# Package 'isismdl'

August 21, 2020

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all.equal

Test if two IsisMdl objects are (nearly) equal

# **Description**

all.equal(x,y) is a utility to compare R objects x and y testing near equality. If they are different, comparison is still made to some extent, and a report of the differences is returned. Do not use all.equal directly in if expressions - use isTRUE(all.equal(...)).

# Usage

```
## S3 method for class 'IsisMdl'
all.equal(target, current, ...)
```

# Arguments

target and IsisMdl object
current another IsisMdl object, to be compared with target
... Arguments passed to the internal call of all.equal.

### **Details**

The implementation of all.equal for IsisMdl objects first serialized the model using the IsisMdl method serialize and then uses all.equal of the base package.

#### Value

Either TRUE or a character vector describing the differences between target and current.

# See Also

```
all.equal
```

```
mdl <- islm_mdl("2017Q2/2018Q2")
mdl2 <- mdl$copy()
print(all.equal(mdl, mdl2))

# now modify mdl2
mdl2$set_values(600, names = "c")
print(all.equal(mdl, mdl2))</pre>
```

change\_data-methods

 ${\tt change\_data-methods}$ 

IsisMdl methods: changes the model data or constant adjustments by applying a function.

#### **Description**

This methods of R6 class IsisMdl changes the model data or constant adjustments by applying a function.

## Usage

```
mdl$change_data(fun, names, pattern, period = mdl$get_data_period())
mdl$change_ca(fun names, pattern, period = mdl$get_data_period())
mdl is an IsisMdl object
```

#### **Arguments**

fun a function applied each model timeseries or constant adjustment specified with argument names or pattern

```
names a character vector with variable names
pattern a regular expression
period an period_range object or an object that can be coerced to a period_range
... arguments passed to fun
```

#### **Details**

The function specified with argument fun should be a function with at least one argument, for example fun = function(x)  $\{x + 0.1\}$ . The first argument (named x in the example) will be the model variable. The function is evaluated for each model variable separately. The values of the model variables for period range period are passed as a normal numeric vector (not a timeseries) to the first argument.

An example may help to clarify this. Consider the following statement

```
mdl$change_data(fun = myfun, names = c("c", "y"),
period = "2017q1/2017q2"),
```

where mdl is a DynMdl object and myfun some function whose details are not relevant here. Method change\_data evaluates this as

```
data <- mdl$get_data(names = c("c", "y"), period = "2017q1/2017q2")
data[, "c"] <- myfun(as.numeric(data[, "c"]))
data[, "y"] <- myfun(as.numeric(data[, "y"]))
mdl$set_data(data)</pre>
```

The function result must be a vector (or timeseries) of length one or with the same length as the number of periods in the period range period.

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# Methods

```
changes_data Changes the model data change_ca Changes the constant adjustments
```

#### See Also

```
get_data-methods, set_data-methods and set_values-methods
```

# **Examples**

clear\_fit

IsisMdl method: deletes all fit targets and rms values values

# **Description**

This methods of R6 class IsisMdl deletes all fit targets and root mean square (rms) error values for the fit procedure.

# Usage

```
mdl$clear_fit()
mdl is an IsisMdl object
```

# See Also

```
set_fit and get_fit
```

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clear\_fix

IsisMdl method: deletes all fix values

# Description

This methods of R6 class IsisMdl deletes all fix values

### Usage

```
mdl$clear_fix()
mdl is an IsisMdl object
```

# See Also

```
set_fix, fix_variables and get_fix
```

convert\_mdl\_file

Converts an IsisMdl a model file.

### **Description**

Converts an IsisMdl a model file.

# Usage

```
convert_mdl_file(
  model_file,
  output_file,
  conversion_options = list(),
  parse_options = list()
)
```

# **Arguments**

model\_file The name of the model file. An extension mdl is appended to the specified name

if the filename does not already have an extension

output\_file The name of the output file.

conversion\_options

conversion options. See section Conversion options.

parse\_options a named list with options passed to the model parser. See section "Parse option"

in the description of function isis\_mdl.

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### **Conversion options**

The following conversion options can be specified with argument conversion\_options. This argument should be a named list (for example, list(substitute = TRUE)).

substitute Specify TRUE to substitute user functions. The default is FALSE.

make\_dynare Specify TRUE to convert the model to a Dynare mod file. The default is FALSE.

copy

IsisMdl method: Returns a copy of this IsisMdl object

# **Description**

This method of R6 class IsisMdl returns a deep copy of an IsisMdl object

# Usage

```
mdl$copy()
mdl is an IsisMdl object
```

#### **Details**

```
mdl$copy() is equivalent to mdl$clone(deep = TRUE)
```

# **Examples**

```
mdl <- islm_mdl("2017Q1/2019Q2")
mdl2 <- mdl$copy()</pre>
```

fill\_mdl\_data

IsisMdl method: Calculates missing model data from identities

# Description

This method of R6 class IsisMdl attempts to calculate missing data for endogenous variables of a model by solving the identity equations in solution order.

The procedure can be used to fill in data before and beyond the model period (as set by method set\_period for as many variables as possible.

### Usage

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#### **Arguments**

```
period a period_range object
report Defines the type of report about the number of replaced missing values. See details.
```

#### **Details**

Argument report can be used to specify the type of report about the number of replaced missing values. Specify

minimal to get a minimal report. Only the total number of replaced missing values is reported period to get a report per period (default). For each period the number of replaced missing values is reported

no to not generate a report

### **Examples**

```
mdl <- islm_mdl(period = "2017Q1/2018Q4")

mdl$set_values(200, names = "t", period = "2017Q1")
mdl$fill_mdl_data(period = "2017Q1")
print(mdl$get_data(names = "yd"))</pre>
```

fix\_variables

IsisMdl method: Fix variables to their current values

#### **Description**

This method of R6 class IsisMdl fixes the specified frml variables to their current values in the model data.

Each frml equation has a constant adjustment. If the frml equation is fixed, then the left hand side of the equation (the frml variable) is kept fixed at the current value in the model data, and the constant adjustment is calculated as the difference between the frml variable and the right hand side of the equation.

### Usage

```
mdl$fix_variables(names, pattern, period = mdl$get_period())
mdl is an IsisMdl object
```

# **Arguments**

pattern a regular expression specifying the variable names names a character vector with variable names period an period\_range object or an object that can be coerced to a period\_range If neither names nor pattern has been specified, then all frml variables are fixed.

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### See Also

```
set_fix and get_fix
```

### **Examples**

```
mdl <- islm_mdl("2015Q2/2016Q3")
mdl$solve()

# fix variable "c" for a specific period:
mdl$fix_variables(names = "c", period = "2015Q3/2015Q4")

# fix all frml variables
mdl$fix_variables(pattern = ".*")</pre>
```

get\_data-methods

IsisMdl methods: Retrieve timeseries from the model data, constant adjusments, fix values or fit targets

### **Description**

These methods of R6 class IsisMdl can be used to retrieve timeseries from the model data, constant adjusments, fix values or fit targets.

# Usage

```
mdl$get_data(pattern, names, period = mdl$get_data_period())
mdl$get_ca(pattern, names, period = mdl$get_data_period())
mdl$get_fix()
mdl$get_fit()
mdl is an IsisMdl object
```

# **Arguments**

```
names a character vector with variable names

pattern a regular expression

period an period_range object or an object that can be coerced to a period_range
```

### Methods

```
get_mdl_data: Model data
get_ca: Constant adjustments
get_fix_values: Fix values
get_fit_targets: Fit targets
```

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### See Also

```
set_data-methods, set_values-methods and change_data-methods
```

# **Examples**

```
mdl <- islm_mdl(period = "2016Q1/2017Q4")
print(mdl$get_data())
# print data for 2017Q2 and later
print(mdl$get_data(names = c("g", "y"), period = "2017Q2/"))
# print data for all quarters in 2017 (2017Q1/2017Q4)
print(mdl$get_data(names = c("g", "y"), period = "2017"))
print(mdl$get_data(pattern = "^ymdl"))</pre>
```

get\_data\_period

IsisMdl method: returns the model data period

# Description

This method of R6 class IsisMdl returns the model data period.

# Usage

```
mdl$get_data_period()
mdl is an IsisMdl object
```

# See Also

 $\operatorname{\mathsf{set\_period}}$ 

get\_endo\_names

IsisMdl method: returns the names of the endogenous model variables

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### **Description**

This method of R6 class IsisMdl returns the names of the endogenous model variables. By default, the function returns the names of all active endogenous variables. Argument pattern can be specified to select only variables with names matching a regular expression. Argument type can be specified to select variables with a specific type. The following types are supported

"frml" stochastic variables. Stochastic variables are variables that occur on the left hand side of frml equations

"lags" all endogenous variables with lags

"leads" all endogenous variables with leads

"feedback" all feedback variables

"all" all endogenous variables, the default

If some equation have been deactivated (see set\_eq\_status), then argument status may be useful. By default, the function only returns the names of the active endogenous variables, i.e. the variables that occur on the left hand side of active equation. This behaviour can be modified by specifying status. The following options for argument status are recognized:

"active" active endogenous variables, the default

"inactive" inactive endogenous variables

"all" all endogenous variables

# Usage

mdl is an IsisMdl object

# **Arguments**

pattern a regular expression specifying variable names

type a character string specifying the variable type. See the description above

status a character string specifying the status of the endogenous variable (inactive or active). See the description above

#### See Also

```
get_exo_names and get_var_names
```

```
mdl <- islm_mdl()
# get the names of all stochastic variables
mdl$get_endo_names(type = "frml")</pre>
```

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```
# get all variables with names starting with "y":
mdl$get_endo_names(pattern = "^y.*")
```

get\_eq\_names

IsisMdl method: returns the the equation names

### **Description**

This method of R6 class IsisMdl returns the equation names. Argument pattern can be specified to select only equations with names matching a regular expression. Argument status can be specified to select only the active or inactive equations. Possible options for argument status are

```
"active" active equations
"inactive" inactive equations
"all" all equations, the default
```

Argument order specifies the order of the equations returned. The following ordering options are recognized:

```
"sorted" alphabetically ordering
"solve" ordered according to the solution sequence
```

# Usage

### **Arguments**

```
pattern a regular expression specifying equation names
status the equation status, see Description
order the ordering of the equations (see description)
```

```
mdl <- islm_mdl()
# get the names of equations in solution order
mdl$get_eq_names(order = "solve")
# get all equations with names starting with "y":
mdl$get_eq_names(pattern = "^y.*")</pre>
```

<sup>&</sup>quot;natural" same order as in the mdl file

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get\_exo\_names

IsisMdl method: returns the names of the exogenous model variables

### **Description**

This method of R6 class IsisMdl returns the names of the exogenous model variables, including the left hand side variables of inactive equations (see set\_eq\_status).

## Usage

```
mdl$get_exo_names(pattern = ".*")
mdl is an IsisMdl object
```

# **Arguments**

pattern a regular expression specifying variable names

#### See Also

```
get_endo_names and get_var_names
```

### **Examples**

```
mdl <- islm_mdl()
# get the names of all exogenous model variables
mdl$get_exo_names()
# get all variables with names starting with "g":
mdl$get_exo_names(pattern = "^g.*")</pre>
```

get\_labels

IsisMdl method: Returns the labels of the model variables.

# Description

This method of R6 class IsisMdl returns the labels of the model variables.

# Usage

```
mdl$get_labels()
mdl is an IsisMdl object
```

#### See Also

```
set_labels
```

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```
get_last_solve_period IsisMdl method: Returns the last solve period
```

# **Description**

This method of R6 class IsisMdl returns the last solve period, i.e. the last period for which method solve attemted to find a solution (whether successful or not). The period is returned as a period object. The function returns NULL when method solve has not yet been used fot this IsisMdl object.

### Usage

```
mdl$get_last_solve_period()
mdl is an IsisMdl object
```

### **Examples**

```
mdl <- islm_mdl(period = "2018q1/2018q4")$solve()
mdl$get_last_solve_period()</pre>
```

get\_maxlag

IsisMdl method: returns the maximum lag of the model

# Description

This method of R6 class IsisMdl returns the maximum lag of the model

### Usage

```
mdl$get_maxlag()
mdl is an IsisMdl object
```

get\_maxlead

IsisMdl method: returns the maximum lead of the model

# Description

This method of R6 class IsisMdl returns the maximum lead of the model

# Usage

```
mdl$get_maxlead()
mdl is an IsisMdl object
```

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get\_par\_names

IsisMdl method: returns the names of the model variables

# **Description**

This method of R6 class IsisMdl returns the names of the model parameters

# Usage

```
mdl$get_par_names(pattern = ".*")
mdl is an IsisMdl object
```

### **Arguments**

pattern a regular expression specifying parameter names

# **Examples**

```
mdl <- islm_mdl()
# print all model parameter names
print(mdl$get_par_names())
# print names of model parameters with names starting with c
print(mdl$get_par_names(pattern = "^c.*"))</pre>
```

get\_period

IsisMdl method: returns the model period

# Description

This method of R6 class IsisMdl returns the model period.

# Usage

```
mdl$get_period()
mdl is an IsisMdl object
```

# See Also

```
set_period
```

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get\_solve\_status

IsisMdl method: Returns the solve status of the last model solve.

# **Description**

This method of R6 class IsisMdl returns the status of the last model solve as a text string. If the last model solve was succesfull, it returns the string "OK".

### Usage

```
IsisMdl method:
mdl$get_solve_status()
mdl is an IsisMdl object
```

#### **Details**

The possible return values are:

- "Method solve has not yet been called"
- "OK"
- "Simulation not possible" (usually this means that exogenous or feedback variables have NA values)
- "Simulation stopped" (it was not possible to find a solution)
- "Initial lags/leads missing/invalid. Simulation not possible"
- "Invalid parameter values detected. Simulation not possible"
- "Fair-Taylor has not converged"
- "Out of memory. Simulation not succesfull"
- "Unknown problem in solve. Simulation not succesfull"

### See Also

```
solve
```

```
## Not run:
mdl <- islm_mdl(period = "2017Q1/2018Q4")
mdl$set_values(NA, names = "y", period = "2017Q1")
mdl$solve()
if (mdl$get_solve_status() != "OK") {
    stop("Error solving the model. Check the warnings!")
}
## End(Not run)</pre>
```

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get\_text

IsisMdl method: Returns the model text file

### Description

This method of R6 class IsisMdl returns the model text, i.e. the contents of the model file passed to function isis\_mdl.

In principle, it is possible to remove the original model file after the IsisMdl object has been created and saved to a file with method write\_mdl, since the model text used to create the model is stored in this file. However, this is not a good idea if the model contains preprocessor directives (#include or #if). The current version of isismdl does not handle preprocessor directives yet, but in future versions isismdl will store the preprocessed model text (the model text obtained by evaluating the preprocessor directives). Therefore, we recomment to always keep the original model file.

# Usage

```
mdl$get_text()
mdl is an IsisMdl object
```

### **Examples**

```
mdl <- islm_mdl()
cat(mdl$get_text())</pre>
```

get\_var\_names

IsisMdl method: returns the names of the model variables

#### **Description**

This method of R6 class IsisMdl returns the names of the model variables, both exogenous and endogenous.

Argument type can be specified to select variables with a specific type. The following types are supported

```
"all" All model variables
"lags" Model variables with lags
"leads" Model variables with leads
```

# Usage

```
mdl$get_var_names(pattern = ".*", type = c("all", "lags", "leads"))
mdl is an IsisMdl object
```

ifn\_mdl

# **Arguments**

```
pattern a regular expression specifying variable names
type a character string specifying the variable type. See the description above
```

### See Also

```
get_endo_names and get_exo_names
```

# **Examples**

```
mdl <- islm_mdl()
# get the names of all model variables
mdl$get_var_names()
# get all variables with names starting with "m":
mdl$get_var_names(pattern = "^y.*")
# get the names of all lagged variables
mdl$get_var_names(type = "lags")</pre>
```

ifn\_mdl

Returns an IFN model This function returns an unitialized IFN model.

# Description

Returns an IFN model This function returns an unitialized IFN model.

# Usage

```
ifn_mdl()
```

### Value

```
a IsisMdl object
```

```
mdl <- ifn_mdl()</pre>
```

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init\_data

IsisMdl method: initializes the model data.

# **Description**

This method of R6 class IsisMdl initializes the model variables and constant adjustments for the whole data period. The model timeseries are set to NA and the constant adjustments to zero.

If arguments data or ca have been specified, then the model variables or constant adjustments are subsequently updated with the timeseries in data or ca, respectively. Timeseries in data or ca that are no model variables or constant adjustments are silently skipped.

If the model period has not yet been specified (in function <code>isis\_mdl</code> or method <code>set\_period</code>), then this method also sets the model period, the standard period for which the model will be solved. The model period is obtained from the data period by subtracting the lag and lead periods.

### Usage

```
mdl$init_data(data_period, data, ca)
mdl is an IsisMdl object
```

#### **Arguments**

data\_period a period\_range object, or an object that can be coerced to period\_range. If not specified then the data period is based on the period range of argument data (if this argument has been specified) and the model period.

```
data a ts or regts object with model variables
ca a ts or regts object with constant adjustments
```

# See Also

```
set_period
```

```
mdl <- islm_mdl()
mdl$init_data("2017Q2/2021Q3")
print(mdl)</pre>
```

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IsisMdl

An R6 class class representing an Isis model

### **Description**

This class is used to solve a system of non-linear equations with lagged variables. The model equations are specified in a separate text file, the so called model file. Function <code>isis\_mdl</code> parses the model file and generates an <code>IsisMdl</code> object. The vignette "Introduction" gives a detailed description of the usage of <code>IsisMdl</code> objects.

#### **Format**

R6Class object.

#### **Details**

The syntax of the model file is the same of the syntax of model file in Isis, and is described in detail in the Isis Reference Manual (a vignette with a detailed model syntax description for package IsisMdl will be available in a future).

The package included a number of example models in directory models of the package library. It is also possible to directly create IsisMdl objects with functions islm\_mdl to create an ISLM model and ifn\_mdl to create another example model, the IFN model. The latter model is a model with leads and can be solved with the Fair-Taylor-method.

## Value

Object of R6Class representing an Isis model.

### Methods

IsisMdl objects support the following methods. These methods are described in detail in the different subsection of the documentation For example, method solve is described in section solve.

```
copy Returns a deep copy of the IsisMdl object
get_text Returns the textual representation of the model
get_maxlag Returns the maximum lag
get_maxlead Returns the maximum lead
get_var_names Returns the names of the model variables
get_exo_names Returns the names of the exogenous model variables
get_endo_names Returns the names of the endogenous model variables
get_par_names Returns the names of the model parameters
get_eq_names Returns the names of the equations
init_data Initializes the model data
set_period Sets the model period
```

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```
get_period Returns the model period
get_data_period Returns the model data period
set_labels Set labels for the model variables
get_labels Returns the labels of the model variables.
set_param Sets the model parameter
set_param_values Sets the value of one or more model parameter
get_param Returns model parameters
set_data Transfer timeseries to the model data
set ca Transfer timeseries to the constant adjustments
set_fix Transfer timeseries to the fix values
set_fit Transfer timeseries to the fit targets
set_values Sets the values of the model data
set_ca_values Sets the values of the constant adjustments
set_fix_values Sets the fix values
set_fit_values Sets the values of the fit targets
set_fit Transfer timeseries to the fit targets
change_data Change model data by applying a function
change_ca Change the constant adjusmtments by applying a function
get_data Returns the model data
get_ca Returns the constant adjustments
get_fix Returns the fix values
get_fit Returns the fit targets
set_rms Sets one or more the rms values used in the fit procedure
set_rms_values Sets the rms values used in the fit procedure
set_solve_options Sets the solve options
get_solve_options Returns the solve options
set_fit_options Sets the options for the fit procedure
get_fit_options Returns the options for the fit procedure
set_debug_eqn Sets the debug equation option
get_debug_eqn Returns the debug equation option
set_cvgcrit Sets the convergence criterion for selected variables
set_cvgcrit Returns the convergence criterion for selected variables
set_eq_status Sets the equation status "active" or "inactive")
set_ftrelax Sets the Fair-Taylor relaxtion factors
get_ftrelax Returns the Fair-Taylor relaxtion factors
solve Solves the model
get_solve_status Returns the status of the last model solve attempt
fill_mdl_data Calculates missing model data from identities
write_mdl Serializes the model object and writes it to an RDS file
order Orders the equations of the model
```

isis\_mdl

### See Also

```
isis_mdl, islm_mdl and ifn_mdl
```

### **Examples**

```
# create an example ISLM model
mdl <- islm_mdl()</pre>
# prepare input timeseries
r <- regts(3.35, start = "2015Q1", end = "2016Q3", labels = "interest rate")
y <- regts(980, start = "2015Q1", end = "2016Q3", labels = "income")
yd <- regts(790, start = "2015Q1", labels = "disposable income")</pre>
g \leftarrow regts(210 \times cumprod(rep(1.015, 6)), start = "2015Q2",
            labels = "government spending")
ms \leftarrow regts(200 * cumprod(rep(1.015, 6)), start = "2015Q2",
           labels = "money supply")
islm_input <- cbind(r, y, yd, g, ms)</pre>
print(islm_input)
# set period and update model timeseries
mdl$set_period("2015Q2/2016Q3")
mdl$set_data(islm_input)
mdl$set_labels(c(i = "investment", c = "consumption", md = "money demand",
                t = "tax")
mdl$solve()
```

isis\_mdl

*Creates an* IsisMdl *object from a model file.* 

### **Description**

This function creates an IsisMdl object. A model as defined on an external ASCII file is parsed, analysed and converted into an internal code. This internal code is used to evaluate the model equations.

# Usage

```
isis_mdl(
  model_file,
  period,
  data,
  ca,
  fix_values,
  parse_options,
```

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```
silent = FALSE
)
```

### **Arguments**

model\_file The name of the model file. An extension mdl is appended to the specified name

if the filename does not already have an extension

period a period\_range object

data the model data as a regts object with column names

ca the constant adjustments as a regts object with column names

fix\_values the fix values as a regts object with column names

parse\_options a named list with options passed to the model parser. See section "Parse options" silent A logical (default FALSE). If TRUE, then output of the model parser is suppressed.

#### **Details**

The file containing the model must have an extension mdl.

Some technical information about the model and a cross reference of the model is written to an external file with extension mrf. For each variable its maximum lag and lead are given and a list of equations (by name) in which it occurs.

The parser also orders the equations of the model into three separate blocks.

- the *pre-recursive* block containing equations which can be solved recursively from exogenous and lagged variables only.
- the simultaneous block containing all equations with interdependent endogenous variables.
- the *post-recursive* block containing equations which can be solved recursively once the two previous blocks have been solved.

The ordering process also provides a list of so-called feedback variables, i.e. variables whose value must be assumed known to make the *simultaneous* block recursive. Initial guesses for these variables must be provided in order to solve a model. If a model has no feedback variables, it is a recursive model (it can be solved in one pass through the equations).

If the parser encounters errors in the model, these are written to a file with an extension err. All generated files have the same basename as the model file.

### Parse options

The following parse options can be specified with argument parse\_options. This argument should be a named list

- "flags" This flag is used for conditional compilation. Consult Section 3.11.2 "Conditional compilation" in the Isis reference manual for more information about conditional compilation
- "include\_dirs" Add directory include\_dir to the list of directories to be searched for include files. In the model file, the #include directive (see Section 3.11.1 "File inclusion" in the Isis Reference Manual) is used to include another file in the model. The specified name of the include file can be a relative or absolute path. If the path is relative, then the model

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searches for the include file. It first searches in the same directory where the source file is located. If not found there, then the compiler searches in the directories specified with argument include\_dir, in the order that the directories have been specified. If the include file is still not found, the parser searches in the current directory

"gen\_dep\_file" Specify TRUE to generate a file with dependency information. The default is FALSE. The dependency information is written to an external file with extension dep. The file gives for each equation a list of the variables that occur in the right hand side of the equation with lags and leads included. This file may be useful for model analysis with other software. Currently this option cannot be used for models with user functions.

#### See Also

```
IsisMdl, islm_mdl and ifn_mdl
```

### **Examples**

```
# copy the islm.mdl file in the directory models of the package
# directory to the current directory
mdl_file <- system.file("models", "islm.mdl", package = "isismdl")
file.copy(mdl_file, "islm.mdl")

mdl <- isis_mdl("islm.mdl")

# an example with parse option "include_dirs":
mdl <- isis_mdl("islm.mdl", parse_options = list(include_dirs = "mdlincl"))</pre>
```

islm\_mdl

Returns an example ISLM model

# Description

This function returns an example ISLM model, If argument period has been specified, then this function also generates some example data for the feedback variables, lags and exogenous variables. The model returned is ready to be solved.

## Usage

```
islm_mdl(period = NULL)
```

### **Arguments**

period

the model period for the ISLM model

### Value

```
a IsisMdl object
```

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### **Examples**

```
mdl <- islm_mdl()
```

order

IsisMdl method: orders the equations of a model

# **Description**

This method of R6 class IsisMdl orders the equations of a model. This can be useful after (de)activation equations. By specifying argument or fnam it is also possible to write ordering information to a file.

#### Usage

```
mdl$order(orfnam, silent = FALSE)
mdl is an IsisMdl object
```

# **Arguments**

orfnam Name of file on which to print ordering information. If no output file is specified no ordering information will be written

silent A logical (default FALSE). If TRUE, then output is suppressed.

read\_mdl

Reads an IsisMdl object from a file

# Description

This function reads a model from a file that has been written by IsisMdl method write\_mdl

# Usage

```
read_mdl(file, silent = FALSE)
```

# **Arguments**

file filename (typically with extension .ismdl)

silent A logical (default FALSE). If TRUE, then output is suppressed.

## Details

read\_mdl employs the serialization interface provided by base R function readRDS.

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#### Value

```
an IsisMdl object
```

#### See Also

```
write_mdl
```

# **Examples**

```
mdl <- islm_mdl("2017Q1/2019Q2")
mdl$write_mdl("islm_mdl.ismdl")
mdl2 <- read_mdl("islm_mdl.ismdl")</pre>
```

run\_eqn

IsisMdl method: runs model equations

# Description

This method of R6 class IsisMdl runs specific equations of the model separately. Each specified equation is run separately for the specified period. If the equation is a stochastic equation (a frml equation) and the corresponding endogenous variable has been fixed then the constant adjustment for the equation will be calculated such that the result of the equation equals the predetermined required value for the left-hand side.

If neither argument pattern or names have been specified, then all active model equations are ran in solve order.

### Usage

```
mdl$run_eqn(pattern, names, period = mdl$get_data_period())
mdl is an IsisMdl object
```

### **Arguments**

pattern a regular expression. Equations with names matching the regular expression are run in solve order

names a character vector with equation names. The corresponding equations are solved in the order as they are specified

```
period a period_range object
```

```
mdl <- islm_mdl("2017Q1/2019Q3")
mdl$run_eqn(names = c("c", "t"))</pre>
```

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serialize	Serializes the model to an serialized_isismdl S3 class

### **Description**

This method of R6 class IsisMdl serializes the model object and returns an serialized\_isismdl object, an S3 object that contains all the information about the model. The serialized model can be used to create a new IsisMdl object with the command IsisMdl\$new(serialized\_mdl)

# Usage

```
mdl$serialize()
mdl is an IsisMdl object
```

#### See Also

```
write_mdl and read_mdl
```

## **Examples**

```
mdl <- islm_mdl("2017Q1/2019Q2")
serialized_mdl <- mdl$serialize()

# create a new model from the serialized model
mdl2 <- IsisMdl$new(serialized_mdl)</pre>
```

set\_cvgcrit

IsisMdl method: Sets the convergence criterion for selected variables.

# Description

This method of R6 class IsisMdl sets the convergence criterion for one or more endogenous model variables. A variable x has converged when two successive values  $x_2$  and  $x_1$  satisfy the following condition

$$|x_2 - x_1| \le \epsilon \max(1, |x_1|)$$

where  $\epsilon$  is the convergence criterion for the tested variable.

The default value of  $\epsilon$  for all variables is the square root of the machine precision (sqrt(.Machine\$double.eps), typically about 1.5e-8)

Method get\_cvgcrit() returns the convergence criteria for all model variables

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#### Usage

```
mdl$set_cvgcrit(value, pattern, names)
mdl$get_cvgcrit()
mdl is an IsisMdl object
```

### **Arguments**

value convergence criterion. This must be a small positive number pattern a regular expression specifying the variable names names a character vector with variable names

If neither pattern nor names have been specified, then the convergence criterion of all endogenous variables will be set to the specified value.

# **Examples**

```
mdl <- islm_mdl()

# set convergence criterion for variables "c" and "i":
mdl$set_cvgcrit(1e-4, names = c("c", "i"))

# set convergence criterion for variables "y" and "yd":
mdl$set_cvgcrit(1e-4, pattern = "^y*")

print(mdl$get_cvgcrit())</pre>
```

set\_data-methods

IsisMdl methods: transfers data from a timeseries object to the model data, constant adjusments, fix values or fit targets.

### **Description**

These methods of R6 class IsisMdl Transfers data from a timeseries object to the model data, constant adjusments, fix values or fit targets.

# Usage

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### **Arguments**

```
data a ts or regts timeseries object
```

- names a character vector with variable names, with the same length as the number of timeseries in data. Defaults to the column names of data. If data does not have column names, then argument names is mandatory
- upd\_mode the update mode, a character string specifying how the timeseries are updated: "upd" (standard update, default) or "updval" (update only with valid numbers). See details.
- fun a function used to update the model data. This should be a function with two arguments. The original model data is passed to the first argument of the function and data to the second argument. See the examples.
- name\_err A character that specifies the action that should be taken when a name is not the name model variable of the appropriate type (for set\_fit, the variable must be endogenous, for set\_fix a frml variable). For "silent" (the default), the variable is silently skipped, for "warn" a warning is given and for "stop" an error is issued.

#### Methods

- set\_data Sets model data. If data has labels, then set\_data will also update the labels of the corresponding model variables
- set\_ca Set constant adjustments, i.e. the residuals of behavourial (frml) equations
- set\_fix Set fix values for frml variables (model variables that occur at the left hand side of a frml equation). The frml variable is kept fixed at the specified value, and the constant adjustment of the frml equation is computed at the difference between the frml variable and the right hand side of the equation. A fix value of NA implies that the corresponding variable is *not* fixed. set\_fix also updates the model data with all non-NA values in data.
- set\_fit Set fit targets for the fit procedure. A fit target value of NA implies that the corresponding
  variable is no fit target

#### **Details**

Method set\_data transfers data from a timeseries object to the model data. If data is a multivariate timeseries object, then each column is used to update the model variable with the same name as the column name. If data does not have column names, or if the column names do not correspond to the model variable names, then argument names should be specified.

By default, all values in data are used to update the corresponding model variable. Sometimes it is desirable to skip the NA values in data. This can be achieved by selecting "updval" for argument upd\_mode. Other non finite numbers (NaN, Inf, and -Inf) are also disregarded for this update mode.

```
set_ca, set_fix and set_fit and set_data work similarly.
```

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#### See Also

get\_data-methods, set\_values-methods, change\_data-methods, fix\_variables, clear\_fix
and clear\_fit.

```
mdl <- islm_mdl(period = "2017Q1/2017Q3")</pre>
# create a multivariate regts object for exogenous variables g and md
exo \leftarrow regts(matrix(c(200, 210, 220, 250, 260, 270), ncol = 2),
             start = "2017Q1", names = c("g", "ms"))
# set and print data
mdl$set_data(exo)
print(mdl$get_data())
# create a univariate regts object for exogenous variable ms,
# with a missing value in 2017Q2
ms \leftarrow regts(c(255, NA, 273), start = "2017Q1")
# update with update mode updval (ignore NA)
# note that here we have to specify argument names,
# because ms does not have column names
mdl$set_data(ms, names = "ms", upd_mode = "updval")
print(mdl$get_data())
# in the next example, we use argument fun to apply an additive shock to the
# exogenous variables g and ms.
shock <- regts(matrix(c(-5, -10, -15, 3, 6, 6)), ncol = 2),
             start = "2017Q1", names = c("g", "ms"))
mdl\$set_data(shock, fun = function(x1, x2) \{x1 + x2\})
# the statement above can be more concisely written as
mdl$set_data(shock, fun = `+`)
#`+` is a primitive function that adds its two arguments.
\# fix c in 2017Q1/2017q2 and i in 2017q1 to specific values
c <- regts(250, period = "2017q1/2017q2")</pre>
i <- regts(175, period = "2017q1")</pre>
fix_data <- cbind(c, i)</pre>
mdl$set_fix(fix_data)
```

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# **Description**

This method of R6 class IsisMdl sets the debug equation option (TRUE or FALSE) Method get\_debug\_eqn() returns the debug equation option.

#### Usage

```
mdl$set_debug_eqn(value)
mdl$get_debug_eqn()
mdl is an IsisMdl object
```

#### **Arguments**

value A logical. If TRUE, then equation debugging is turned on. The default is FALSE

#### **Details**

When a model cannot be solved this may be caused by errors in the model equations or even errors in the initial data. If debug mode is set to on, Isis will print messages in the output file whenever it encounters numerical problems during calculation of an equation.

### **Examples**

```
mdl <- islm_mdl()
mdl$set_debug_eqn(TRUE)
print(mdl$get_debug_eqn())</pre>
```

set\_eq\_status

IsisMdl method: activates or de-activates one or more equations.

### Description

This method of R6 class IsisMdl can be used to set the equation status (active or inactive) of one or more equations.

This procedure is used to activate or deactivate a specified set of equations. After compiling a model, all equations are active. Sometimes however it can be necessary to temporarily exclude an equation from the model and the solution process without actually removing it.

Deactivating an equation implies that the left-hand side variable becomes an exogenous variable. As long as an equation is inactive, the corresponding left-hand side variable and any constant adjustment (for frml equations) will remain *unchanged* in the model workspace.

However the methods set\_data, set\_ca, get\_data and get\_ca will still transfer data to and from the model workspace.

A deactivated equation can also be reactivated. It will again participate in the solution process and its left-hand side variable will be treated as endogenous.

set\_eq\_status

Since deactivating effectively changes the structure of the model, it may be necessary to compute a new ordering of the model. This is not done automatically. You must do it by hand. Currently, package isismdl does not yet support reordering the model, but this feature will become available in the future.

If the left-hand side variable of a deactivated equation appears as lead in the model, that lead will temporarily be marked as an exogenous lead. However, if a lead of another endogenous variable occurs only in the deactivated equation that particular lead will *not* be registered as exogenous. The model will still be regarded as containing endogenous leads and therefore the default solution mode will be ratex, i.e. the Fair-Taylor method will be used for solving the model.

### Usage

```
mdl$set_eq_status(status = c("active", "inactive"), pattern, names)
mdl is an IsisMdl object
```

## **Arguments**

status a character string specifying the equation status ("active" or code"inactive")
pattern a regular expression specifying the names of the equations
names a character vector with the names of the equations

If neither pattern nor status have been specified, then all equations will be activated or deactivated.

#### See Also

```
get_eq_names
```

```
mdl <- islm_mdl()

# deactivate equation "c" and "i"
mdl$set_eq_status("inactive", names = c("c", "i"))

# deactivate all equations starting with "y" ("y" and "yd")
mdl$set_eq_status("inactive", pattern = "^y*")

# print all deactivated equations
print(mdl$get_eq_names(status = "inactive"))</pre>
```

## **Description**

This method of R6 class IsisMdl can be used to set one or more options for the fit procedure. These options will be stored in the IsisMdl object.

Method get\_fit\_options returns the solve options as a named list

#### Usage

### **Arguments**

All arguments below expect a numerical value unless mentioned otherwise.

maxiter The maximum number of iterations (default 5)

- cvgabs Criterion for absolute convergence. When the largest scaled discrepancy of the fit target values is less than cvgabs, the fit procedure has converged. The default value is 100 times the square root of the machine precision (100 \* sqrt(.Machine\$double.eps)), which is typically 1.5e-6.
- mkdcrt Criterion for calculating a new fit jacobian. When the ratio of two successive largest scaled discrepancies of the fit target values is larger than mkdcrt a new fit jacobian will be calculated in the next iteration. Any value specified must lie between 0.05 and 0.95. The default value is 0.5.
- cvgrel Criterion for accepting the result of a fit iteration. When the ratio of two successive largest scaled discrepancies of the fit target values is larger than cvgrel, then the result of the iteration is rejected. If the iteration employed an old fit jacobian (i.e. a jacobian computed in an earlier iteration), then a second attempt with a new jacobian is made. If the iteration already used a new jacobian, then the fit procedure will be terminated. The default value is 10. In many cases a large ratio in a single iteration is not problematic, so cvgrel can typically be set to a large value.
- zero\_ca A logical. If TRUE, then the initial values of the constant adjustments used in the fit procedure are initialised to 0. The default is FALSE
- warn\_ca A logical. If TRUE (default), then warnings are given for possibly too large constant adjustments at the end of the fit procedure for each period.

accurate\_jac A logical. If TRUE (default), then the fit jacobian is calculated accurately, otherwise the jacobian is calculated approximately. See Details.

- zealous A logical. If TRUE (default), then a zealous version of the fit procedure is used (see section The Zealous and Lazy Fit Method), otherwise a lazy version is used. The recommended option is to use the zealous version, although this may require much more CPU time.
- scale\_method The scaling method for the fit jacobian. Possible values are "row" (row scaling, the default), and "none" (no scaling). See Section "Row Scaling".
- warn\_zero\_row A logical (default FALSE). If TRUE, then a warning is issued for each row of the fit jacobian for which all values are almost equal to zero. A row of the fit jacobian contains the derivatives of a fit targets with respect to the residuals. A row is considered almost zero if the L1-norm of that row is smaller than a fraction  $\epsilon$  of the largest L1-norm of the rows.  $\epsilon$  is the square root of the machine precision (typically 1.5e-8). If row scaling is applied (see argument scale\_method), then a row that is almost zero is usually not problematic. However, if all values in a row are *exactly* zero, then the fit procedure is not possible and therefore an message is always issued, even if warn\_zero\_row = FALSE.
- warn\_zero\_col A logical (default FALSE). IF TRUE, then a warning is issued for each column of the fit jacobian for which all values are almost or exactly equal to zero. A column of the fit jacobian contains the derivatives of all fit targets with respect to one particular residual. A columns is considered almost zero if the L1-norm of that column is smaller than a fraction  $\epsilon$  of the larget L1-norm of the columns.  $\epsilon$  is the square root of the machine precision (typically 1.5e-8). A column that is (almost) zero is not necessarily problematic, except when the number of non-zero columns is smaller than the number of rows (the number of fit targets). In particular, if the number of columns with a norm exactly equal to zero is larger than the difference between the number of rows and the number of columns, then the fit procedure is not possible. Therefore a message about zero columns is always given in that case.
- chkjac A logical. If TRUE (the default), then the fit method is terminated when the inverse condition of the fit jacobian is smaller than the square root of the machine precision (typically 1.5e-8). When a model is badly scaled, the inverse condition number of the jacobian may become small, which can lead to inaccurate or even unstable solutions. If FALSE, the fit procedure is only terminated when the inverse condition is exactly zero.
- report A character string specifying the the type of report of the fit procedure for each period. Possible values are "fullrep" (the default, an iteration report is printed for each period) and "minimal" (for a one line summary).
- dbgopt A character vector specifying one or more debugging options. See section "Debugging Options" below
- svdtest\_tol Singular Value Decomposition (SVD) test tolerance parameter. The default value for argument svdtest\_tol is -1, which implies that the SVD test is never performed. Specify a number between 0 and 1 to enable an SVD analysis, depending on the inverse condition of the jacobian. See section "SVD Analysis'. If scaling has been applied (see argument scale\_method), then the SVD analysis is performed for the scaled jacobian. Sometimes it is easier to interpret the result of the SVD analysis by turning off row scaling. When this option has been specified, a copy of the fit jacobian is kept in memory, even if the jacobian is not ill-conditioned. For large models this option should therefore only be used during testing, and should be turned off in production calculations

#### **Details**

The purpose of the fit procedure is to adjust a model solution to a partial set of known outcomes for endogenous variables. It determines the minimal norm vector of specified constant adjustments which ensure that the specified endogenous variables meet the desired outcome (fit targets). It can be used amongst others to update a model forecast given a (small) set of recent observations of endogenous variables. It first solves the model for any period given all data and if fit targets have been specified then proceeds to determine a set of constant adjustments that will ensure that the fit targets are met. There must be at least as many constant adjustments as there are fit targets for the fit procedure to work.

After solving the model in any period for a given set of values of the constant adjustments (residuals), the fit problem can be described as follows. Find a minimum norm vector u such that

$$y = h(u) = w$$

where u is an n-vector of scaled residuals, y is an m-vector of endogenous variables with n>=m, h the function  $h:R^n\to R^m$  and w is an m-vector of fit target values. The scaled residuals  $u_i$  have been scaled with the root mean square values specified with procedures  $set\_rms$ .

The fit procedure linearises the relation y = h(u) and determines a minimum norm solution for u to the resulting set of linear equations after setting y = w. It uses the QR decomposition for numerical stability.

The fit jacobian  $D_{ij} = \partial h_i/\partial u_j$  is calculated numerically by a first difference approach. The j'th column is calculated by giving residual  $u_j$  a small distortion and then solving the model again. For numerical efficiency the model is solved with a *single* iteration by default. This is usually a good approximation. Use argument accurate\_jac = TRUE for a more accurate calculation of the fit jacobian. For this option the model is solved until convergence has been reached.

The criterion used for testing for convergence is the largest scaled discrepancy of the fit target values at iteration k defined as

$$F_k = \max_i \{|w_i - y_i| / \max(|w_i|, 1)\}$$

When  $F_k \leq \epsilon$  where  $0 < \epsilon < 1$ , absolute convergence has been achieved. The value of *epsilon* is specified with argument cgvabs ( (the default value is 100 times the square root of the machine precision, which is typically 1.5e-6). If the zealous fit method is used (see Section The Zealous and Lazy Fit Method), we also require for convergence that the relative step size for all variables is smaller then *epilon*.

Since evaluating the jacobian of h(u) can be a time-consuming process, the jacobian of a previous iteration can sometimes be reused for a next iteration. As long as  $F_k \leq \delta F_{k-1}$  where  $0 < \delta < 0.95$  the current jacobian will not be recalculated, except when the zealous fit method is used and the the number of residuals is larger than the number of targets, see Section The Zealous and Lazy Fit Method. The default value for  $\delta$  is 0.5. When  $F_k > 0.95F_{k-1}$  and the current jacobian is not up-to-date, the residuals will be reset to the values of the previous iteration and the jacobian will be recalculated. However if the current jacobian is up-to-date, the process will be stopped with the message Cannot locate a better point.

If the zealous fit method is used (see next paragraph), then a new jacobian is calculated every iteration when the number of residuals is larger than the number of targets (m > n).

### The Zealous and Lazy Fit Method

There are two implementations of the fit procedure: the lazy and zealous method. The default is the zealous method. For the lazy method the fit iterations is terminated when the largest scaled discrepancy of the fit target values is less than cvgabs. However, the other variables may not be converged yet sufficiently, particularly when the number of residuals is larger than the number of targets (m > n). For the zealous fit procedure continues iterating until the relative changes of all variables are less than cvgabs. These relative changes are shown in the output as Delsmx (maximum step size in an iteration). The zealous fit procedure also uses an accurate calculation of the jacobian (see general description). If m > n (non-square fit problem), the zealous fit procedure also updates the fit jacobian every iteration, because for non-square fit problems the results depends on the jacobian. For the square case m = n this is not necessary because the final results are independent on the jacobian.

### **Row scaling**

As explained in section Details, the fit jacobian  $D_{ij}$  is a matrix with the derivatives of the fit targets (i) with respect to the scaled residuals (j). If there are large scale differences between the fit targets, additional row scaling may improve the condition number of the fit jacobian.

The following procedure is used to determine if row scaling is necessary. For each row i, the maximum absolute values  $R_i$  is determined. If if the ratio of the largest and smallest value of vector R is larger than 10, then all rows are scaled so that the largest absolute value in each row is 1. If the ratio is smaller than 10, the jacobian is not scaled.

Row scaling can be turned off by specifying argument scale\_method = "none".

# **Debugging Options**

Argument dbgopt can be used to specify one or more options for debugging the fit procedure. Possible values are

prica print the constant adjustments values and changes at each fit iteration.

noprica do not print the constant adjustments values and changes at each fit iteration.

prijac print the fit jacobian every time it is calculated.

noprijac do not print the fit jacobian every time it is calculated.

supsot to suppress all output of the normal solution process.

nosupsot to not suppress all output of the normal solution process. Output will be a mess if this option is used.

The default debug options are c("noprica", "noprijac", "supsot")

### **SVD** Analysis

If the inverse condition of the fit jacobian is exactly zero, then it is impossible to solve the equations of the fit procedure, and the fit procedure is terminated. When the inverse condition is small but non-zero, the solution is often inaccurate or even unstable. In some cases the (near) singularity is caused by (almost) zero rows or columns of the fit jacobian. It is also possible that some rows or columns are linearly dependent. The example below shows a case where the rows are dependent.

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The Singular Value Decomposition (SVD) (see the Wikipedia article about SVD (https://en.wikipedia.org/wiki/Singular\_value\_decomposition) may help to find the linear dependent rows and columns. The SVD analysis can be enabled by specifying argument svdtest\_tol of set\_fit\_options.

The output of the SVD analysis are the left and right singular vectors of the jacobian. A left singular vector is a linear combination of the rows of the jacobian that is almost zero. A right singular vector is a linear combination of the columns that is almost zero. An example for the ISLM model is shown below.

First we create an Isis model and prepare fit data.

```
mdl <- islm_mdl("2020Q1")
y <- regts(985, start = "2020q1")
yd <- regts(800, start = "2020q1")
c <- regts(600, start = "2020q1")
fit <- cbind(y, yd, c)
mdl$set_fit(fit)
mdl$set_rms(c(c = 5.0, i = 21, md = 2))</pre>
```

So we have the following fit targets:

```
mdl$get_fit()

## c y yd

## 2020Q1 600 985 800
```

We specify fit options so that the SVD analysis is performed and the fit jacobian is printed.

```
mdl$set_fit_options(svdtest_tol = 1e-8, dbgopt = "prijac")
```

Next solve the model. Because y and yd are related according to y = yd - t (t is also linearly related to y, so there is a linear relation between y and yd), the fit jacobian contains dependent rows.

```
mdl$solve()
```

```
##
## Model Solve Options
## Solution period
                                 2020Q1/2020Q1
## Simulation mode
                                 dynamic
## Feedback starting values
                                 current period
## Maximum iterations per period 50
## Relaxation minimum
                                 0.500E-01
##
              maximum
                                 1.00
##
              shrinkage
                                 0.500
## Criteria stepback
                                 1.30
             matrix
                                 0.900
## Maximum updates Newton matrix per period
                                                             10
## Maximum number of line searches with old Jacobian
## Criterion for line search decisions etc.
                                                             geometric
```

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```
##
##
##
       3 CAs used by Fit:
##
       c i md
##
      1 steps for Newton matrix at iteration 0 (1/condscal = 1.43E-01)
## Convergence for 2020Q1 in
                               4 iterations
                                      Delsmx Deltyp
   Fiter
             Icond
                                                           Ratio Type Name
##
                         Delwmx
                         0.00652
##
                                                                  Rel c
                                             W
##
## Fit jacobian (scaled with rms) in period 2020Q1
                                                        at iteration
##
##
                              i
                                         md
           8.04217
## y
                       33.77122
                                    -2.14157
## yd
           6.27289
                       26.34155
                                    -1.67042
## c
           7.72048
                      11.42037
                                    -2.05591
##
## Fit Warning - D matrix is ill conditioned.
## Inverse condition= 6.72E-16 < Machine prec**.5= 1.49E-08
## Derivatives of fit targets are dependent or
## for one or more fit targets all derivatives are (almost) zero ...
## Tip: try to use svd analysis and/or fit option 'warn_zero_row' or warn_zero_col'.
## See documentation of method set_fit_options.
##
## *** SVD analysis ***
## ========
## The purpose of the SVD analysis is to find linearly dependent rows or columns
## of the fit jacobian.
## A left singular vector is a linear combination of the rows of the jacobian
## that is (almost) zero.
## A right singular vector is a linear combination of the columns of the jacobian
## that is (almost) zero.
## Only components \geq 0.15E-07 are shown.
##
## Left Singular vectors:
## -----
## Singular value 0.73E-15
##
                                 v -0.62
##
                                yd 0.79
##
## Right Singular vectors:
## Singular value 0.73E-15
##
                                 c 0.26
##
                                md 0.97
##
##
## The singularity may also be caused by (almost) zero rows or columns.
## Therefore we print the norm of "problem rows" and "problem columns"
```

set\_ftrelax 39

```
## (rows and columns with significant components in left and right singular vectors resp.)
##
## Problem rows:
## -----
##
                          Variable
                                       L1 norm of row
##
                                     44.
                                 У
                                yd
##
                                     34.
##
## Problem columns:
##
  _____
##
                          Variable L1 norm of column
                                     22.
##
                                 С
##
                                md
                                     5.9
##
## *** END SVD ANALYSIS ***
##
## Warning in mdl$solve(): Simulation not possible
## Total number of iterations
## Solve model used
                       0.01 CPU secs
##
```

## **Examples**

```
mdl <- islm_mdl("2020Q1")

# print constant adjustment and jacobian for each fit iteration
mdl$set_fit_options(zealous = TRUE, dbgopt = c("prica", "prijac"))</pre>
```

set\_ftrelax

IsisMdl method: Sets the Fair-Taylor relaxtion factors

# Description

This method of R6 class IsisMdl sets the Fair-Taylor relaxtion factors for the endogenous leads. Method get\_ftrelax() returns the Fair-Taylor relaxtion factors for all endogenous leads.

# Usage

```
mdl$set_ftrelaxvalue, pattern, names)
mdl$get_ftrelax()
mdl is an IsisMdl object
```

40 set\_labels

#### **Arguments**

value Fair-Taylor relaxtion number. This must be a positive number or NA to disable any previously set value. The default value for all endogenous leads is NA, which means that the general uniform Fair-taylor relaxation (solve option ftrelax, see set\_solve\_options) will be applied

pattern a regular expression specifying the variable names

names a character vector with variable names

If neither pattern nor names have been specified, then the Fair-Taylor relaxtion factors of all variables with endogenous leads will be set to the specified values.

# **Examples**

```
mdl <- ifn_mdl()
# set Fair-relaxtion factor all all variables with names of length 2
# to 0.5:
mdl$set_ftrelax(0.5, pattern = "^...$")
# set Fair-relaxtion factor for variable "lambda":
mdl$set_ftrelax(0.5, names = "lambda")
print(mdl$get_ftrelax())</pre>
```

set\_labels

IsisMdl method: Sets labels for the model variables.

### **Description**

This method of R6 class IsisMdl sets labels for the model variables.

# Usage

```
mdl$set_labels(labels)
mdl is an IsisMdl object
```

#### **Arguments**

labels a named character vector. The names are the names of the model variables

```
mdl <- islm_mdl()
mdl$set_labels(c(c = "Consumption", i = "investments"))</pre>
```

set\_param 41

set\_param

IsisMdl method: Set the values of model parameters

#### **Description**

Method set\_param and set\_param\_values of R6 class IsisMdl can be used to set the values of model parameters. A parameter may have more than one element. The parameter value is a numeric vector of the appropriate length.

Method set\_param can be used to specify individual parameters, while set\_param\_values is a convenient method to give more than one parameter the same value.

Method get\_param returns a list with the values of the parameters.

## Usage

```
mdl$set_param(p, name_err = c("warn", "stop", "silent"))
mdl$set_param_values(value, names, pattern)
mdl$get_param(pattern, names)
mdl is an IsisMdl object
```

# **Arguments**

p a named list. The names are the names of the parameter names. The list elements are numeric vectors with a length equal to the length of the corresponding parameter.

name\_err A character that specifies the action that should be taken when a name is not the name of a parameter. For "warn" (the default), a warning is given, for "stop" an error is issued. For "silent", the variable is silently skipped.

value A numeric vector of the appropriate length. All parameters specified with argument names and pattern must have the same length as argument value.

names A character vector specifying the names of the parameters.

pattern A regular expression. The action (get or set parameter values) is applied to all parameters with names matching pattern.

If neither names nor pattern has been specified in methods set\_param\_values or get\_param, then the action is applied to all model parameters.

```
mdl <- islm_mdl()
mdl$set_param(list(i0 = 101))
# give parameters i0, c0, m0, and t0 the value 0
mdl$set_param_values(0, pattern = ".0")</pre>
```

set\_period

```
# print all parameters
mdl$get_param()

#' # print parameters c0, c1, c2 and c3
print(mdl$get_param(pattern = "^c.*"))
```

set\_period

IsisMdl method: sets the model period

#### **Description**

This method of R6 class IsisMdl sets the model period. This is the default period used when solving the model.

If the model data has not already been initialized with method <code>init\_data</code>, then <code>set\_period</code> also initializes the model data. In that case the model data period is set to the specified model period extended with a lag and lead period. Model timeseries are initialized with NA and all constant adjustments with 0.

If the model data has already been initialized with method init\_data, then the new model period should be compatible with the model data period. In particular, the new model period extended with a lag and lead period should not contain periods outside the model data period.

#### Usage

```
mdl$set_period(period)
mdl is an IsisMdl object
```

#### **Arguments**

period\_range object, or an object that can be coerced to period\_range

```
mdl <- islm_mdl()
mdl$set_period("2017Q2/2021Q3")</pre>
```

set\_rms 43

set\_rms

IsisMdl method: Sets the root mean square errors

#### **Description**

Methods set\_rms and set\_rms\_values of R6 class IsisMdl can be used to set the root mean square (rms) error values used in the fit procedure. Each frml equation has a constant adjustment and a corresponding rms value. If the rms value is larger than 0 and not NA, then the constant adjustment is used as a fit instruments.

Method set\_rms can be used to set individual rms values, while set\_rms\_values is a convenient method to give more than one rms value the same value.

Method get\_rms returns all rms values larger than 0 and not equal to NA.

#### Usage

```
mdl$set_rms(values, name_err = c("warn", "stop", "silent"))
mdl$set_rms_values(value, names, pattern)
mdl$get_rms()
mdl is an IsisMdl object
```

#### **Arguments**

values A named numeric vector with rms values. The names should be the names of the corresponding frml variables (the variables at the left hand side of a frml equation).

name\_err A character that specifies the action that should be taken when a name is not the name of a frml variable. For "warn" (the default), a warning is given, for "stop" an error is issued. For "silent", the variable is silently skipped,

value A numeric vector of length 1.

names A character vector specifying the names of the frml variables.

pattern A regular expression. The action (get or set rms values) is applied to the rms values corresponding to the frml variables with names matching pattern.

If neither names nor pattern has been specified in methods set\_rms\_values or get\_rms, then the action is applied to all rms values.

```
mdl <- islm_mdl(period = "2017Q1/2018Q4")
mdl$set_rms(c(c = 5.0, t = 2, i = 21, md = 2))
print(mdl$get_rms())
# remove the constant adjustment for variable c from the fit instruments</pre>
```

```
mdl$set_rms_values(NA, "c")
print(mdl$get_rms())

# make all rms values equal to 1
mdl$set_rms_values(1)

# set the rms values for c and i to 2
mdl$set_rms_values(2, names = c("c", "i"))
```

set\_solve\_options

IsisMdl method: Sets the solve options

#### **Description**

This method of R6 class IsisMdl can be used to set one or more solve options. These options will be stored in the IsisMdl object.

Method get\_solve\_options returns the solve options as a named list

#### Usage

# Arguments

All arguments below expect a numerical value unless mentioned otherwise.

```
mode a character string specifying the solution mode ("auto", "ratex", "dynamic", "reschk", "backward" or "static"). "auto" is the default. See section "Solution modes" below
```

fbstart a character string specifying the method of initialising feedback values. ("current", "previous", "curifok" or "previfok"). The default is "current". See section "Feedback initialisation methods" below

maxiter the maximum number of iterations per period (default 50)

maxjacupd the maximum number of Newton jacobian updates per period (default 10)

rlxspeed Newton relaxation shrinkage (default is 0.5)

rlxmin Minimum Newton relaxation factor (default is 0.05)

rlxmax Maximum Newton relaxation factor (default is 1.0)

cstpbk Stepback criterion (default is 1.3). If the convergence criterium Fcrit is larger than cstpbk or invalid feedback variables have been obtained then the Newton step is not accepted and linesearching will be initiated. If the linesearching procedure failed (Fcrit is still larger than cstpbk after the maximum number of linesearch steps bktmax has been reached or if the relaxation factor has become smaller than rlxmin), a new jacobian matrix is computed. In each linesearch step the current relaxation factor is shrunk by rspeed. The relaxation factor is set to its maximum value rlxmax) when a new jacobian has been calculated.

- cnmtrx Recalculate matrix criterion (default is 0.9). If the convergence criterium Fcrit is larger than cnmtrx but smaller than cstpbk, the Newton step is accepted but a new jacobian is computed and the relaxation factor is set to its maximum value rlxmax. The new jacobian is used in the next step. However, the jacobian will not be recalculated if the number of jacobian updates in a period is larger than maxjacupd
- xrelax Rational expectations relaxation factor (default is 1)
- xmaxiter Maximum number of rational expectation iterations (default is 10)
- xupdate Character string defining the method of updating leads. Possible values are "fixed" (the default) and "lastval". For "fixed" the leads beyond the solution period are fixed at the initial values. For "lastval" leads beyond the solution period take on the values from the last solution date
- dbgopt A character vector specifying one more debugging options. See section "Debugging options" below
- erropt Character string defining the error handling when invalid lags, leads, constant adjustments and/or exogenous variables are detected. Possible values are "stop" (stop on errors), "cont" (continue on errors but write a message to the output) and "silent" (also continue but without message). The default is "stop"
- report A character string defining the type of computation progress report. Possible values are "period" (for a report per period), "fullrep" (for a full report), "minimal" (for a minimal report), and "none" (for no report). The default is "period" The report options "none" also suppresses all output of the fit procedure and the Fair-Taylor progress report.
- ratreport Defines the type of rational expectations progress report. See section "Ratex report options" below
- ratreport\_rep An integer number specifying the Fair-Taylor report repetition count. See Section "Ratex report options" below.
- ratfullreport\_rep An integer number, specifying the Fair-Taylor full report repetition count. See Section "Ratex report options" below.
- bktmax Maximum number of backtracking linesearch steps with old jacobian. Sometimes it is necessary for the Broyden method to take a shorter step than the standard step. This is called backtracking linesearch. bktmax is the maximum number of line search steps before a new jacobian is computed.
- xtfac Rational expectations convergence test multiplier When using the "ratex" solution mode, convergence of endogenous leads cannot be tested to the accuracy used in testing for convergence in the solution of the model. This option specifies the multiplier to apply to the convergence criterion for each endogenous variable if the variable has an endogenous lead. Suppose for example that some variable has a convergence criterion of \$10^-5\$ and assume a value of 10 for the multiplier. Then its endogenous lead will be regarded as converged.

svdtest\_tol Singular Value Decomposition (SVD) test tolerance parameter. If the inverse condition of the jacobian is smaller than this parameter, then an SVD analysis of the jacobian is performed. This may help to find the equations that cause (near) singularity of the jacobian. The default value is -1, which implies that the SVD test is never performed. Specify a number between 0 and 1 to enable an SVD analysis depending on the inverse condition of the jacobian. When this option has been specified a copy of the jacobian is kept in memory, even if the jacobian is not ill-conditioned. This option should therefore only be used during testing. It should be turned off in production calculations.

#### Solution modes

The solution mode can be specified with argument mode. Possible values are:

- "auto" determine the solution mode automatically: "ratex" for models with endogenous leads and "dynamic" for models without endogenous leads
- "dynamic" to update lags and current values of all right-hand side endogenous variables (leads are not updated). This is the default for models without endogenous leads
- "ratex" to update lags, leads and current values of all right-hand side endogenous variables. This is the default mode for models with endogenous leads. The model is solved in dynamic mode for all periods conditional on the endogenous right-hand side leads. After solving for the complete solution period the endogenous leads are updated with the the results for the corresponding endogenous variables. The solution process thus consists of an two loops: an inner loop solving the model for all periods given the leads and an outer loop which solves for the endogenous leads
- "static" to update only current values of right-hand side endogenous variables lags and leads are not modified
- "reschk" to not update right-hand side endogenous variables from the solution
- "backward" same as dynamic, except that the model is solved backwards. The model is solved in reversed order by starting at the last solution period and ending at the first solution period. Leads are updated and lags are not updated

If a model contains leads then the "ratex" mode is the default; this is a Fair-Taylor algorithm. The default is "auto".

# Feedback initialisation methods

Argument fbstart can be used to specify the way how the feedback variables at the current period (i.e. the period for which the model is being solved) are initialised from the model data. Possible values of fbstart are:

- "current" the initial values are always taken from the current period. This is the default
- "previous" The initial values are taken from the previous period except when the first period to be solved is the start of the model data period. In that case current period values are used
- "curifok" Current period values are used if they are valid otherwise previous period values are used
- "previfok" At the start of the solution period, previous period values will be used if they are available and valid; otherwise current period values will be used. Thereafter previous period initial values are always used, which is equivalent to the "previous" method

The default is "current".

# **Debugging options**

Argument dbgopt can be used to specify one or more options for debugging. Possible values are

"prifb" print feedback variables at each iteration

"prild" print all leads at each ratex iteration

"prijac" print jacobian matrix when updated

"prinoconv" print all not converged endogenous variables

"prinotconvl" print all not converged leads

"allinfo" all of the above

"noprifb" do not print feedback variables at each iteration

"noprild" do not print all leads at each ratex iteration

"noprijac" do not print jacobian matrix when updated

"noprinoconv" print only the largest discrepancy of all not converged endogenous variables

"noprinotconvl" print only the largest discrepancy of all not converged leads

"noinfo" no debugging output

"priscal" print scaling factors as determined from the jacobian

nopriscal do not print scaling factors as determined from the jacobian

Default is no printing of debugging information.

# Ratex report options

The type of report is determined by argument ratreport. Arguments ratreport\_rep (the report repetion count) and ratfullreport\_rep (the full report repetition count), both specified as integer numbers, can be used to futher modify the progress report.

Possible values for ratreport are

"iter" print the number of not converged expectation values every ratreport\_rep Fair Taylor iteration (the default)

"fullrep" full report. The number of not converged expectation values is printed every ratreport\_rep Fair Taylor iteration and the largest remaining discrepancy every ratfullreport\_rep Fair Taylor iteration

"minimal" for a full report only after the last Fair Taylor iteration

If ratfullreport\_rep is NA, then the full report is printed every ratreport\_rep Fair-Taylor iteration. The default values for ratreport\_rep and ratfullreport\_rep are 1 and NA, respectively.

```
mdl <- islm_mdl(period = "2017Q1/2018Q4")
mdl$set_solve_options(maxiter = 100)</pre>
```

48 set\_values-methods

## **Description**

These methods of R6 class IsisMdl can be used to set the values of the model data, constant adjusments, fix values or fit targets.

#### Usage

```
mdl$set_values(value, names, pattern, period = mdl$get_data_period())
mdl$set_ca_values(value, names, pattern, period = mdl$get_data_period())
mdl$set_fix_values(value, names, pattern, period = mdl$get_data_period())
mdl$set_fit_values(value, names, pattern, period = mdl$get_data_period())
mdl$set_fit_values(value, names, pattern, period = mdl$get_data_period())
```

#### **Arguments**

value a numeric vector of length 1 or with the same length as the length of the range of period names a character vector with variable names

pattern a regular expression specifying the variable names

period an period\_range object or an object that can be coerced to a period\_range. The default is the data period

#### Methods

set\_values Sets the values of model data

set\_ca Sets the values of the constant adjustments, i.e. the residuals of behavourial (frml) equations.

set\_fix Set fix values for the stochastic model variables (i.e. model variables that occur at the left hand side of a frml equation). The model variables will be fixed at the specified value. A fix value of NA implies that the corresponding variable is not fixed. set\_fix also updates the model data with all non NA values

set\_fit Set fit targets for the fit procedure. A fit target value of NA implies that the corresponding variable is no fit target

#### See Also

get\_data-methods, set\_data-methods and change\_data-methods

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#### **Examples**

```
mdl <- islm_mdl(period = "2017Q1/2017Q3")

# set the values for y in the full data period
mdl$set_values(1000, names = "y")

# set the values of ms and md in 2017Q1 and 2017Q2
mdl$set_values(c(205,206), pattern = "^m.$", period = "2017Q1/2017Q2")

# set the values of ms and md in all quarters of 2017 (2017Q1/2017Q4)
mdl$set_values(c(205, 206, 207, 208), pattern = "^m.$", period = "2017")
print(mdl$get_data())</pre>
```

solve

IsisMdl method: Solves the model.

#### **Description**

This method of R6 class IsisMdl solves the model. It requires that the model period has been set with methods isis\_mdl, init\_data or set\_period).

## Usage

IsisMdl method:

mdl is an IsisMdl object

#### **Arguments**

period\_range object, or an object that can be coerced to period\_range

options a named list with solve options, for example list(maxiter = 50). The names are the corresponding argument names of method set\_solve\_options The specified options will only used in this call of solve() and will not be stored in the IsisMdl object

fit\_options a named list with options for the fit procedure, for example list(maxiter = 10).

The names are the corresponding argument names of method set\_fit\_options The specified options will only used in this call of solve() and will not be stored in the IsisMdl object

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#### **Details**

The model will be solved for each subperiod from the solution period sequentially. The solution is stored in the IsisMdl object, and can be retrieved by methods get\_data (or get\_ca for the constant adjustments). Any subsequent solves of a model will use these data. If a solve has converged and no data have changed, then a second solve will report convergence in 0 iterations.

The solve options specified are only applied to the current solve. If none are specified the solve options as specified with method set\_solve\_options are used.

The solve procedure *never* raises an error, even if the solve was not successful. In that case a warning may be issued. It is up to the user to perform any checks. Method get\_solve\_status can be used to check whether the solve was successfully terminated or not. The solve method outputs a report which the user should check.

#### See Also

```
set_solve_options, set_fit_options and get_solve_status
```

## **Examples**

```
mdl <- islm_mdl(period = "2017Q1/2018Q4")
mdl$solve(options = list(report = "fullrep"))
# solve the model for all periods before 2018Q1
mdl$solve(period = "/2017Q4")
# solve the model for all quarters in 2017 (2017Q1/2017Q4)
mdl$solve(period = "2017")</pre>
```

solve\_mdl

Function solve\_mdl solves model for given data and returns resulting data and constant adjustments

#### Description

Function solve\_mdl solves model for given data and returns resulting data and constant adjustments

# Usage

```
solve_mdl(model_file, data, period, fix_values, ca, fit_targets)
```

#### **Arguments**

model\_file is a reference to the file containing the IsisMdl model

data is a regts object containing time series data period is a period object describing a time interval

fix\_values is a regts object containing known time series data that should be fixed during

analysis

ca describes the so-called constant adjustment values

fit\_targets describes the so-called fit targets

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# See Also

```
set_data-methods,get_period
```

write\_mdl

Writes an IsisMdl object to a file

# Description

This method of R6 class IsisMdl serializes the model object and writes it to a binary file. The model can be read back by function read\_mdl.

#### **Details**

write\_mdl employs the serialization interface provided by base R function saveRDS.

# Usage

```
mdl$write_mdl(file)
mdl is an IsisMdl object
```

# Arguments

file the filename. Preferably use the extension .ismdl so that it is obvious that the written file contains a serialized IsisMdl object.

#### See Also

```
read_mdl
```

```
mdl <- islm_mdl("2017Q1/2019Q2")
mdl$write_mdl("islm_mdl.ismdl")</pre>
```

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