Monte Carlo Simulations (X) $\mathbf{x}_{t, i} = \theta_{11} \mathbf{x}_{t-1, i} + \theta_{12} \mathbf{y}_{t-1, i} + \mu_{x, i} + \mathbf{e}_{1, i}$ $y_{t, i} = \theta_{22} y_{t-1, i} + \theta_{21} x_{t-1, i} + \mu_{y, i} + e_{2, i}$ CLPM **CTSEM** 1.6 1.4 1.2 True CL True AR True CL True AR **OLSFI RICLPM**

