Package ‘varexternalinstrument’

October 11, 2017

Type Package

Title Implements the external instrument identification method from Gertler Karadi (and others) for the R vars package

Version 0.0.1

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Description Simple implementation of the external instrument identification method for VARs from Gertler Karadi (2015) (and others).

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Encoding UTF-8

LazyData true

Depends R (>= 3.1.0)

Imports vars

Suggests testthat

RoxygenNote 6.0.1

R topics documented:

`externalinstrument` *Identify the impulse response for a VAR (using the VAR estimated from the vars package), using a high frequency instrument.*

Description

Identify the impulse response for a VAR (using the VAR estimated from the vars package), using a high frequency instrument.

Usage

```
externalinstrument(var, instrument, dependent, p)
```

Arguments

var	A varest var, or a dataframe of reduced form residuals.
instrument	A list containing the data for the instrument. Should be same length as the estimation sample.
dependent	Which variable in your var are you instrumenting (as a string).
p	(Integer) How many lags does your var have (only needed if supplying a dataframe instead of a varest).

Examples

```
library(vars)
library(varexternalinstrument)
data(GKdata)
gkvar <- VAR(GKdata[, c("logip", "logcpi", "gs1", "ebp")], p = 12, type = "const")
shockcol <- externalinstrument(gkvar, GKdata$ff4_tc, "gs1")
```

GKdata *Replication data from Gertler and Karadi (2015).*

Description

Replication data from Gertler and Karadi (2015).

References

https://www.aeaweb.org/articles?id=10.1257/mac.20130329

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