Replication of Angrist et al. 2017

Oliver Giesecke

September 10, 2019

	(1)	(2)	(3)
FFR Expectation			0.384***
			(0.0859)
Inflation, Lag 1	0.0770	0.0488	0.0773
	(0.0733)	(0.0701)	(0.0697)
Inflation, Lag 2		0.0996	0.0301
		(0.0726)	(0.0698)
Unemployment, Lag 1	-0.312***	-0.179**	-0.138*
	(0.0955)	(0.0865)	(0.0828)
Unemployment, Lag 2		-0.260***	-0.161*
		(0.0913)	(0.0835)
Target Rate, Lag 1		-0.0137***	-0.0208***
		(0.00526)	(0.00587)
Last Change		0.0951	0.0794
		(0.0823)	(0.0787)
FOMC × Last Change		0.224**	0.202**
		(0.101)	(0.0936)
FOMC		-0.0283	-0.00981
		(0.0312)	(0.0308)
Log-likelihood	-187.08	-148.81	-128.63
Controls		✓	✓
Observations	192	192	192

Table 1: Replication of Table 1

Note: Replication of column (1) and (2) seems reasonably accurate. Column (3) which corresponds to model F2 has some discrepancy with respect to the expectation measure that is extracted from federal funds futures. In turn, other estimates also deviate slightly. This needs a little more work.
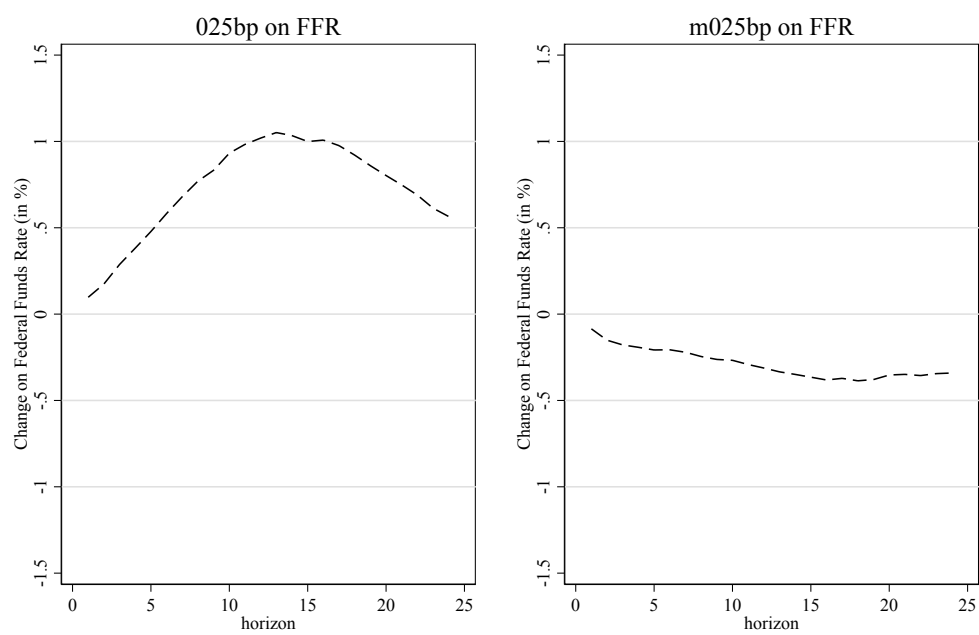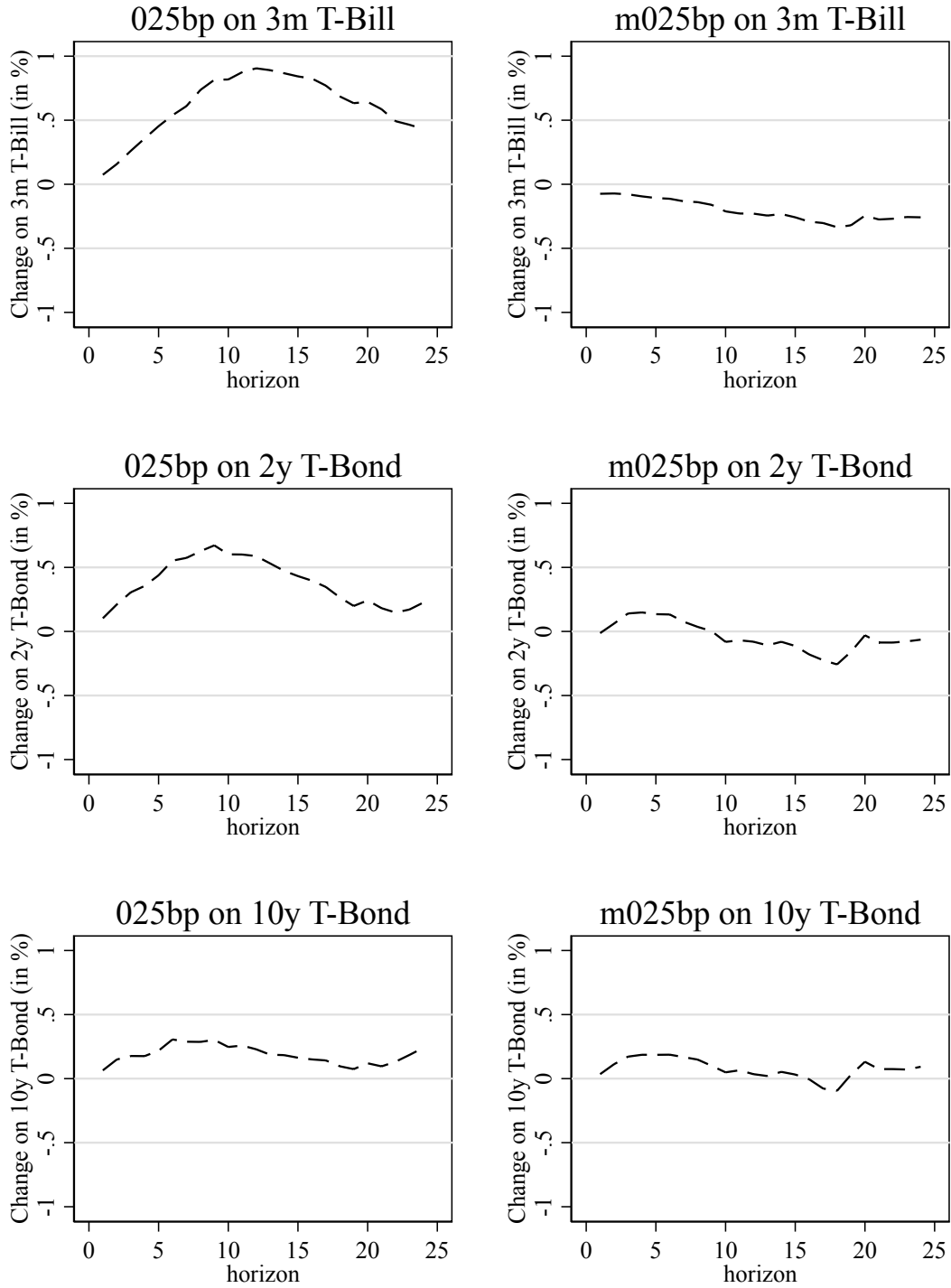
Figure 1: Replication Figure 2

Figure 2: Replication Figure 3

025bp on Inflation

m025bp on Inflation
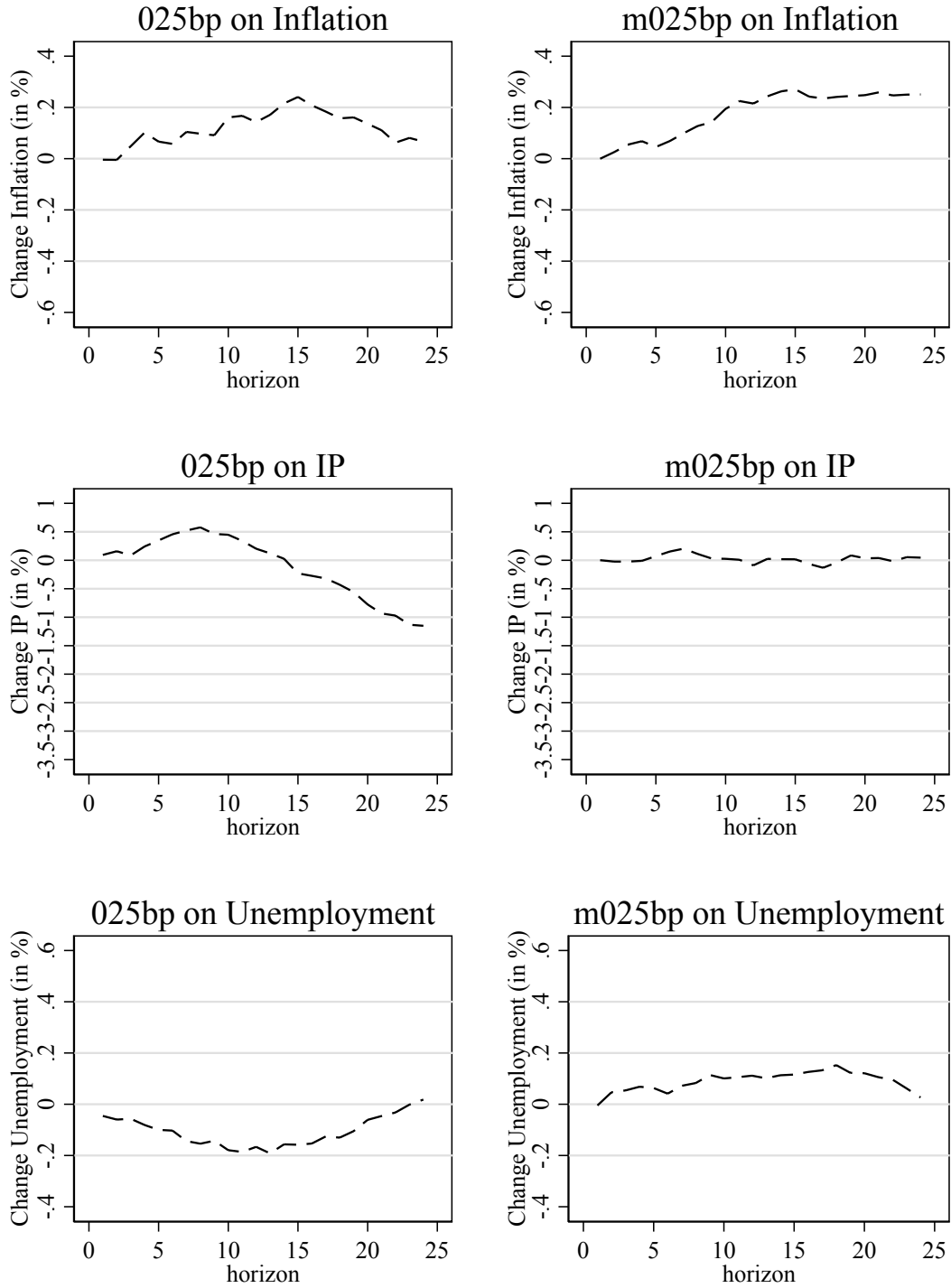
025bp on IP

m025bp on IP

025bp on Unemployment

m025bp on Unemployment

Figure 3: Replication Figure 4