constructs the regressors for a VAR(k)
principalcomponents.m	: computes principal components
polynomialmatricesproduct.m	: multiplies matrix polynomials
woldimpulse.m	: takes a VAR and computes the MA representation
companion.m	: computes a companion form from a VAR
invertpolynomialmatrix.m	: inverts a matrix polynomial
myvar.m	: estimates a VAR(k)
center.m	: subtracts the mean for time series
standardize.m	: standardizes time series

DSGE folder

FGLS_experiments_news_and_noise_confidence_8shocks.m	: replicates the DSGE results
in the	paper
FGLS_4lags_generate_restricted_8shocks.m	: generates data from the DSGE
	model
fai_fill.m	: plots results

kilian_bootstrap folder

These files implements Kilian's IRF bias correction