

An Introductory Review of a Structural VAR-X Estimation and Applications

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This document presents how to estimate and implement a structural VAR-X model under long run and impact identification restrictions. Estimation by bayesian and maximum likelihood methods is presented. Applications of the structural VAR-X for impulse response functions to structural shocks, multiplier analysis of the exogenous variables, forecast error variance decomposition and historical decomposition of the endogenous variables are also described, as well as a method for computing HPD regions in a bayesian context. Some of the concepts are exemplified with an application to US data.

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