Table 1: Endogenous

Variable	LaTeX	Description
c	C	Consumption
ii	i	Interest Rate
pi	π	Inflation
m	m	Real balances
N	N	Labor
phi	φ	Marginal cost
Delta	Δ	Price Dispersion
w	w	Wage
s	s	Optimal price
g1	$g1$	NKPC Var1
g2	$g2$	NKPC Var2
z	z	Technology shock
m_dot	$\dot{M}$	Nominal money growth

Table 2: Exogenous

Variable	LaTeX	Description
nu	ν	Monetary shock
eps_z	ε^z	Technology shock

Table 3: Parameters

Variable	LaTeX	Description
siggma	σ	Inverse of intertemporal elasticity
betta	β	Intertemporal discount factor
gama	γ	Real balances parameter
chi	χ	Labor parameter
b	b	Inverse of interest elasticity
etta	η	Inverse of Fisch elasticity
thetta	θ	Elasticity of substitution
omegga	ω	Calvo price setting parameter
mu	μ	mark-up
rho_m	ρ_m	Monetary policy AR
delta_pi	δ_π	Taylor rule parameter
rho_z	ρ_z	Technology AR

Table 4: Parameter Values

Parameter	**Value**	**Description**
σ	2.500	Inverse of intertemporal elasticity
β	0.990	Intertemporal discount factor
γ	0.010	Real balances parameter
χ	1.000	Labor parameter
b	2.000	Inverse of interest elasticity
η	1.500	Inverse of Fisch elasticity
θ	1.500	Elasticity of substitution
ω	0.600	Calvo price setting parameter
μ	3.000	mark-up
ρ_m	0.600	Monetary policy AR
δ_π	1.500	Taylor rule parameter
ρ_z	0.800	Technology AR

[name= ‘1’]

$$C_t^{(-\sigma)} = \frac{\beta\ (1+i_t)\ C_{t+1}^{(-\sigma)}}{\pi_{t+1}} \tag{1}$$

[name= ‘2’]

$$\frac{\gamma\, m_t^{(-b)}}{C_t^{(-\sigma)}} = \frac{i_t}{1+i_t} \tag{2}$$

[name= ‘3’]

$$\frac{\chi\, N_t^{\eta}}{C_t^{(-\sigma)}} = w_t \tag{3}$$

[name= ‘phi’]

$$\varphi_t = \frac{w_t}{z_t} \tag{4}$$

[name= ‘Delta’]

$$\Delta_t = (1-\omega)\ s_t^{(-\theta)} + \omega\, \pi_t^{\theta}\, \Delta_{t-1} \tag{5}$$

[name= ‘c’]

$$C_t = \frac{N_t\, z_t}{\Delta_t} \tag{6}$$

[name= ‘s’]

$$s_t = \frac{\theta\, g1_t}{(\theta-1)\ g2_t} \tag{7}$$

[name= ‘8’]

$$1 = (1-\omega)\ s_t^{1-\theta} + \omega\, \pi_t^{\theta-1} \tag{8}$$

[name= ‘g1’]

$$g1_t = \varphi_t\, C_t^{1-\sigma} + \beta\, \omega\, \pi_{t+1}^{\theta}\, g1_{t+1} \tag{9}$$

[name= ‘g2’]

$$g2_t = C_t^{1-\sigma} + \beta\, \omega\, \pi_{t+1}^{\theta-1}\, g2_{t+1} \tag{10}$$

[name= ‘m_dot’]

$$\dot{M}_t = \frac{m_t\, \pi_t}{m_{t-1}} \tag{11}$$

[name= ‘12’]

$$\log\left(\dot{M}_t\right) = \rho_m\ \log\left(\dot{M}_{t-1}\right) + \nu_t \tag{12}$$

[name= ‘13’]

$$\log\left(z_t\right) = \rho_z\ \log\left(z_{t-1}\right) + {\varepsilon^z}_t \tag{13}$$