Figures for VAR lecture

James D. Hamilton
Consider simple structural model

\[ y_{1t} = \text{real GDP growth} \]
\[ y_{2t} = \text{inflation} \]
\[ y_{3t} = \text{fed funds rate} \]
\[ y_{4t} = \text{rate of growth of M2} \]
Dependent Variable GDPCH
Quarterly Data From 1960:04 To 2005:03
Usable Observations 180 Degrees of Freedom 159

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coeff</th>
<th>Std Error</th>
<th>T-Stat</th>
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</thead>
<tbody>
<tr>
<td>1. GDPCH{1}</td>
<td>0.154571374</td>
<td>0.080029652</td>
<td>1.93143</td>
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<td>2. GDPCH{2}</td>
<td>0.139042553</td>
<td>0.082112638</td>
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<td>3. GDPCH{3}</td>
<td>-0.048338034</td>
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<td>-0.59329</td>
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<td>4. GDPCH{4}</td>
<td>0.091520238</td>
<td>0.079570671</td>
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<td>5. GDPCH{5}</td>
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<tr>
<td>6. INFLATION{1}</td>
<td>0.176914326</td>
<td>0.219239290</td>
<td>0.80695</td>
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<td>7. INFLATION{2}</td>
<td>-0.038988517</td>
<td>0.232929582</td>
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<td>8. INFLATION{3}</td>
<td>-0.304134789</td>
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<td>9. INFLATION{4}</td>
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<td>10. INFLATION{5}</td>
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<td>11. FEDFUNDS{1}</td>
<td>0.377740375</td>
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<td>1.26176</td>
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<td>12. FEDFUNDS{2}</td>
<td>-1.780567064</td>
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<td>13. FEDFUNDS{3}</td>
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<td>-0.991770439</td>
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<td>15. FEDFUNDS{5}</td>
<td>0.513088868</td>
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<td>16. MGROW{1}</td>
<td>0.137022217</td>
<td>0.093462523</td>
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<td>17. MGROW{2}</td>
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<td>18. MGROW{3}</td>
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<td>19. MGROW{4}</td>
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<td>21. Constant</td>
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Covariance Correlation Matrix of Residuals

<table>
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<tr>
<th></th>
<th>GDPCH</th>
<th>INFLATION</th>
<th>FEDFUNDS</th>
<th>MGROW</th>
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<tr>
<td>GDPCH</td>
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<td>FEDFUNDS</td>
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<td>MGROW</td>
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