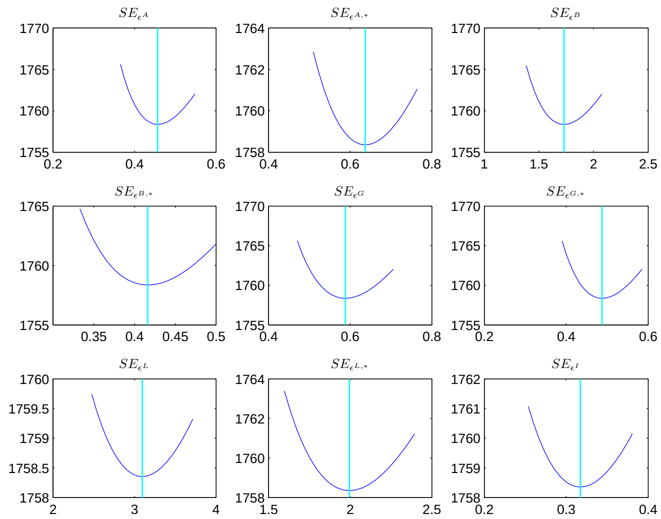

Figure 1: Check plots.

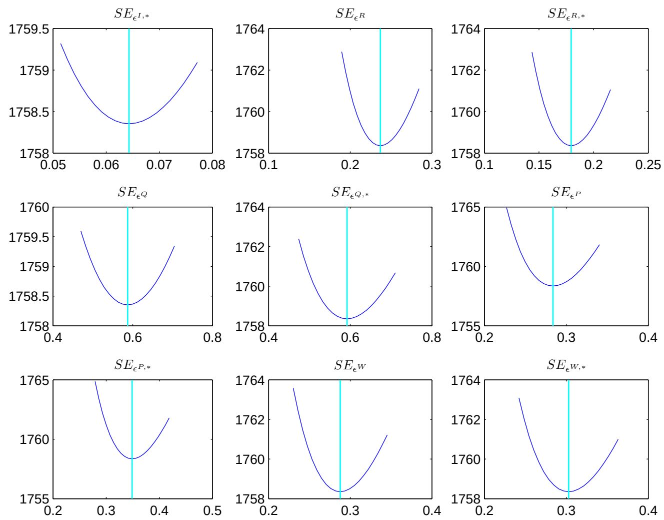

Figure 2: Check plots.

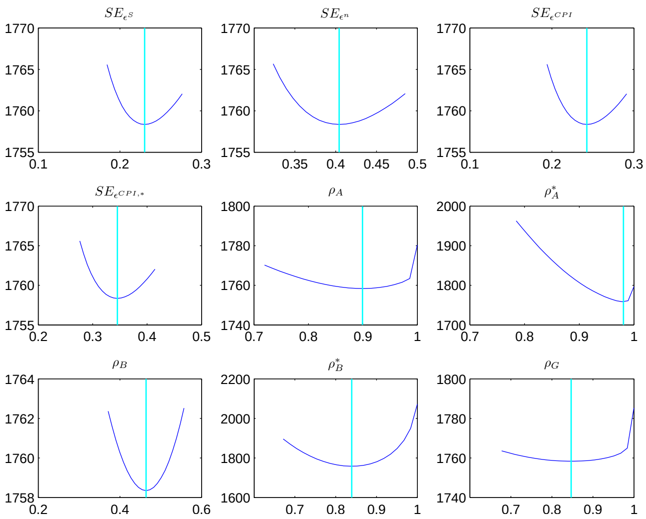

Figure 3: Check plots.

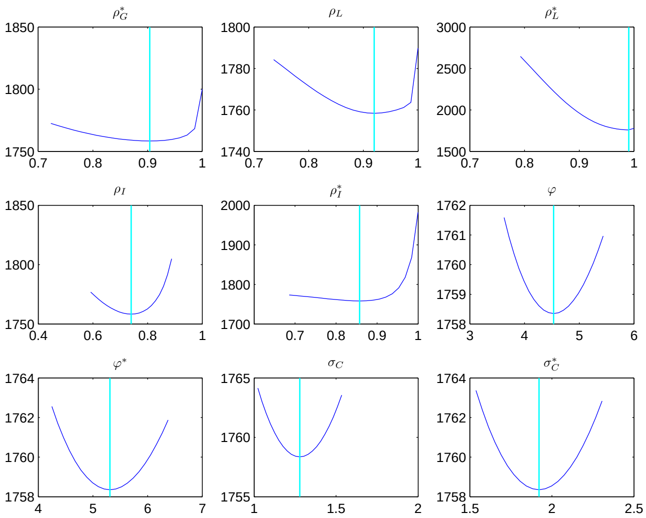

Figure 4: Check plots.

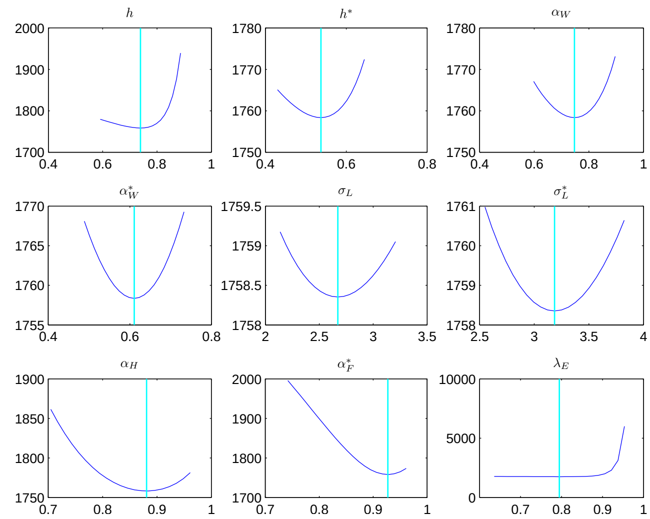

Figure 5: Check plots.

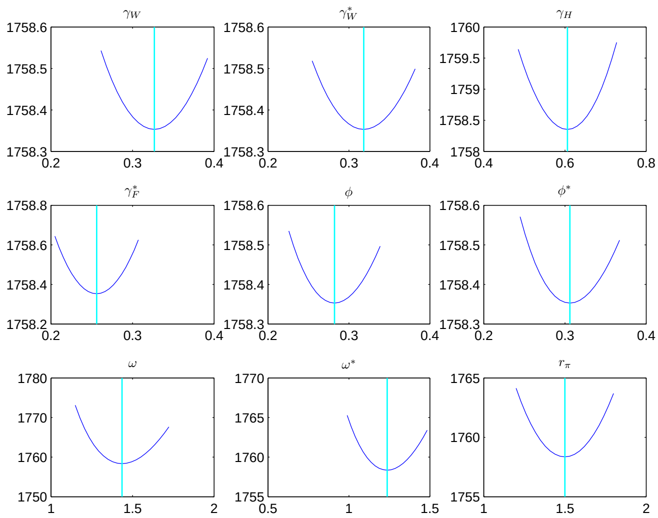

Figure 6: Check plots.

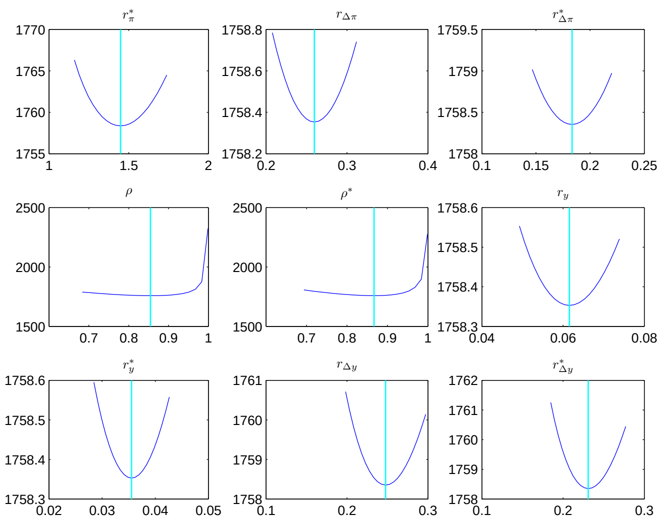

Figure 7: Check plots.

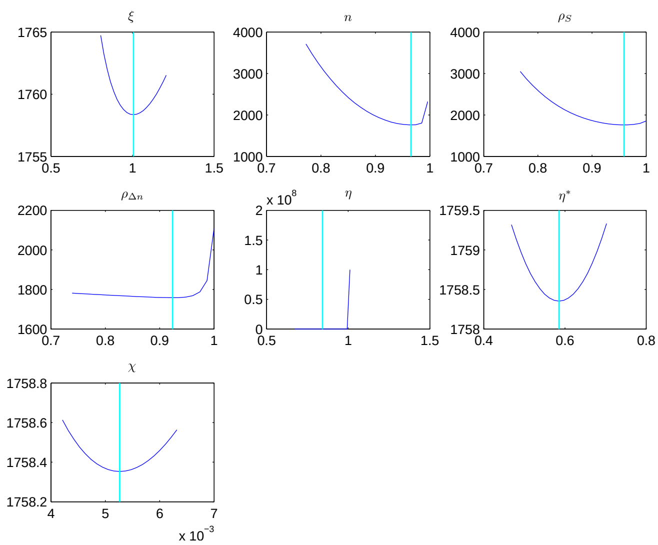

Figure 8: Check plots.

	Prior distribution	Prior mean	Prior s.d.	Posterior mode	s.d.
ρ_A	beta	0.850	0.1000	0.8992	0.0348
ρ_A^*	beta	0.850	0.1000	0.9808	0.0058
ρ_B	beta	0.850	0.1000	0.4642	0.0756
ρ_B^*	beta	0.850	0.1000	0.8393	0.0377
ρ_G	beta	0.850	0.1000	0.8468	0.0514
ρ_G^*	beta	0.850	0.1000	0.9040	0.0296
ρ_L	beta	0.850	0.1000	0.9198	0.0323
ρ_L^*	beta	0.850	0.1000	0.9904	0.0061
ρ_I	beta	0.850	0.1000	0.7399	0.0497
ρ_I^*	beta	0.850	0.1000	0.8575	0.0572
φ	norm	4.000	0.5000	4.5310	0.4433
φ^*	norm	4.000	0.5000	5.3118	0.4318
σ_C	norm	1.000	0.3750	1.2789	0.2035
σ_C^*	norm	1.000	0.3750	1.9212	0.2661
h	beta	0.700	0.1000	0.7390	0.0498
h^*	beta	0.700	0.1000	0.5374	0.0671
α_W	beta	0.750	0.0500	0.7472	0.0371
α_W^*	beta	0.750	0.0500	0.6107	0.0344
σ_L	norm	2.000	0.7500	2.6722	0.6213
σ_L^*	norm	2.000	0.7500	3.1860	0.5424
α_H	beta	0.750	0.0500	0.8808	0.0149
α_F^*	beta	0.750	0.0500	0.9272	0.0078
λ_E	beta	0.750	0.0500	0.7946	0.0220
γ_W	beta	0.500	0.1500	0.3267	0.1201
γ_W^*	beta	0.500	0.1500	0.3183	0.1208
γ_H	beta	0.500	0.1500	0.6061	0.0791
γ_F^*	beta	0.500	0.1500	0.2560	0.0734
ϕ	gamm	0.200	0.1000	0.2822	0.1172
ϕ^*	gamm	0.200	0.1000	0.3060	0.1279
ω	norm	1.300	0.1000	1.4358	0.0680
ω^*	norm	1.300	0.1000	1.2366	0.0953
r_π	norm	1.500	0.1000	1.4994	0.0974
r_π^*	norm	1.500	0.1000	1.4490	0.1006
$r_{\Delta\pi}$	gamm	0.300	0.1000	0.2597	0.0608
$r_{\Delta\pi}^*$	gamm	0.300	0.1000	0.1833	0.0399
ρ	beta	0.750	0.1000	0.8546	0.0223
ρ^*	beta	0.750	0.1000	0.8668	0.0253
r_y	gamm	0.125	0.0500	0.0616	0.0255
r_y^*	gamm	0.125	0.0500	0.0355	0.0156
$r_{\Delta y}$	gamm	0.063	0.0500	0.2478	0.0358
$r_{\Delta y}^*$	gamm	0.063	0.0500	0.2310	0.0355
ξ	gamm	2.000	0.7500	1.0058	0.1985
n	beta	0.850	0.0500	0.9654	0.0068
ρ_S	beta	0.850	0.1000	0.9591	0.0205
$\rho_{\Delta n}$	beta	0.850	0.1000	0.9236	0.0285
η	norm	0.500	0.3000	0.8424	0.1116
η^*	norm	0.500	0.3000	0.5853	0.1265
χ	gamm	0.005	0.0020	0.0053	0.0020

Table 1: Results from posterior parameters (parameters)

	Prior distribution	Prior mean	Prior s.d.	Posterior mode	s.d.
ϵ^{A}	unif	3.000	1.7321	0.4568	0.0303
$\epsilon^{A,*}$	unif	3.000	1.7321	0.6371	0.0883
ϵ^{B}	unif	3.000	1.7321	1.7293	0.4850
$\epsilon^{B,*}$	unif	3.000	1.7321	0.4163	0.1369
ϵ^{G}	unif	3.000	1.7321	0.5883	0.0373
$\epsilon^{G,*}$	unif	3.000	1.7321	0.4874	0.0309
ϵ^{L}	unif	3.000	1.7321	3.0951	0.7156
$\epsilon^{L,*}$	unif	3.000	1.7321	1.9955	0.2836
ϵ^{I}	unif	3.000	1.7321	0.3172	0.0799
$\epsilon^{I,*}$	unif	3.000	1.7321	0.0643	0.0310
ϵ^{R}	unif	3.000	1.7321	0.2369	0.0208
$\epsilon^{R,*}$	unif	3.000	1.7321	0.1795	0.0195
ϵ^{Q}	unif	3.000	1.7321	0.5873	0.1219
$\epsilon^{Q,*}$	unif	3.000	1.7321	0.5921	0.0552
ϵ^{P}	unif	3.000	1.7321	0.2838	0.0210
$\epsilon^{P,*}$	unif	3.000	1.7321	0.3489	0.0252
ϵ^{W}	unif	3.000	1.7321	0.2877	0.0227
$\epsilon^{W,*}$	unif	3.000	1.7321	0.3028	0.0247
ϵ^{S}	unif	3.000	1.7321	0.2303	0.0795
ϵ^{n}	unif	3.000	1.7321	0.4043	0.0341
ϵ^{CPI}	unif	3.000	1.7321	0.2426	0.0156
$\epsilon^{CPI,*}$	unif	3.000	1.7321	0.3453	0.0219

Table 2: Results from posterior parameters (standard deviation of structural shocks)

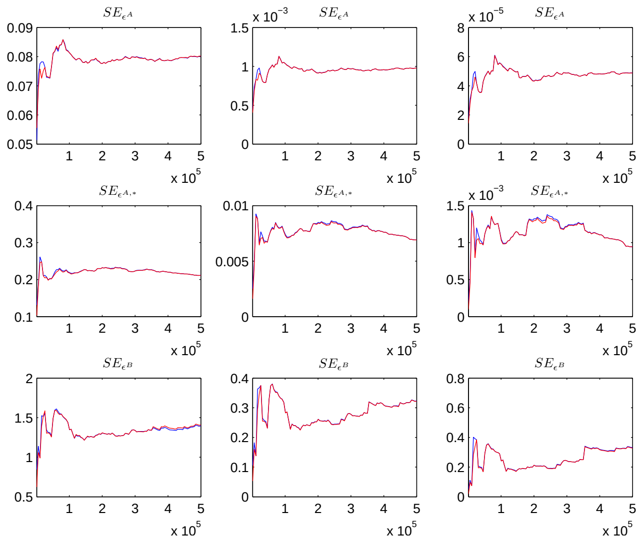

Figure 9: Univariate convergence diagnostics for the Metropolis-Hastings. The first, second and third columns are respectively the criteria based on the eighty percent interval, the second and third moments.

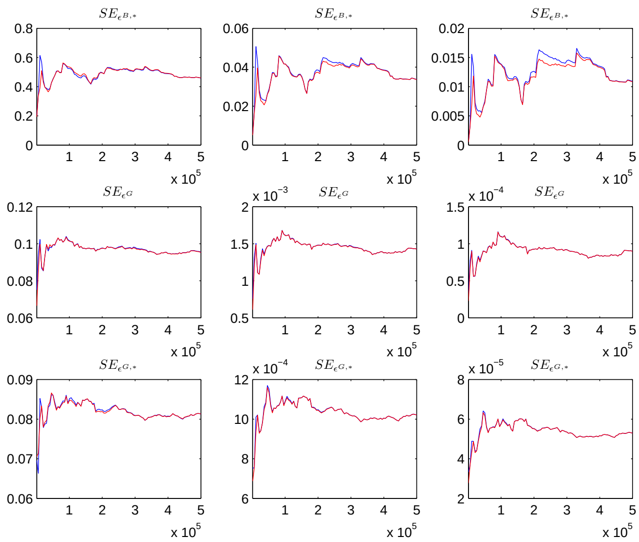

Figure 10: Univariate convergence diagnostics for the Metropolis-Hastings. The first, second and third columns are respectively the criteria based on the eighty percent interval, the second and third moments.

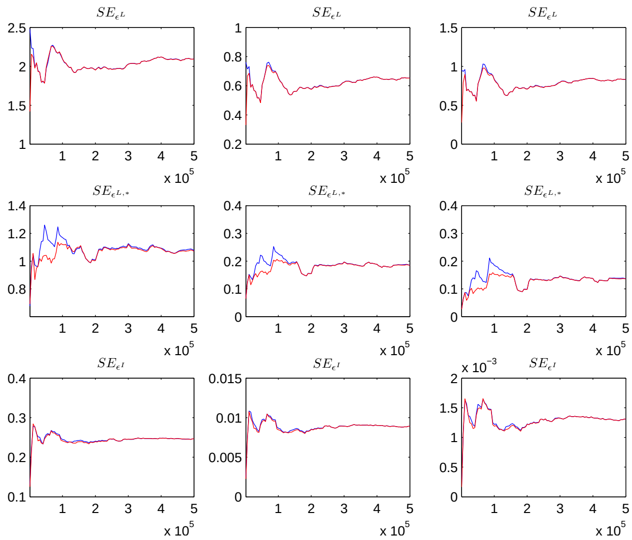

Figure 11: Univariate convergence diagnostics for the Metropolis-Hastings. The first, second and third columns are respectively the criteria based on the eighty percent interval, the second and third moments.

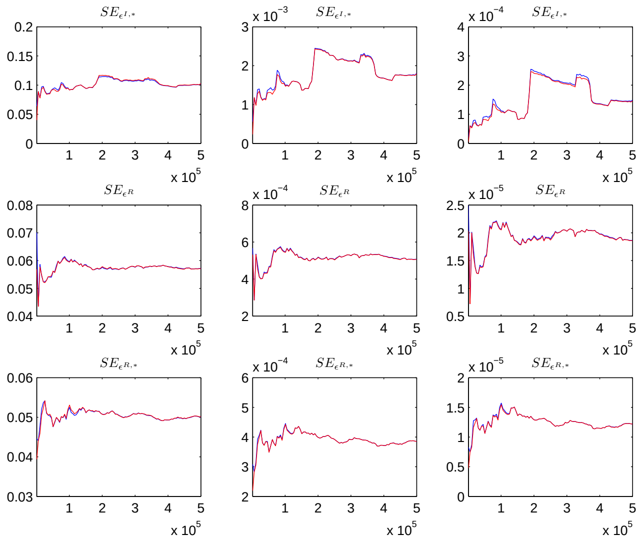

Figure 12: Univariate convergence diagnostics for the Metropolis-Hastings. The first, second and third columns are respectively the criteria based on the eighty percent interval, the second and third moments.

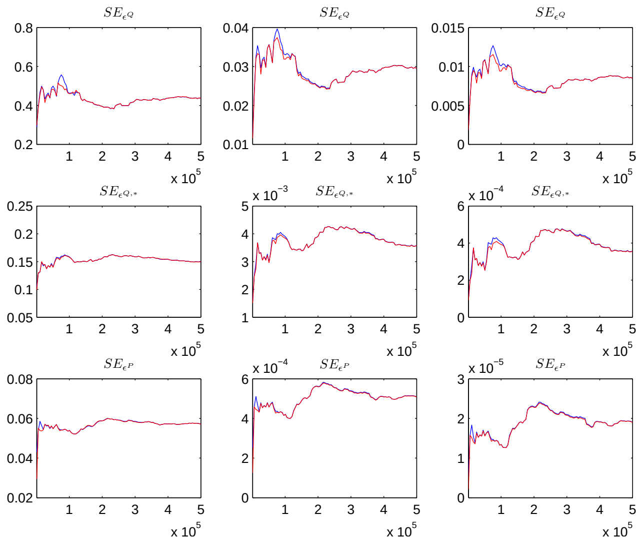

Figure 13: Univariate convergence diagnostics for the Metropolis-Hastings. The first, second and third columns are respectively the criteria based on the eighty percent interval, the second and third moments.

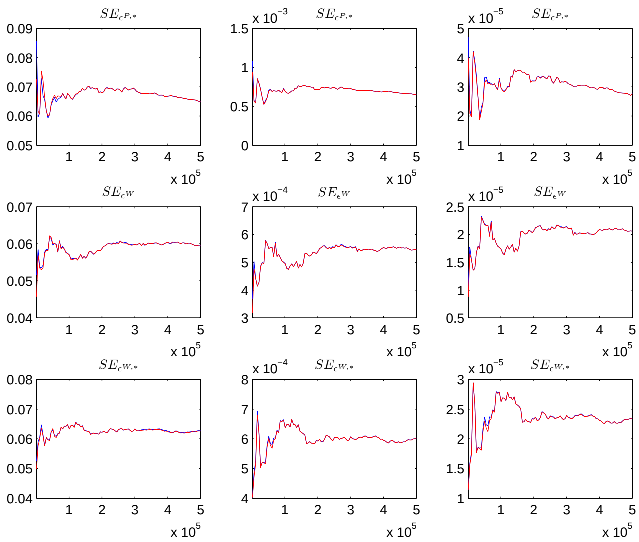

Figure 14: Univariate convergence diagnostics for the Metropolis-Hastings. The first, second and third columns are respectively the criteria based on the eighty percent interval, the second and third moments.

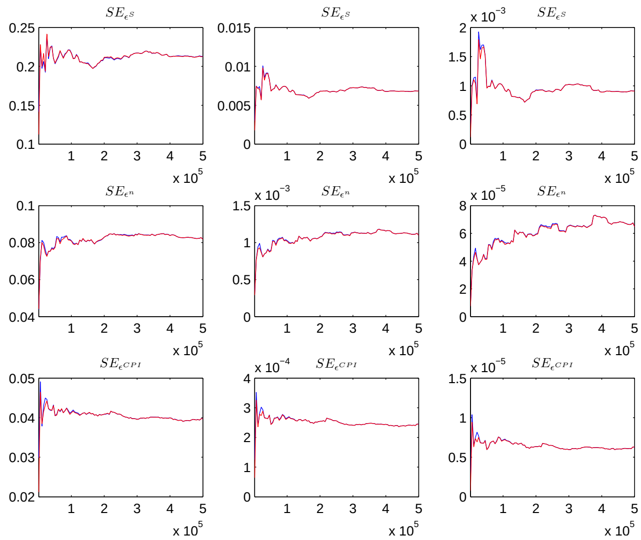

Figure 15: Univariate convergence diagnostics for the Metropolis-Hastings. The first, second and third columns are respectively the criteria based on the eighty percent interval, the second and third moments.

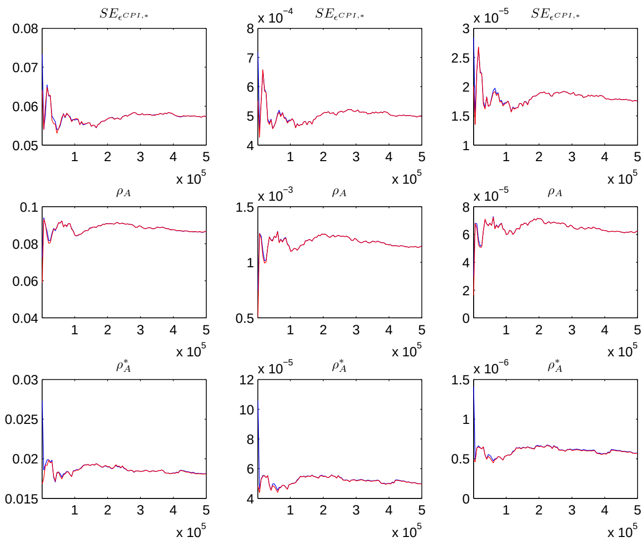

Figure 16: Univariate convergence diagnostics for the Metropolis-Hastings. The first, second and third columns are respectively the criteria based on the eighty percent interval, the second and third moments.

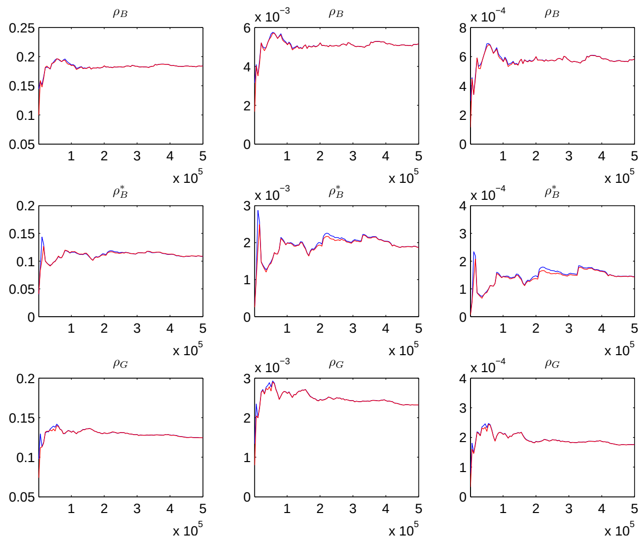

Figure 17: Univariate convergence diagnostics for the Metropolis-Hastings. The first, second and third columns are respectively the criteria based on the eighty percent interval, the second and third moments.

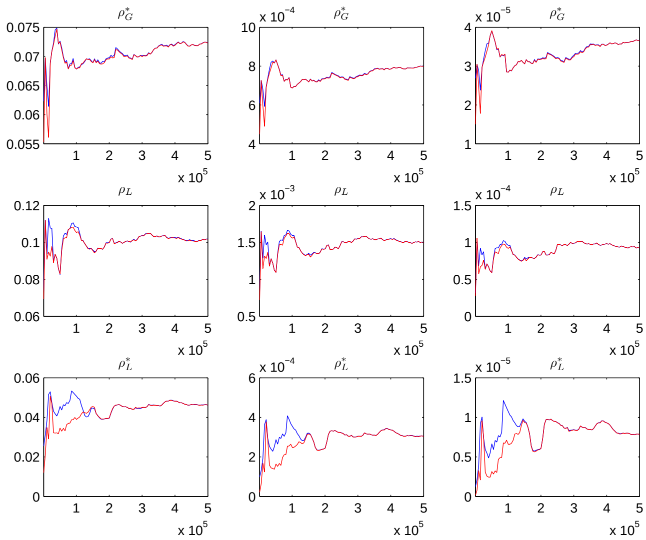

Figure 18: Univariate convergence diagnostics for the Metropolis-Hastings. The first, second and third columns are respectively the criteria based on the eighty percent interval, the second and third moments.

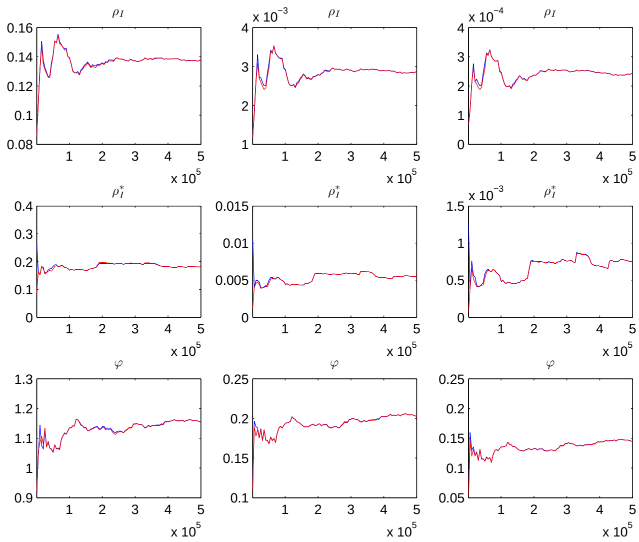

Figure 19: Univariate convergence diagnostics for the Metropolis-Hastings. The first, second and third columns are respectively the criteria based on the eighty percent interval, the second and third moments.

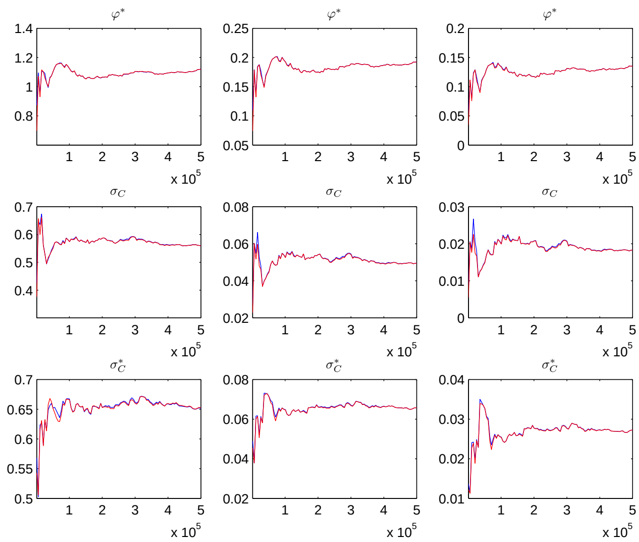

Figure 20: Univariate convergence diagnostics for the Metropolis-Hastings. The first, second and third columns are respectively the criteria based on the eighty percent interval, the second and third moments.

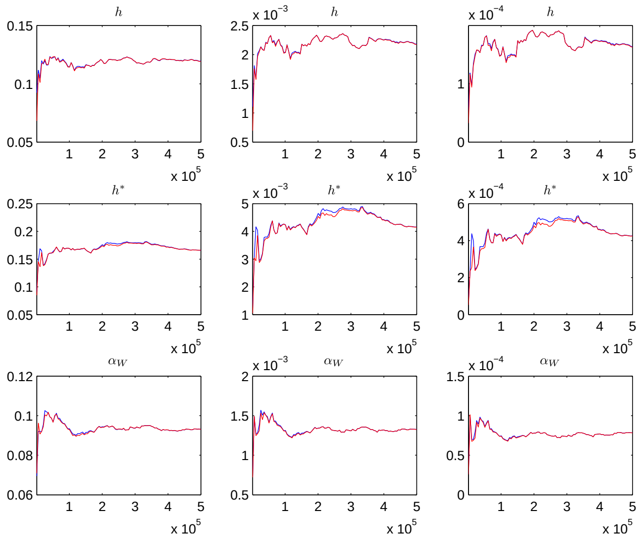

Figure 21: Univariate convergence diagnostics for the Metropolis-Hastings. The first, second and third columns are respectively the criteria based on the eighty percent interval, the second and third moments.

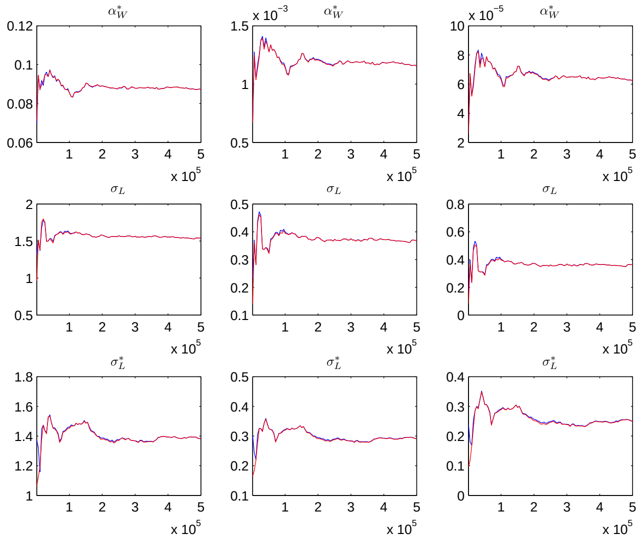

Figure 22: Univariate convergence diagnostics for the Metropolis-Hastings. The first, second and third columns are respectively the criteria based on the eighty percent interval, the second and third moments.

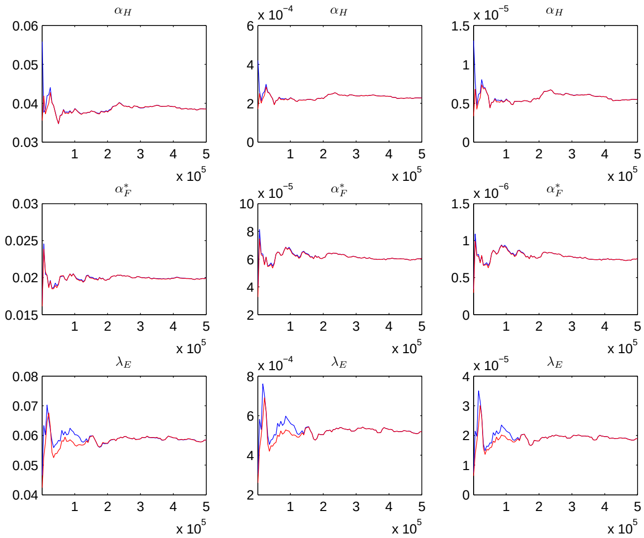

Figure 23: Univariate convergence diagnostics for the Metropolis-Hastings. The first, second and third columns are respectively the criteria based on the eighty percent interval, the second and third moments.

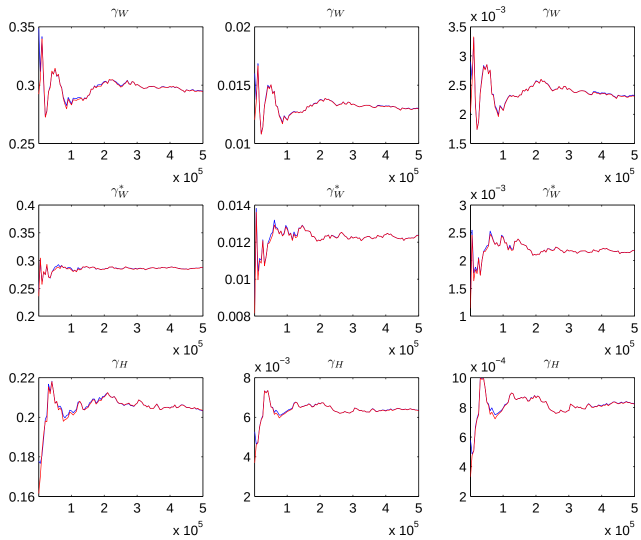

Figure 24: Univariate convergence diagnostics for the Metropolis-Hastings. The first, second and third columns are respectively the criteria based on the eighty percent interval, the second and third moments.

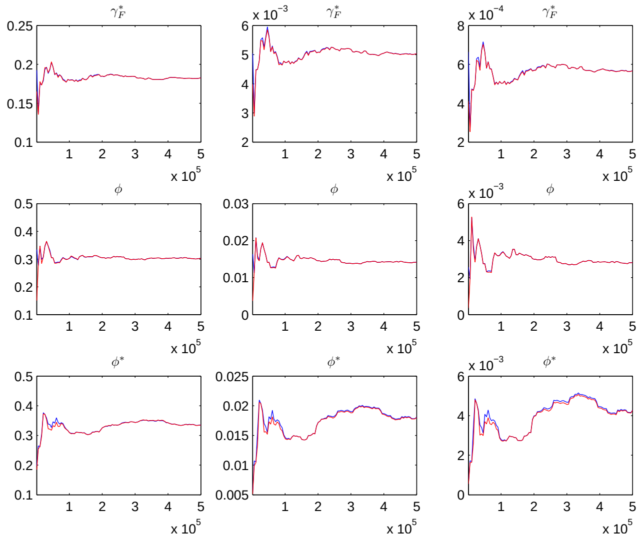

Figure 25: Univariate convergence diagnostics for the Metropolis-Hastings. The first, second and third columns are respectively the criteria based on the eighty percent interval, the second and third moments.

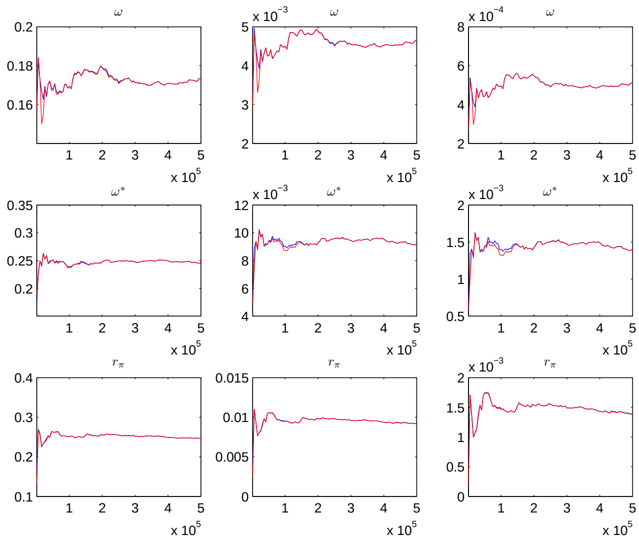

Figure 26: Univariate convergence diagnostics for the Metropolis-Hastings. The first, second and third columns are respectively the criteria based on the eighty percent interval, the second and third moments.

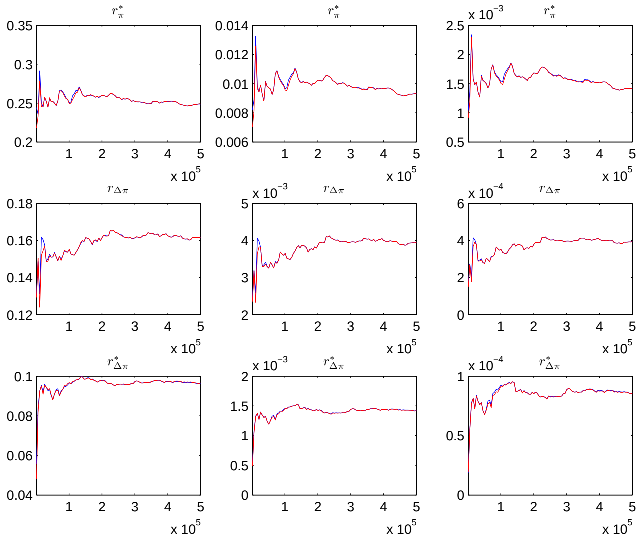

Figure 27: Univariate convergence diagnostics for the Metropolis-Hastings. The first, second and third columns are respectively the criteria based on the eighty percent interval, the second and third moments.

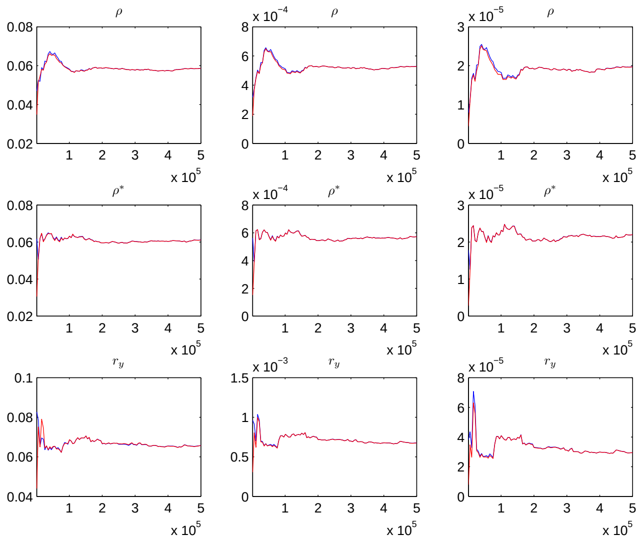

Figure 28: Univariate convergence diagnostics for the Metropolis-Hastings. The first, second and third columns are respectively the criteria based on the eighty percent interval, the second and third moments.

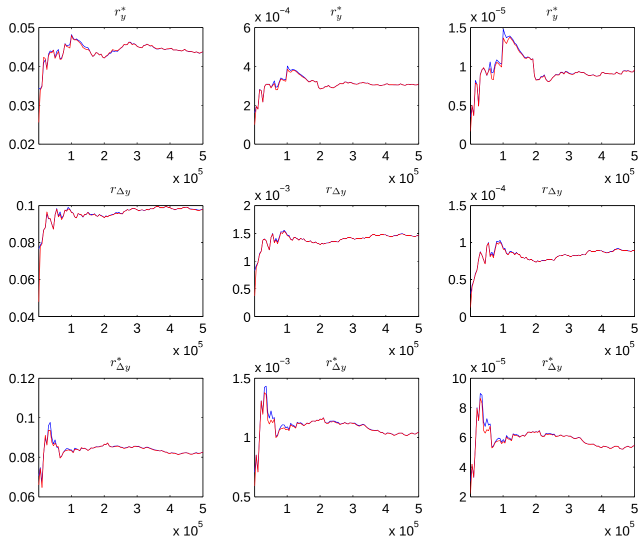

Figure 29: Univariate convergence diagnostics for the Metropolis-Hastings. The first, second and third columns are respectively the criteria based on the eighty percent interval, the second and third moments.

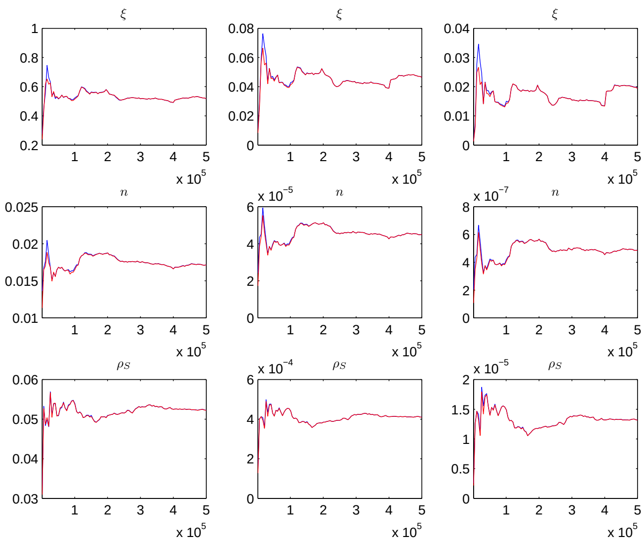

Figure 30: Univariate convergence diagnostics for the Metropolis-Hastings. The first, second and third columns are respectively the criteria based on the eighty percent interval, the second and third moments.

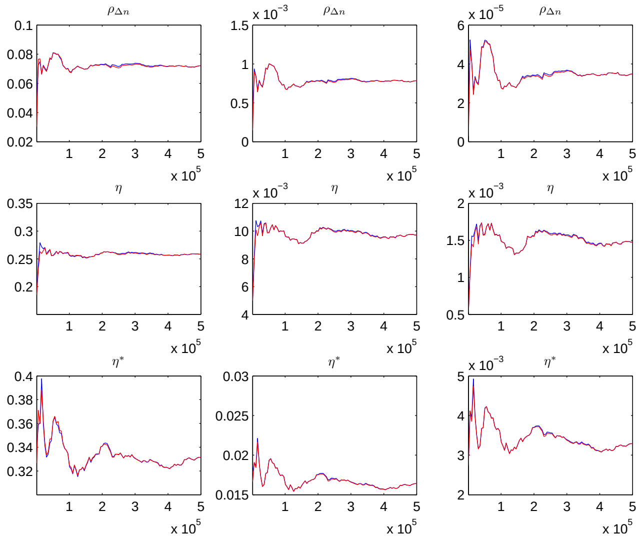

Figure 31: Univariate convergence diagnostics for the Metropolis-Hastings. The first, second and third columns are respectively the criteria based on the eighty percent interval, the second and third moments.

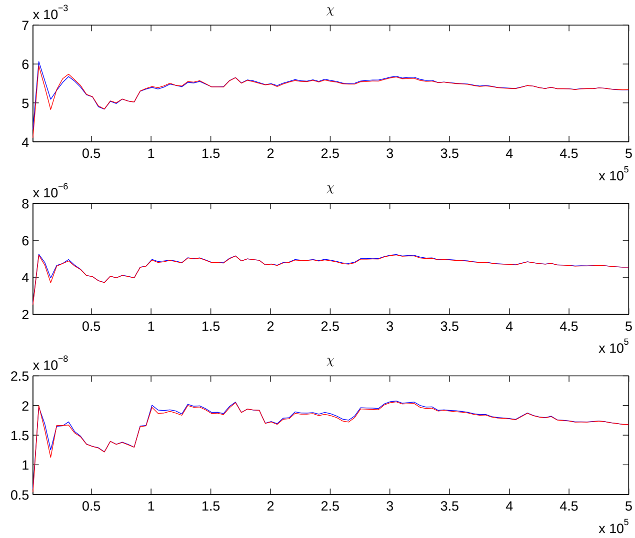

Figure 32: Univariate convergence diagnostics for the Metropolis-Hastings. The first, second and third rows are respectively the criteria based on the eighty percent interval, the second and third moments.

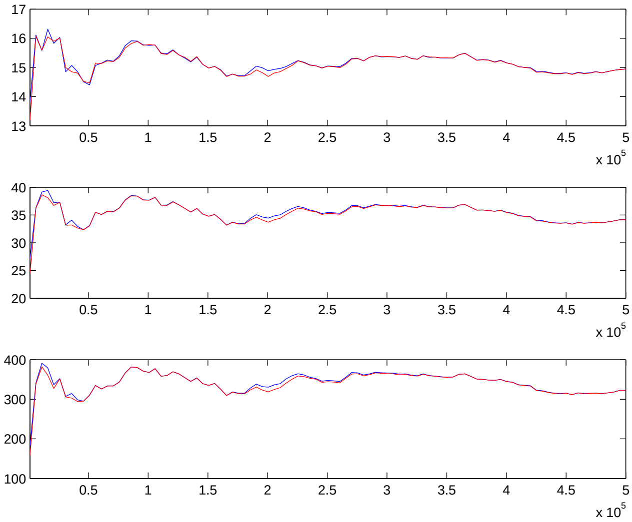

Figure 33: Multivariate convergence diagnostics for the Metropolis-Hastings. The first, second and third rows are respectively the criteria based on the eighty percent interval, the second and third moments. The different parameters are aggregated using the posterior kernel.

	Prior distribution	Prior mean	Prior s.d.	Post. mean	HPD inf	HPD sup
ρ_A	beta	0.850	0.1000	0.8939	0.8385	0.9487
ρ_A^*	beta	0.850	0.1000	0.9761	0.9654	0.9879
ρ_B	beta	0.850	0.1000	0.4481	0.3253	0.5621
ρ_B^*	beta	0.850	0.1000	0.8120	0.7451	0.8803
ρ_G	beta	0.850	0.1000	0.8432	0.7652	0.9217
ρ_G^*	beta	0.850	0.1000	0.8968	0.8505	0.9423
ρ_L	beta	0.850	0.1000	0.9129	0.8566	0.9842
ρ_L^*	beta	0.850	0.1000	0.9856	0.9556	0.9950
ρ_I	beta	0.850	0.1000	0.7044	0.6163	0.7878
ρ_I^*	beta	0.850	0.1000	0.8037	0.6936	0.9186
φ	norm	4.000	0.5000	4.5245	3.7657	5.2480
φ^*	norm	4.000	0.5000	5.2851	4.5474	6.0040
σ_C	norm	1.000	0.3750	1.3360	0.9728	1.6825
σ_C^*	norm	1.000	0.3750	1.9447	1.5251	2.3771
h	beta	0.700	0.1000	0.7450	0.6698	0.8221
h^*	beta	0.700	0.1000	0.5548	0.4452	0.6572
α_W	beta	0.750	0.0500	0.7527	0.6898	0.8103
α_W^*	beta	0.750	0.0500	0.6095	0.5541	0.6652
σ_L	norm	2.000	0.7500	2.7679	1.7636	3.7465
σ_L^*	norm	2.000	0.7500	3.3082	2.3937	4.1571
α_H	beta	0.750	0.0500	0.8785	0.8530	0.9032
α_F^*	beta	0.750	0.0500	0.9312	0.9177	0.9440
λ_E	beta	0.750	0.0500	0.7887	0.7514	0.8263
γ_W	beta	0.500	0.1500	0.3553	0.1615	0.5317
γ_W^*	beta	0.500	0.1500	0.3430	0.1602	0.5212
γ_H	beta	0.500	0.1500	0.6129	0.4864	0.7482
γ_F^*	beta	0.500	0.1500	0.2737	0.1549	0.3879
ϕ	gamm	0.200	0.1000	0.3140	0.1223	0.4954
ϕ^*	gamm	0.200	0.1000	0.3398	0.1336	0.5627
ω	norm	1.300	0.1000	1.4383	1.3253	1.5522
ω^*	norm	1.300	0.1000	1.2408	1.0768	1.3890
r_π	norm	1.500	0.1000	1.4970	1.3315	1.6506
r_π^*	norm	1.500	0.1000	1.4597	1.3089	1.6220
$r_{\Delta\pi}$	gamm	0.300	0.1000	0.2719	0.1676	0.3720
$r_{\Delta\pi}^*$	gamm	0.300	0.1000	0.1785	0.1158	0.3018
ρ	beta	0.750	0.1000	0.8532	0.8151	0.8918
ρ^*	beta	0.750	0.1000	0.8800	0.8394	0.9195
r_y	gamm	0.125	0.0500	0.0699	0.0280	0.1115
r_y^*	gamm	0.125	0.0500	0.0446	0.0169	0.0717
$r_{\Delta y}$	gamm	0.063	0.0500	0.2484	0.1857	0.3092
$r_{\Delta y}^*$	gamm	0.063	0.0500	0.2438	0.1922	0.2980
ξ	gamm	2.000	0.7500	1.1146	0.7914	1.4427
n	beta	0.850	0.0500	0.9666	0.9558	0.9773
ρ_S	beta	0.850	0.1000	0.9472	0.9145	0.9807
$\rho_{\Delta n}$	beta	0.850	0.1000	0.9084	0.8640	0.9563
η	norm	0.500	0.3000	0.8235	0.6853	0.9957
η^*	norm	0.500	0.3000	0.6183	0.4046	0.8156
χ	gamm	0.005	0.0020	0.0062	0.0028	0.0096

Table 3: Results from Metropolis Hastings (parameters)

	Prior distribution	Prior mean	Prior s.d.	Post. mean	HPD inf	HPD sup
ϵ^{A}	unif	3.000	1.7321	0.4625	0.4113	0.5104
$\epsilon^{A,*}$	unif	3.000	1.7321	0.6465	0.5101	0.7816
ϵ^{B}	unif	3.000	1.7321	1.9909	1.0867	2.9256
$\epsilon^{B,*}$	unif	3.000	1.7321	0.5283	0.2493	0.7942
ϵ^{G}	unif	3.000	1.7321	0.5958	0.5333	0.6585
$\epsilon^{G,*}$	unif	3.000	1.7321	0.4932	0.4380	0.5448
ϵ^{L}	unif	3.000	1.7321	3.4490	2.1666	4.7622
$\epsilon^{L,*}$	unif	3.000	1.7321	2.1115	1.3932	2.7178
ϵ^{I}	unif	3.000	1.7321	0.3806	0.2320	0.5379
$\epsilon^{I,*}$	unif	3.000	1.7321	0.0914	0.0277	0.1479
ϵ^{R}	unif	3.000	1.7321	0.2418	0.2058	0.2798
$\epsilon^{R,*}$	unif	3.000	1.7321	0.1762	0.1448	0.2087
ϵ^{Q}	unif	3.000	1.7321	0.5163	0.2280	0.8001
$\epsilon^{Q,*}$	unif	3.000	1.7321	0.5947	0.4967	0.6935
ϵ^{P}	unif	3.000	1.7321	0.2913	0.2550	0.3284
$\epsilon^{P,*}$	unif	3.000	1.7321	0.3595	0.3185	0.3996
ϵ^{W}	unif	3.000	1.7321	0.2947	0.2547	0.3326
$\epsilon^{W,*}$	unif	3.000	1.7321	0.3106	0.2715	0.3513
ϵ^{S}	unif	3.000	1.7321	0.2818	0.1428	0.4128
ϵ^{n}	unif	3.000	1.7321	0.4130	0.3586	0.4637
ϵ^{CPI}	unif	3.000	1.7321	0.2450	0.2185	0.2703
$\epsilon^{CPI,*}$	unif	3.000	1.7321	0.3489	0.3119	0.3858

Table 4: Results from Metropolis Hastings (standard deviation of structural shocks)

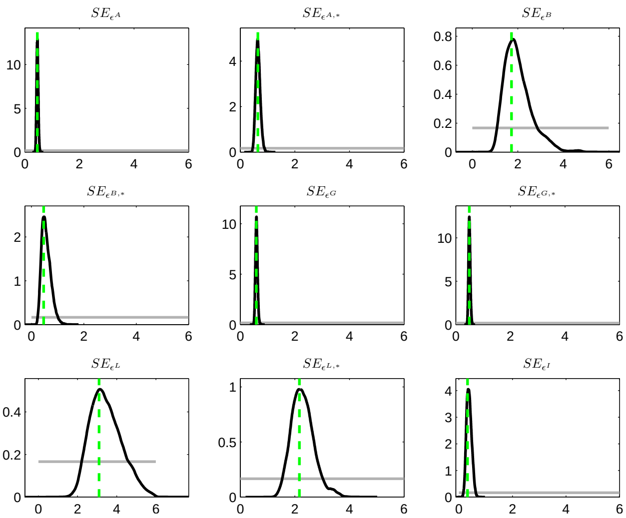

Figure 34: Priors and posteriors.

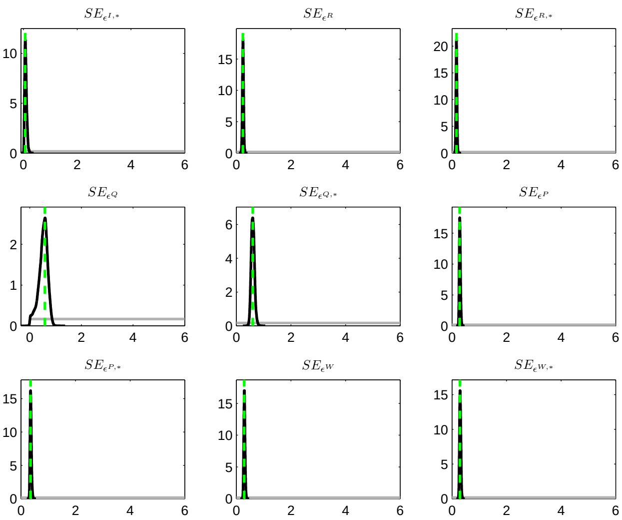

Figure 35: Priors and posteriors.

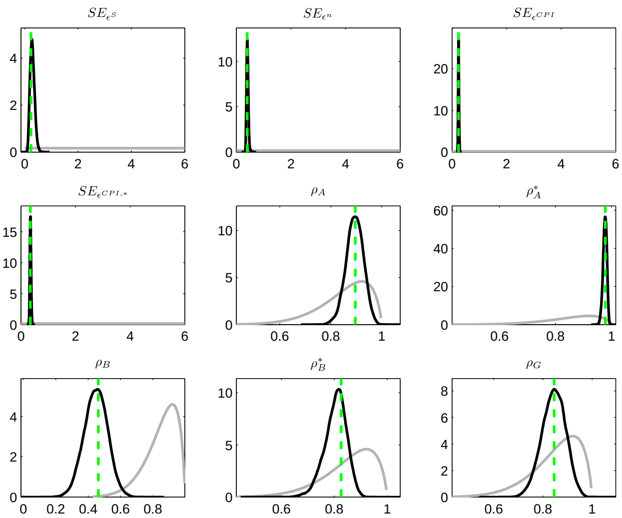

Figure 36: Priors and posteriors.

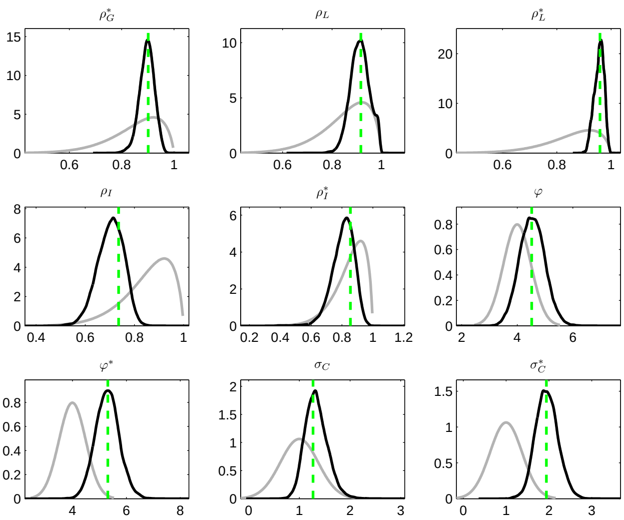

Figure 37: Priors and posteriors.

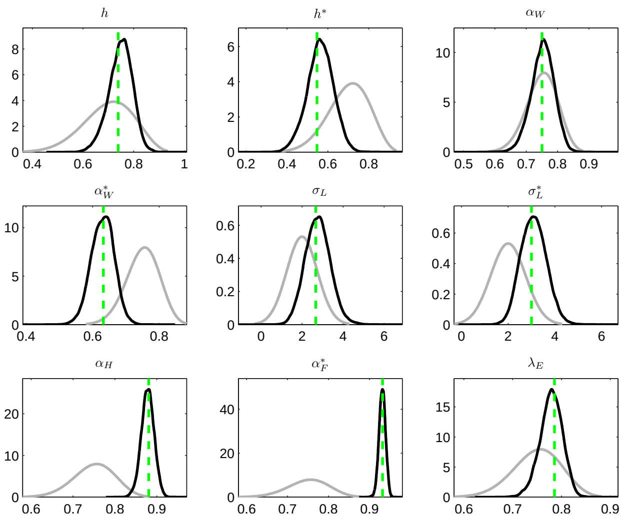

Figure 38: Priors and posteriors.

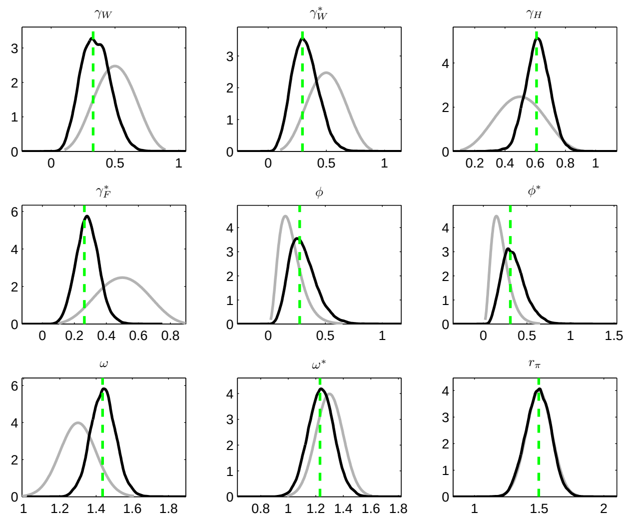

Figure 39: Priors and posteriors.

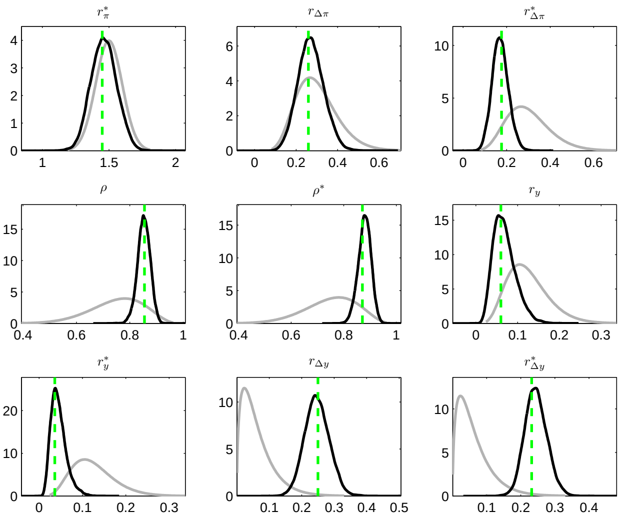

Figure 40: Priors and posteriors.

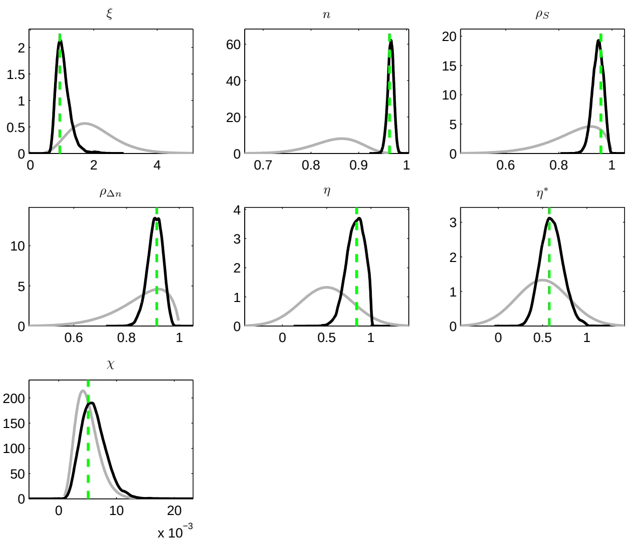

Figure 41: Priors and posteriors.

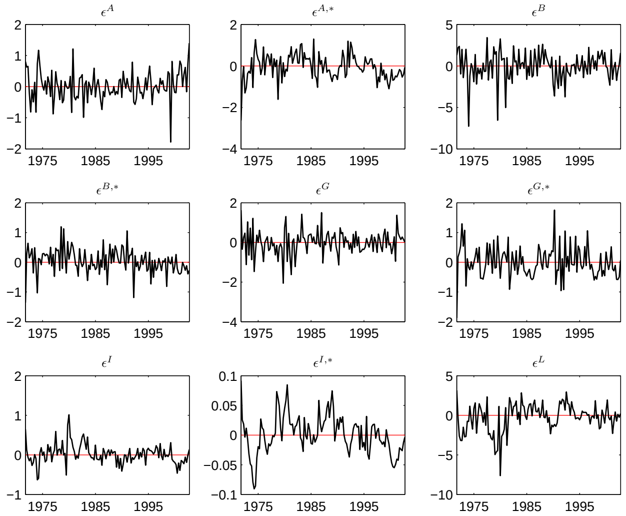

Figure 42: Smoothed shocks.

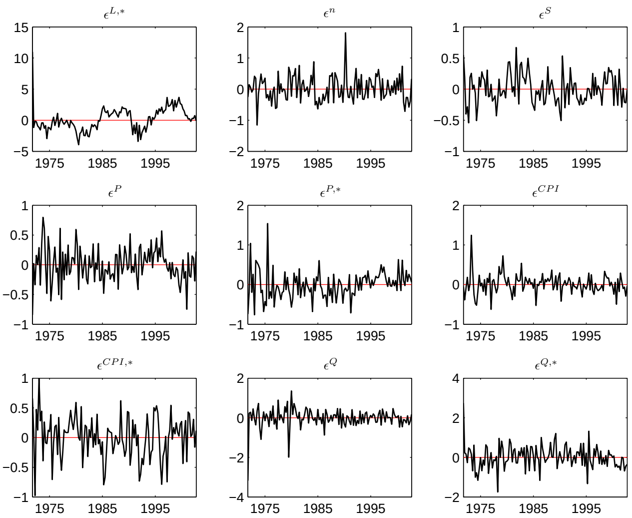

Figure 43: Smoothed shocks.

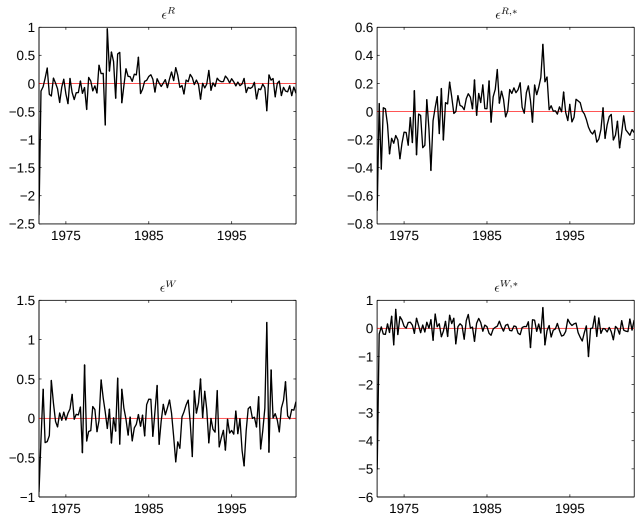

Figure 44: Smoothed shocks.

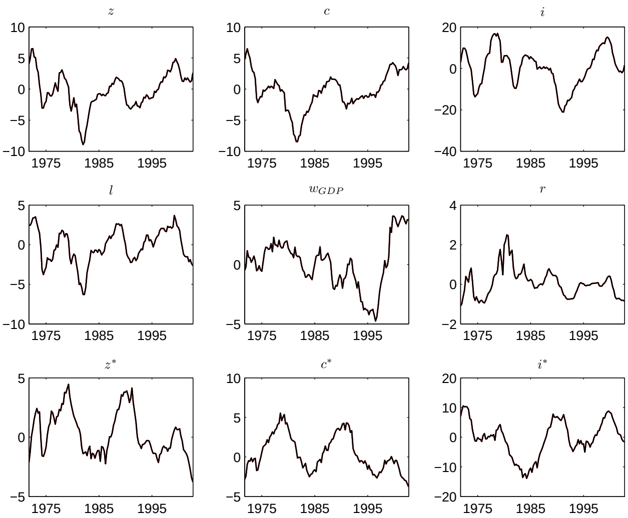

Figure 45: Historical and smoothed variables.

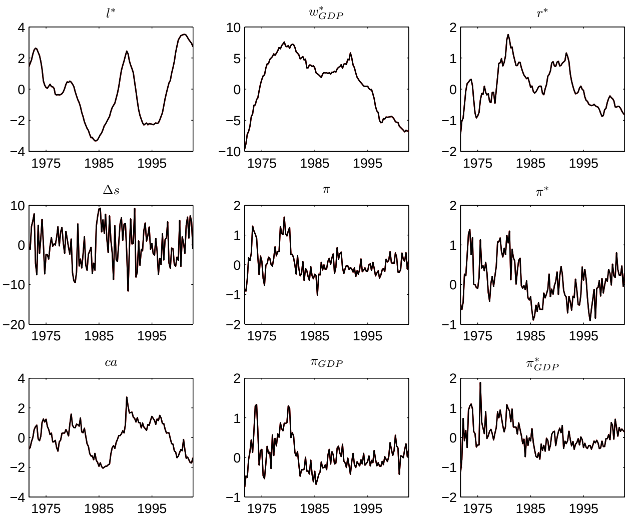

Figure 46: Historical and smoothed variables.

Table 5: Dynamic variance decomposition (I).

Variables	Time	ϵ^{A}	$\epsilon^{A,*}$	ϵ^{B}	$\epsilon^{B,*}$	ϵ^{G}	$\epsilon^{G,*}$	ϵ^{I}	$\epsilon^{I,*}$	ϵ^{L}	$\epsilon^{L,*}$	ϵ^{n}	ϵ^{S}	ϵ^{P}	$\epsilon^{P,*}$	ϵ^{CPI}	$\epsilon^{CPI,*}$	ϵ^{Q}	$\epsilon^{Q,*}$	ϵ^{R}	$\epsilon^{R,*}$	ϵ^{W}	$\epsilon^{W,*}$
z	$t = 1$	2.38	0.09	17.00	0.09	41.89	0.05	6.19	0.00	4.07	0.03	10.88	3.16	0.74	0.03	0.00	0.00	4.23	0.01	9.03	0.11	0.00	0.00
	$t = 4$	7.17	0.03	15.69	0.06	20.49	0.02	14.83	0.00	11.16	0.01	6.35	1.64	2.77	0.01	0.01	0.00	2.38	0.01	17.25	0.03	0.09	0.00
	$t = 8$	11.55	0.02	10.17	0.04	12.49	0.01	17.78	0.00	17.50	0.01	4.32	1.01	3.58	0.01	0.04	0.00	1.67	0.00	19.34	0.02	0.44	0.00
	$t = 12$	13.86	0.02	8.00	0.03	9.81	0.01	17.75	0.00	21.82	0.01	3.54	0.78	3.37	0.01	0.07	0.00	1.42	0.00	18.69	0.01	0.80	0.00
	$t = 16$	14.89	0.03	7.08	0.03	8.68	0.01	17.20	0.00	24.93	0.01	3.17	0.71	3.09	0.01	0.09	0.00	1.30	0.00	17.76	0.01	1.02	0.00
	$t = 20$	15.24	0.03	6.64	0.03	8.14	0.01	16.71	0.00	27.09	0.01	2.98	0.70	2.91	0.01	0.09	0.00	1.23	0.00	17.04	0.01	1.12	0.00
	$t = \infty$	15.09	0.08	6.13	0.02	7.51	0.01	15.80	0.00	30.61	0.02	2.75	0.96	2.68	0.01	0.10	0.00	1.15	0.00	15.91	0.01	1.15	0.00
c	$t = 1$	1.75	0.01	85.08	0.00	0.39	0.00	0.64	0.00	3.36	0.00	0.01	0.16	0.34	0.00	0.00	0.00	0.14	0.00	8.11	0.00	0.00	0.00
	$t = 4$	4.61	0.05	68.46	0.01	0.81	0.00	1.89	0.00	8.16	0.01	0.03	0.30	1.56	0.00	0.00	0.00	0.20	0.00	13.88	0.00	0.02	0.00
	$t = 8$	7.83	0.11	54.47	0.01	1.06	0.00	3.19	0.00	13.34	0.03	0.18	0.43	2.42	0.00	0.01	0.00	0.21	0.00	16.53	0.00	0.17	0.00
	$t = 12$	9.51	0.17	48.55	0.01	1.11	0.00	3.39	0.00	16.59	0.06	0.54	0.50	2.43	0.00	0.03	0.00	0.19	0.00	16.53	0.00	0.37	0.00
	$t = 16$	10.21	0.23	45.74	0.01	1.12	0.00	3.23	0.00	18.65	0.08	1.09	0.52	2.32	0.00	0.04	0.00	0.18	0.00	16.08	0.00	0.50	0.00
	$t = 20$	10.43	0.27	43.96	0.01	1.11	0.00	3.24	0.00	19.95	0.10	1.75	0.52	2.23	0.00	0.05	0.00	0.18	0.00	15.64	0.00	0.55	0.00
	$t = \infty$	9.05	0.61	32.83	0.01	0.93	0.01	5.12	0.01	20.11	0.34	13.53	2.69	1.71	0.00	0.04	0.00	0.22	0.00	12.25	0.00	0.52	0.00
i	$t = 1$	2.52	0.01	0.49	0.00	0.29	0.00	51.56	0.00	3.61	0.00	0.10	0.32	0.99	0.00	0.00	0.00	33.18	0.00	6.89	0.00	0.02	0.00
	$t = 4$	5.16	0.02	0.43	0.01	0.47	0.00	63.99	0.00	7.09	0.00	0.19	0.67	1.93	0.00	0.01	0.00	9.78	0.00	10.12	0.00	0.13	0.00
	$t = 8$	7.75	0.04	0.27	0.01	0.55	0.01	60.06	0.01	10.73	0.01	0.24	1.17	2.20	0.00	0.03	0.00	5.31	0.00	11.22	0.00	0.39	0.00
	$t = 12$	9.64	0.07	0.20	0.01	0.58	0.01	55.00	0.02	14.14	0.01	0.25	1.76	2.09	0.00	0.06	0.00	4.11	0.00	11.39	0.00	0.66	0.00
	$t = 16$	10.74	0.09	0.18	0.01	0.59	0.01	51.12	0.03	16.98	0.01	0.24	2.34	1.94	0.00	0.07	0.00	3.64	0.00	11.16	0.00	0.85	0.00
	$t = 20$	11.23	0.11	0.17	0.01	0.59	0.01	48.62	0.03	19.02	0.02	0.23	2.83	1.83	0.00	0.08	0.00	3.42	0.00	10.85	0.01	0.95	0.00
	$t = \infty$	11.01	0.24	0.15	0.01	0.56	0.01	45.50	0.04	20.90	0.07	1.54	3.91	1.70	0.00	0.08	0.00	3.15	0.00	10.13	0.01	0.97	0.00
l	$t = 1$	31.38	0.10	10.75	0.07	29.04	0.04	4.14	0.00	3.73	0.03	6.69	2.86	0.00	0.03	0.38	0.00	2.91	0.01	5.82	0.10	1.92	0.00
	$t = 4$	18.37	0.04	12.80	0.06	18.51	0.02	11.70	0.00	13.13	0.02	4.96	1.94	0.69	0.02	0.22	0.00	2.03	0.01	13.58	0.04	1.86	0.00
	$t = 8$	12.12	0.03	9.51	0.05	13.09	0.01	14.73	0.00	23.11	0.01	3.74	1.46	1.37	0.01	0.22	0.00	1.56	0.00	16.82	0.03	2.13	0.00
	$t = 12$	10.04	0.02	8.01	0.04	11.04	0.01	14.51	0.00	29.68	0.01	3.18	1.25	1.41	0.01	0.23	0.00	1.36	0.00	16.79	0.02	2.39	0.00
	$t = 16$	9.22	0.02	7.35	0.04	10.15	0.01	13.79	0.00	33.83	0.01	2.92	1.14	1.32	0.01	0.24	0.00	1.26	0.00	16.15	0.02	2.52	0.00
	$t = 20$	8.83	0.02	7.04	0.04	9.72	0.01	13.26	0.00	36.28	0.01	2.80	1.10	1.26	0.01	0.24	0.00	1.21	0.00	15.61	0.02	2.54	0.00
	$t = \infty$	8.48	0.02	6.65	0.04	9.18	0.01	12.93	0.00	38.23	0.01	3.34	1.22	1.22	0.01	0.23	0.00	1.15	0.00	14.82	0.02	2.46	0.00
w_{GDP}	$t = 1$	0.06	0.01	1.18	0.00	0.13	0.00	0.16	0.00	1.50	0.00	0.26	0.04	17.47	0.00	12.95	0.00	0.02	0.00	0.88	0.00	65.34	0.00
	$t = 4$	1.38	0.00	2.74	0.00	0.40	0.00	1.01	0.00	5.35	0.00	0.38	0.08	27.67	0.01	6.37	0.00	0.08	0.00	4.66	0.00	49.87	0.00
	$t = 8$	5.16	0.01	3.16	0.01	0.54	0.00	2.49	0.00	8.50	0.00	0.64	0.08	29.06	0.01	4.51	0.00	0.16	0.00	8.40	0.00	37.27	0.00
	$t = 12$	9.01	0.01	3.03	0.01	0.54	0.00	3.83	0.00	9.40	0.00	0.82	0.07	27.40	0.00	3.81	0.00	0.22	0.00	10.26	0.00	31.59	0.00
	$t = 16$	11.75	0.02	2.86	0.01	0.51	0.00	4.85	0.00	9.30	0.01	0.93	0.07	25.90	0.00	3.50	0.00	0.26	0.00	10.98	0.00	29.04	0.00
	$t = 20$	13.40	0.03	2.75	0.01	0.49	0.00	5.57	0.00	9.00	0.01	1.01	0.09	24.94	0.00	3.35	0.00	0.28	0.00	11.22	0.00	27.83	0.00
	$t = \infty$	15.08	0.14	2.53	0.01	0.47	0.00	7.08	0.00	9.12	0.06	2.12	0.29	22.97	0.00	3.09	0.00	0.32	0.00	10.99	0.00	25.72	0.00
r	$t = 1$	8.19	0.11	24.36	0.03	2.36	0.02	0.54	0.01	12.31	0.04	0.06	2.80	3.36	0.02	0.01	0.00	2.65	0.01	42.96	0.09	0.06	0.00
	$t = 4$	14.52	0.05	25.07	0.06	3.58	0.01	3.44	0.01	21.16	0.02	0.40	2.31	3.10	0.01	0.03	0.00	2.01	0.01	23.86	0.04	0.31	0.00
	$t = 8$	16.30	0.05	21.25	0.06	3.70	0.01	7.30	0.01	25.02	0.02	0.60	2.29	2.48	0.01	0.04	0.00	1.81	0.00	18.56	0.03	0.45	0.00
	$t = 12$	16.02	0.05	19.75	0.06	3.59	0.01	8.99	0.01	26.03	0.01	0.66	2.30	2.55	0.01	0.04	0.00	1.74	0.00	17.72	0.03	0.44	0.00
	$t = 16$	15.75	0.05	19.25	0.06	3.53	0.01	9.46	0.01	26.39	0.01	0.67	2.30	2.61	0.01	0.04	0.00	1.72	0.00	17.65	0.03	0.44	0.00
	$t = 20$	15.64	0.05	19.09	0.06	3.51	0.01	9.53	0.01	26.57	0.01	0.68	2.31	2.62	0.01	0.04	0.00	1.71	0.00	17.67	0.03	0.45	0.00
	$t = \infty$	15.57	0.05	18.88	0.06	3.48	0.01	9.72	0.01	26.78	0.02	0.70	2.32	2.60	0.01	0.04	0.00	1.70	0.00	17.56	0.03	0.47	0.00

Table 6: Dynamic variance decomposition (II).

Variables	Time	ϵ^{A}	$\epsilon^{A,*}$	ϵ^{B}	$\epsilon^{B,*}$	ϵ^{G}	$\epsilon^{G,*}$	ϵ^{I}	$\epsilon^{I,*}$	ϵ^{L}	$\epsilon^{L,*}$	ϵ^{n}	ϵ^{S}	ϵ^{P}	$\epsilon^{P,*}$	ϵ^{CPI}	$\epsilon^{CPI,*}$	ϵ^{Q}	$\epsilon^{Q,*}$	ϵ^{R}	$\epsilon^{R,*}$	ϵ^{W}	$\epsilon^{W,*}$
z^*	$t = 1$	0.01	10.33	0.15	13.14	0.09	33.92	0.88	1.70	0.02	3.65	15.54	3.54	0.02	1.59	0.00	0.00	0.02	5.32	0.18	9.90	0.00	0.00
	$t = 4$	0.01	22.07	0.11	15.14	0.03	16.93	2.12	4.67	0.01	7.31	8.94	1.67	0.01	3.35	0.00	0.00	0.01	2.85	0.05	14.70	0.00	0.01
	$t = 8$	0.01	32.26	0.09	10.00	0.02	10.37	2.99	7.00	0.01	10.22	5.74	1.02	0.01	3.51	0.00	0.01	0.00	1.94	0.02	14.75	0.00	0.03
	$t = 12$	0.01	39.49	0.09	6.90	0.02	7.42	3.21	7.72	0.01	12.39	4.11	0.73	0.01	3.12	0.00	0.01	0.00	1.50	0.02	13.19	0.00	0.05
	$t = 16$	0.01	44.76	0.09	5.28	0.02	5.77	3.08	7.54	0.01	14.18	3.18	0.57	0.00	2.70	0.00	0.01	0.00	1.22	0.01	11.52	0.00	0.05
	$t = 20$	0.02	48.60	0.08	4.36	0.02	4.76	2.82	7.00	0.01	15.71	2.61	0.47	0.00	2.35	0.00	0.01	0.00	1.04	0.01	10.08	0.00	0.05
	$t = \infty$	0.02	55.93	0.04	1.87	0.01	2.02	1.30	3.31	0.02	27.99	1.15	0.26	0.00	1.05	0.00	0.00	0.00	0.45	0.00	4.54	0.00	0.02
c^*	$t = 1$	0.03	13.92	0.00	67.13	0.00	0.65	0.95	0.04	0.03	6.38	0.14	0.34	0.00	1.06	0.00	0.00	0.00	0.17	0.01	9.12	0.00	0.00
	$t = 4$	0.03	18.98	0.00	60.58	0.00	0.70	1.12	0.02	0.04	8.79	0.21	0.28	0.00	1.42	0.00	0.00	0.00	0.12	0.01	7.70	0.00	0.00
	$t = 8$	0.02	25.34	0.01	52.27	0.00	0.69	1.18	0.02	0.03	12.12	0.35	0.22	0.00	1.26	0.00	0.00	0.00	0.08	0.00	6.40	0.00	0.01
	$t = 12$	0.02	30.61	0.02	44.97	0.00	0.67	1.11	0.02	0.03	15.17	0.52	0.18	0.00	1.10	0.00	0.00	0.00	0.06	0.00	5.52	0.00	0.01
	$t = 16$	0.02	34.57	0.02	39.18	0.00	0.63	1.02	0.04	0.02	17.71	0.69	0.15	0.00	0.97	0.00	0.00	0.00	0.06	0.00	4.90	0.00	0.01
	$t = 20$	0.02	37.46	0.02	34.74	0.01	0.59	0.93	0.08	0.02	19.77	0.85	0.14	0.00	0.88	0.00	0.00	0.00	0.06	0.00	4.43	0.00	0.01
	$t = \infty$	0.01	44.81	0.01	15.05	0.01	0.32	0.42	0.30	0.01	33.14	2.68	0.60	0.00	0.43	0.00	0.00	0.00	0.05	0.00	2.16	0.00	0.01
i^*	$t = 1$	0.03	4.28	0.00	2.86	0.00	0.42	2.01	12.35	0.04	0.62	0.02	0.66	0.00	1.93	0.00	0.00	0.00	65.14	0.00	9.62	0.00	0.00
	$t = 4$	0.05	12.39	0.03	5.82	0.00	0.94	4.98	25.78	0.07	1.77	0.07	1.52	0.00	4.27	0.00	0.00	0.00	23.28	0.00	19.02	0.00	0.02
	$t = 8$	0.03	19.63	0.06	5.75	0.00	1.11	6.21	27.72	0.05	2.89	0.09	1.91	0.00	4.46	0.00	0.01	0.00	10.39	0.00	19.66	0.00	0.04
	$t = 12$	0.02	26.16	0.09	5.06	0.01	1.15	6.36	26.07	0.03	4.06	0.10	2.11	0.00	4.06	0.00	0.01	0.00	6.58	0.00	18.09	0.00	0.05
	$t = 16$	0.02	32.19	0.10	4.42	0.01	1.13	6.03	23.64	0.02	5.30	0.10	2.22	0.00	3.59	0.00	0.01	0.00	4.93	0.00	16.22	0.00	0.06
	$t = 20$	0.04	37.44	0.10	3.90	0.02	1.09	5.52	21.21	0.03	6.54	0.09	2.25	0.00	3.18	0.00	0.01	0.00	4.05	0.00	14.49	0.00	0.06
	$t = \infty$	0.05	51.88	0.06	2.12	0.02	0.67	3.16	11.72	0.03	15.93	0.81	1.75	0.00	1.73	0.00	0.01	0.00	2.09	0.00	7.93	0.00	0.04
l^*	$t = 1$	0.01	17.97	0.07	1.95	0.02	6.66	2.13	5.47	0.00	51.13	1.63	0.71	0.00	1.20	0.00	0.12	0.00	1.07	0.01	9.16	0.00	0.68
	$t = 4$	0.01	13.91	0.06	1.17	0.01	4.58	2.25	5.84	0.00	59.65	0.91	0.45	0.00	1.31	0.00	0.08	0.00	0.75	0.00	8.50	0.00	0.51
	$t = 8$	0.01	11.26	0.05	0.66	0.01	3.18	2.06	5.38	0.01	67.62	0.52	0.29	0.00	1.12	0.00	0.06	0.00	0.52	0.00	6.89	0.00	0.37
	$t = 12$	0.02	9.72	0.04	0.51	0.01	2.42	1.76	4.57	0.01	73.11	0.44	0.21	0.00	0.91	0.00	0.05	0.00	0.39	0.00	5.54	0.00	0.29
	$t = 16$	0.03	8.74	0.04	0.44	0.01	1.96	1.48	3.83	0.02	76.93	0.48	0.17	0.00	0.75	0.00	0.04	0.00	0.31	0.00	4.55	0.00	0.24
	$t = 20$	0.03	8.10	0.03	0.37	0.01	1.67	1.26	3.25	0.02	79.58	0.55	0.15	0.00	0.64	0.00	0.03	0.00	0.26	0.00	3.85	0.00	0.20
	$t = \infty$	0.02	7.89	0.02	0.19	0.01	0.70	0.55	1.46	0.01	85.52	1.20	0.37	0.00	0.27	0.00	0.01	0.00	0.11	0.00	1.61	0.00	0.08
w^*_{GDP}	$t = 1$	0.01	0.08	0.00	7.20	0.00	0.62	0.49	0.49	0.02	0.84	1.48	0.14	0.00	23.13	0.00	17.02	0.00	0.13	0.02	2.40	0.00	45.93
	$t = 4$	0.00	1.85	0.06	22.82	0.01	1.85	2.55	2.96	0.01	2.41	2.40	0.28	0.01	19.46	0.00	6.06	0.00	0.46	0.01	11.84	0.00	24.96
	$t = 8$	0.00	6.07	0.12	25.72	0.02	2.13	4.50	5.95	0.01	3.13	2.68	0.50	0.01	15.10	0.00	2.92	0.00	0.66	0.00	17.80	0.00	12.68
	$t = 12$	0.01	11.66	0.15	22.58	0.03	1.94	5.54	8.04	0.01	3.23	2.48	0.60	0.01	12.78	0.00	1.96	0.00	0.74	0.00	19.66	0.00	8.57
	$t = 16$	0.03	17.90	0.16	19.17	0.04	1.69	5.90	9.19	0.02	3.09	2.19	0.62	0.00	11.26	0.00	1.55	0.00	0.75	0.00	19.67	0.00	6.76
	$t = 20$	0.06	24.07	0.16	16.57	0.04	1.47	5.82	9.56	0.03	2.88	1.93	0.60	0.00	10.11	0.00	1.32	0.00	0.73	0.00	18.85	0.00	5.77
	$t = \infty$	0.09	57.02	0.10	8.61	0.03	0.77	3.41	6.12	0.06	1.62	1.12	0.36	0.00	5.52	0.00	0.69	0.00	0.44	0.00	11.05	0.00	3.00
r^*	$t = 1$	0.02	13.43	0.03	19.02	0.01	3.59	0.04	0.25	0.00	3.37	0.14	5.76	0.01	4.71	0.00	0.00	0.02	4.89	0.29	44.41	0.00	0.01
	$t = 4$	0.43	16.78	0.31	36.02	0.15	4.39	0.04	1.50	0.36	3.96	0.52	4.47	0.01	3.66	0.00	0.00	0.01	3.76	0.12	23.48	0.00	0.02
	$t = 8$	0.58	18.42	0.27	38.52	0.18	4.51	0.04	3.61	0.48	4.46	0.66	4.18	0.01	2.77	0.00	0.00	0.01	3.49	0.09	17.68	0.00	0.03
	$t = 12$	0.62	19.27	0.25	37.22	0.18	4.48	0.05	5.10	0.52	4.91	0.68	4.10	0.01	2.63	0.00	0.00	0.01	3.37	0.09	16.48	0.00	0.03
	$t = 16$	0.63	19.73	0.24	36.06	0.18	4.41	0.05	5.81	0.53	5.27	0.68	4.04	0.01	2.65	0.00	0.00	0.01	3.29	0.09	16.29	0.00	0.03
	$t = 20$	0.64	20.06	0.23	35.37	0.18	4.37	0.05	6.01	0.54	5.57	0.67	4.01	0.01	2.67	0.00	0.00	0.01	3.24	0.08	16.27	0.00	0.03
	$t = \infty$	0.56	25.91	0.21	29.85	0.16	3.76	0.70	5.92	0.47	9.39	0.58	3.44	0.01	2.30	0.00	0.00	0.01	2.73	0.07	13.91	0.00	0.03

Table 7: Dynamic variance decomposition (III).

Variables	Time	ϵ^{A}	$\epsilon^{A,*}$	ϵ^{B}	$\epsilon^{B,*}$	ϵ^{G}	$\epsilon^{G,*}$	ϵ^{I}	$\epsilon^{I,*}$	ϵ^{L}	$\epsilon^{L,*}$	ϵ^{n}	ϵ^{S}	ϵ^{P}	$\epsilon^{P,*}$	ϵ^{CPI}	$\epsilon^{CPI,*}$	ϵ^{Q}	$\epsilon^{Q,*}$	ϵ^{R}	$\epsilon^{R,*}$	ϵ^{W}	$\epsilon^{W,*}$
Δs	$t=1$	0.61	2.41	0.39	0.53	0.06	0.05	0.07	0.07	1.34	0.78	26.20	60.42	0.02	0.01	0.00	0.00	0.04	0.03	3.96	3.04	0.01	0.00
	$t=4$	0.68	2.44	0.54	0.62	0.07	0.06	0.08	0.08	1.44	0.78	25.89	59.99	0.04	0.03	0.00	0.00	0.05	0.04	4.08	3.09	0.01	0.00
	$t=8$	0.72	2.45	0.57	0.70	0.08	0.07	0.14	0.09	1.52	0.78	25.69	59.88	0.04	0.03	0.00	0.00	0.05	0.04	4.05	3.07	0.01	0.00
	$t=12$	0.73	2.46	0.57	0.72	0.08	0.07	0.17	0.10	1.54	0.79	25.58	59.91	0.04	0.03	0.00	0.00	0.05	0.05	4.04	3.05	0.01	0.00
	$t=16$	0.73	2.46	0.57	0.72	0.08	0.07	0.18	0.11	1.55	0.79	25.51	59.96	0.04	0.03	0.00	0.00	0.05	0.05	4.03	3.05	0.01	0.00
	$t=20$	0.73	2.46	0.57	0.72	0.08	0.07	0.18	0.11	1.55	0.79	25.47	60.01	0.04	0.03	0.00	0.00	0.05	0.05	4.02	3.05	0.01	0.00
	$t=\infty$	0.73	2.51	0.57	0.72	0.08	0.07	0.20	0.12	1.55	0.82	25.39	60.03	0.04	0.03	0.00	0.00	0.05	0.05	4.00	3.03	0.01	0.00
π	$t=1$	0.67	0.24	0.06	0.07	0.02	0.01	0.17	0.00	0.13	0.07	1.73	5.62	45.16	0.08	43.35	0.00	0.00	0.00	1.86	0.20	0.55	0.00
	$t=4$	5.44	0.18	1.29	0.06	0.35	0.00	1.05	0.00	3.77	0.05	1.30	4.51	41.23	0.06	31.94	0.00	0.08	0.00	6.08	0.16	2.43	0.00
	$t=8$	6.84	0.15	2.06	0.05	0.59	0.00	1.97	0.00	7.32	0.05	1.12	4.07	35.77	0.05	26.28	0.00	0.14	0.00	10.74	0.14	2.63	0.00
	$t=12$	6.62	0.14	2.22	0.05	0.66	0.00	2.34	0.00	8.81	0.04	1.07	3.89	34.32	0.05	24.35	0.00	0.16	0.00	12.68	0.13	2.45	0.00
	$t=16$	6.48	0.14	2.24	0.05	0.67	0.00	2.45	0.00	9.36	0.04	1.06	3.83	33.76	0.05	23.76	0.00	0.17	0.00	13.35	0.13	2.45	0.00
	$t=20$	6.43	0.14	2.24	0.05	0.67	0.00	2.47	0.00	9.56	0.04	1.06	3.81	33.55	0.05	23.59	0.00	0.17	0.00	13.53	0.12	2.49	0.00
	$t=\infty$	6.43	0.14	2.23	0.05	0.67	0.00	2.55	0.01	9.70	0.04	1.06	3.79	33.39	0.05	23.48	0.00	0.18	0.00	13.56	0.12	2.53	0.00
π^*	$t=1$	0.09	0.13	0.06	0.15	0.01	0.02	0.16	0.28	0.15	0.01	1.70	5.74	0.02	41.24	0.00	48.40	0.00	0.01	0.30	1.48	0.00	0.04
	$t=4$	0.10	2.38	0.06	1.72	0.01	0.21	0.66	1.22	0.14	0.51	1.61	5.27	0.02	38.60	0.00	43.60	0.00	0.09	0.29	3.40	0.00	0.11
	$t=8$	0.11	3.69	0.06	2.76	0.02	0.35	1.13	2.15	0.14	0.98	1.53	4.93	0.02	36.16	0.00	40.13	0.00	0.16	0.27	5.28	0.00	0.11
	$t=12$	0.12	4.19	0.07	3.06	0.02	0.40	1.35	2.66	0.16	1.29	1.49	4.77	0.02	35.02	0.00	38.51	0.00	0.19	0.26	6.30	0.00	0.11
	$t=16$	0.14	4.42	0.07	3.12	0.03	0.41	1.42	2.90	0.17	1.50	1.46	4.69	0.02	34.50	0.00	37.78	0.00	0.20	0.26	6.80	0.00	0.11
	$t=20$	0.15	4.55	0.07	3.13	0.03	0.42	1.43	2.97	0.18	1.65	1.45	4.66	0.02	34.25	0.00	37.45	0.00	0.21	0.25	7.02	0.00	0.11
	$t=\infty$	0.16	6.12	0.08	3.07	0.03	0.42	1.64	3.11	0.19	2.98	1.39	4.47	0.02	32.90	0.00	35.93	0.00	0.20	0.24	6.92	0.00	0.11
ca	$t=1$	0.24	0.87	0.64	0.72	0.53	0.38	0.03	0.00	0.47	0.25	65.49	27.87	0.12	0.22	0.00	0.00	0.10	0.09	1.16	0.82	0.00	0.00
	$t=4$	0.19	0.90	0.51	0.94	0.38	0.32	0.24	0.02	0.33	0.25	60.53	33.75	0.19	0.27	0.00	0.00	0.07	0.07	0.58	0.42	0.01	0.00
	$t=8$	0.16	1.13	0.37	0.90	0.29	0.29	0.43	0.09	0.27	0.31	54.22	40.32	0.15	0.22	0.00	0.00	0.05	0.06	0.41	0.30	0.01	0.01
	$t=12$	0.14	1.40	0.33	0.84	0.26	0.27	0.48	0.15	0.24	0.41	49.35	44.98	0.14	0.19	0.00	0.00	0.05	0.05	0.38	0.31	0.01	0.01
	$t=16$	0.13	1.64	0.31	0.81	0.24	0.26	0.48	0.18	0.24	0.51	46.51	47.54	0.13	0.18	0.00	0.00	0.04	0.05	0.37	0.34	0.01	0.01
	$t=20$	0.13	1.83	0.30	0.77	0.24	0.25	0.46	0.19	0.23	0.61	45.67	48.16	0.12	0.18	0.00	0.00	0.04	0.05	0.36	0.37	0.01	0.01
	$t=\infty$	0.07	1.61	0.15	0.37	0.13	0.15	0.42	0.15	0.15	0.81	61.82	33.61	0.06	0.08	0.00	0.00	0.03	0.03	0.16	0.17	0.01	0.00
π_{GDP}	$t=1$	1.93	0.03	0.26	0.02	0.08	0.00	0.28	0.00	0.72	0.01	0.12	1.26	92.20	0.00	0.11	0.00	0.01	0.00	1.87	0.03	1.08	0.00
	$t=4$	8.74	0.02	1.89	0.02	0.53	0.00	1.64	0.00	5.97	0.01	0.22	1.34	66.41	0.00	0.33	0.00	0.11	0.00	8.91	0.02	3.84	0.00
	$t=8$	9.79	0.01	2.75	0.02	0.80	0.00	2.78	0.00	10.30	0.01	0.33	1.59	52.44	0.00	0.32	0.00	0.18	0.00	14.91	0.01	3.76	0.00
	$t=12$	9.16	0.01	2.88	0.02	0.86	0.00	3.18	0.00	11.96	0.01	0.37	1.68	48.81	0.00	0.29	0.00	0.21	0.00	17.14	0.01	3.40	0.00
	$t=16$	8.87	0.01	2.88	0.03	0.87	0.00	3.29	0.00	12.56	0.01	0.38	1.73	47.59	0.00	0.28	0.00	0.22	0.00	17.88	0.01	3.37	0.00
	$t=20$	8.79	0.01	2.87	0.03	0.87	0.00	3.31	0.01	12.77	0.01	0.38	1.75	47.17	0.00	0.29	0.00	0.22	0.00	18.08	0.01	3.43	0.00
	$t=\infty$	8.77	0.01	2.86	0.03	0.87	0.00	3.41	0.01	12.91	0.01	0.40	1.79	46.87	0.00	0.29	0.00	0.22	0.00	18.07	0.01	3.47	0.00
π^*_{GDP}	$t=1$	0.06	0.80	0.05	0.54	0.01	0.07	0.30	0.54	0.09	0.10	0.59	3.32	0.00	91.22	0.00	0.02	0.00	0.02	0.15	2.02	0.00	0.09
	$t=4$	0.07	5.14	0.05	3.41	0.02	0.42	1.26	2.30	0.09	1.07	0.73	2.85	0.00	76.14	0.00	0.04	0.00	0.17	0.13	5.90	0.00	0.22
	$t=8$	0.09	7.15	0.07	4.95	0.03	0.62	1.99	3.79	0.09	1.86	0.81	2.62	0.00	66.28	0.00	0.03	0.00	0.27	0.11	9.02	0.00	0.21
	$t=12$	0.13	7.77	0.08	5.26	0.04	0.68	2.29	4.54	0.12	2.34	0.81	2.56	0.00	62.22	0.00	0.03	0.00	0.31	0.11	10.53	0.00	0.19
	$t=16$	0.16	8.02	0.09	5.28	0.04	0.69	2.36	4.86	0.14	2.65	0.79	2.56	0.00	60.48	0.00	0.03	0.00	0.33	0.10	11.22	0.00	0.19
	$t=20$	0.18	8.16	0.09	5.25	0.05	0.69	2.36	4.95	0.16	2.88	0.78	2.57	0.00	59.71	0.00	0.03	0.00	0.34	0.10	11.52	0.00	0.20
	$t=\infty$	0.20	10.31	0.09	5.02	0.05	0.68	2.64	5.05	0.18	4.88	0.74	2.47	0.00	55.98	0.00	0.03	0.00	0.32	0.09	11.06	0.00	0.19

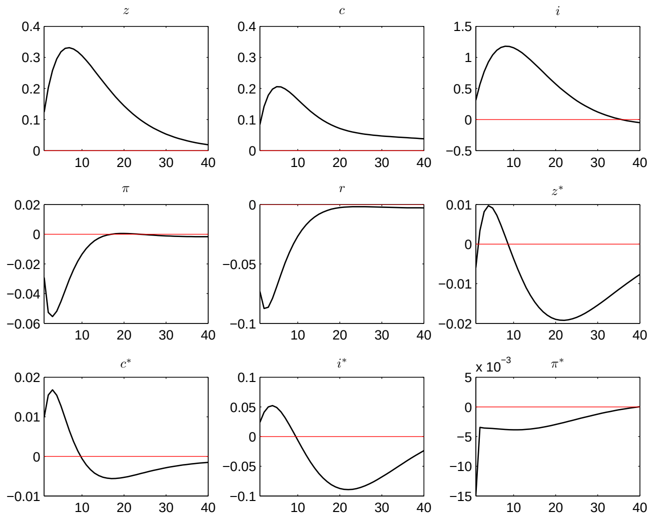

Figure 47: Impulse response functions (orthogonalized shock to ϵ^A).

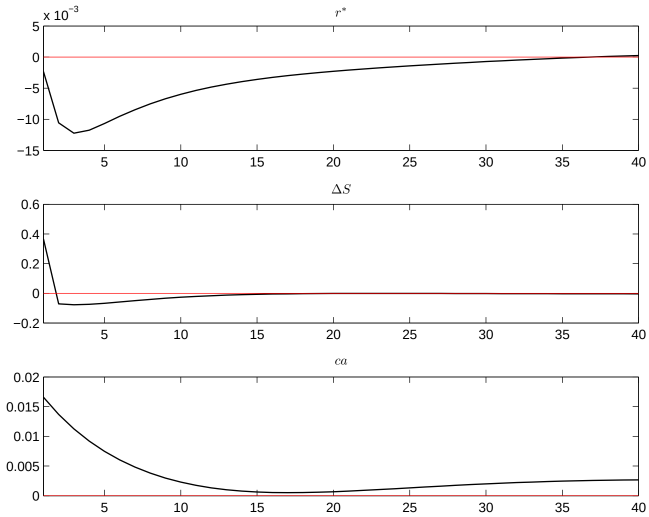

Figure 48: Impulse response functions (orthogonalized shock to ϵ^A).

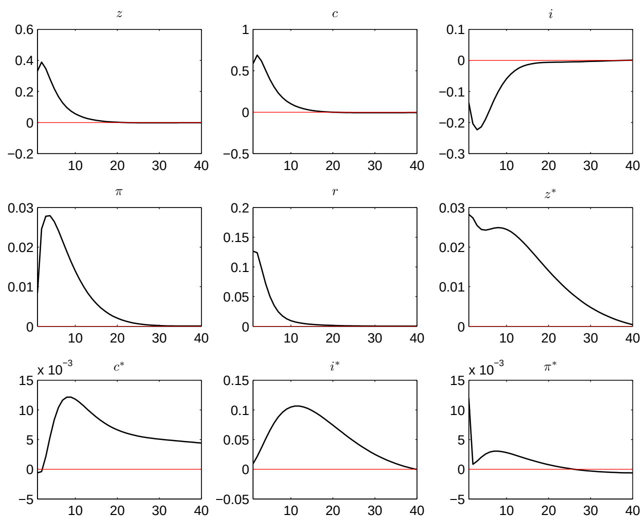

Figure 49: Impulse response functions (orthogonalized shock to ϵ^B).

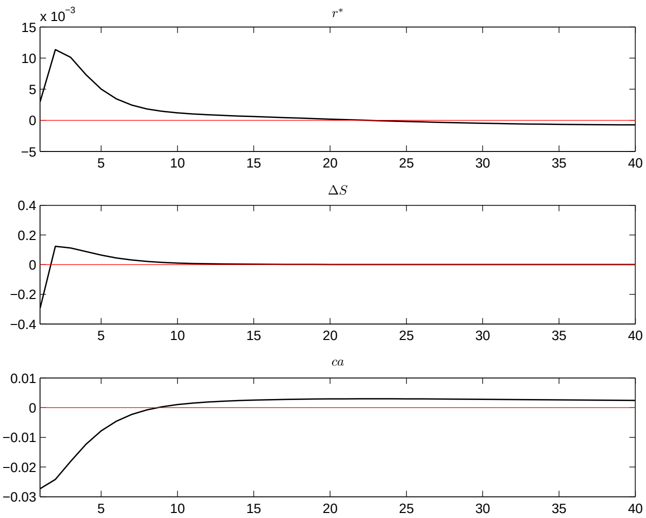

Figure 50: Impulse response functions (orthogonalized shock to ϵ^B).

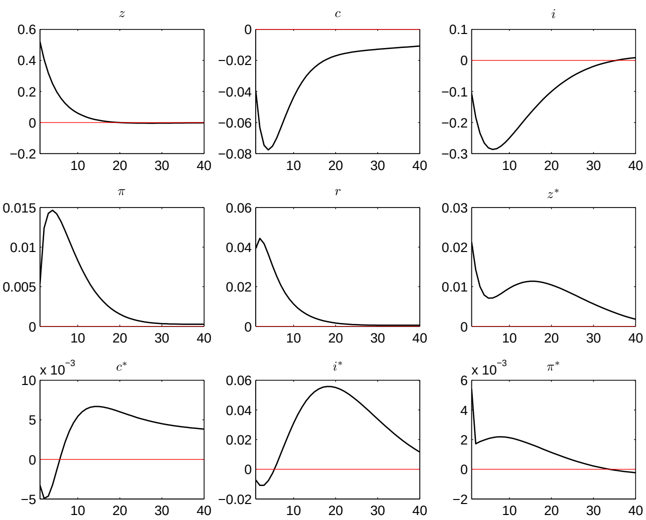

Figure 51: Impulse response functions (orthogonalized shock to ϵ^G).

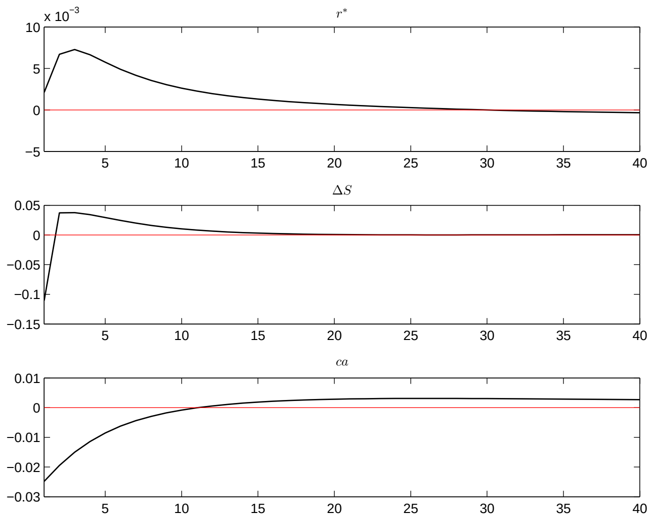

Figure 52: Impulse response functions (orthogonalized shock to ϵ^G).

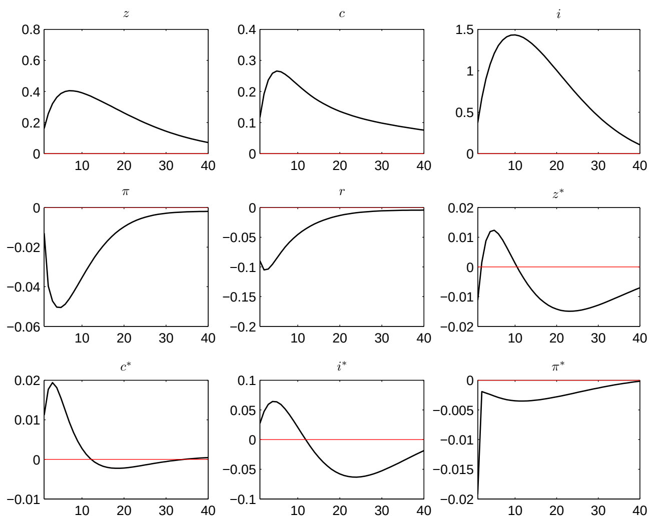

Figure 53: Impulse response functions (orthogonalized shock to ϵ^L).

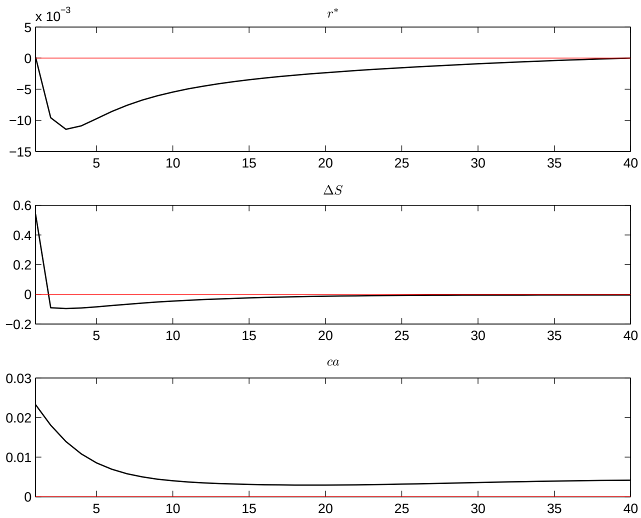

Figure 54: Impulse response functions (orthogonalized shock to ϵ^L).

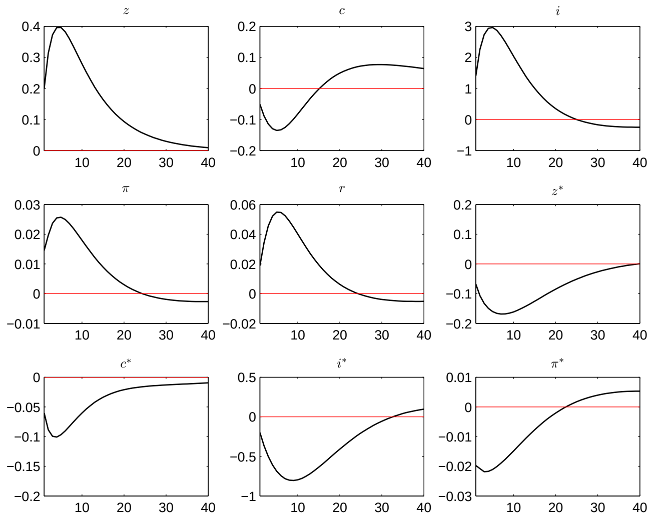

Figure 55: Impulse response functions (orthogonalized shock to ϵ^I).

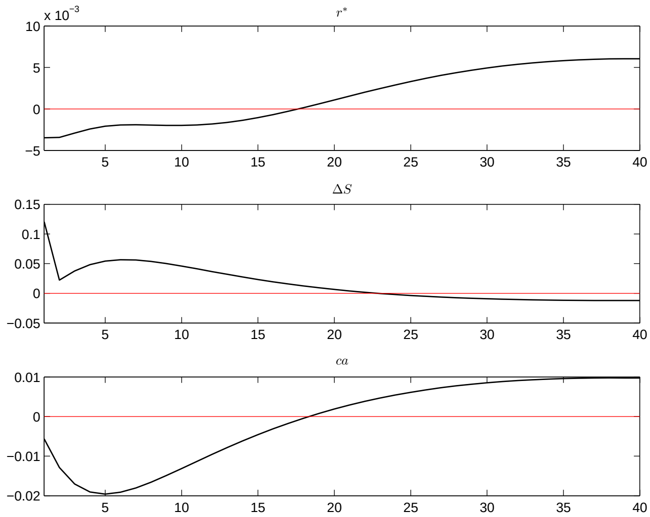

Figure 56: Impulse response functions (orthogonalized shock to ϵ^I).

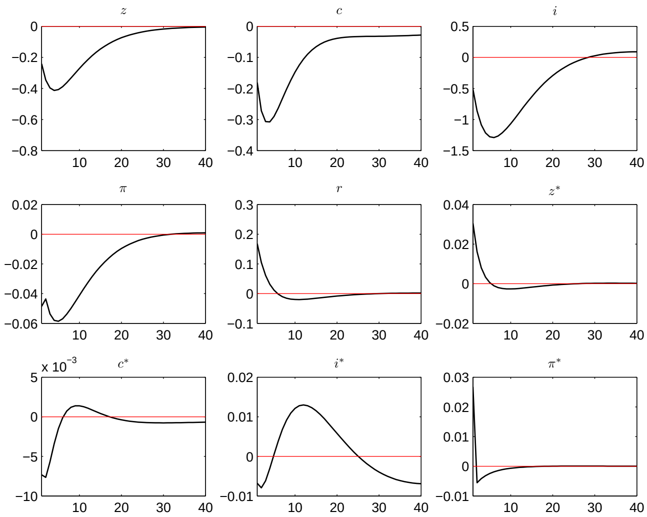

Figure 57: Impulse response functions (orthogonalized shock to ϵ^R).

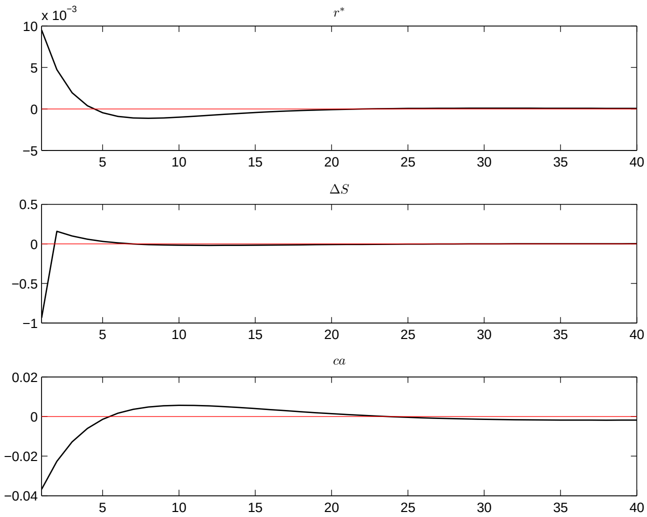

Figure 58: Impulse response functions (orthogonalized shock to ϵ^R).

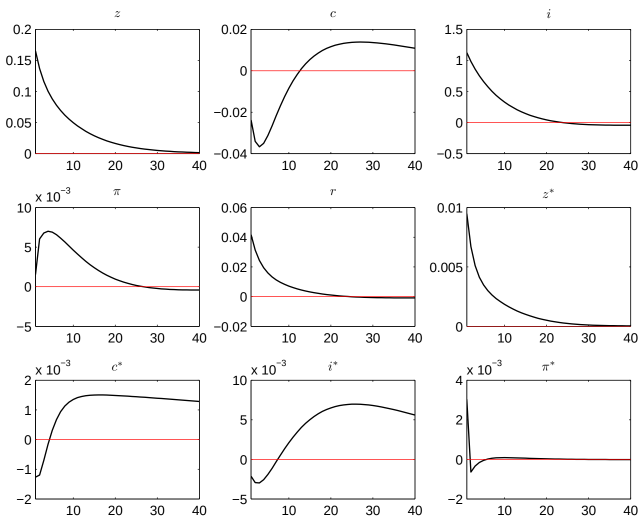

Figure 59: Impulse response functions (orthogonalized shock to ϵ^Q).

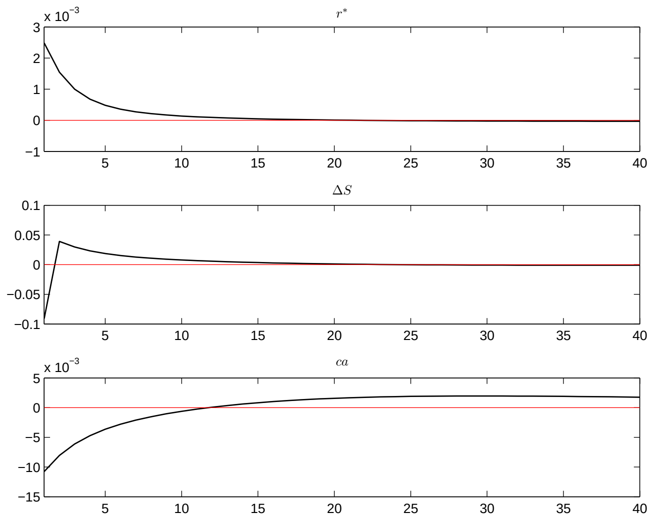

Figure 60: Impulse response functions (orthogonalized shock to ϵ^Q).

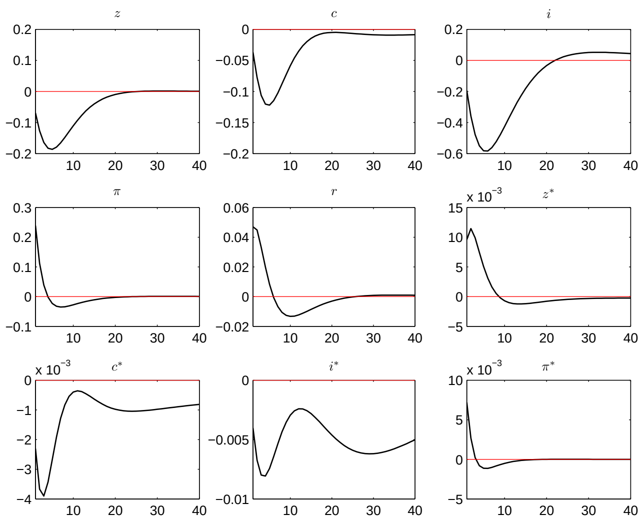

Figure 61: Impulse response functions (orthogonalized shock to ϵ^P).

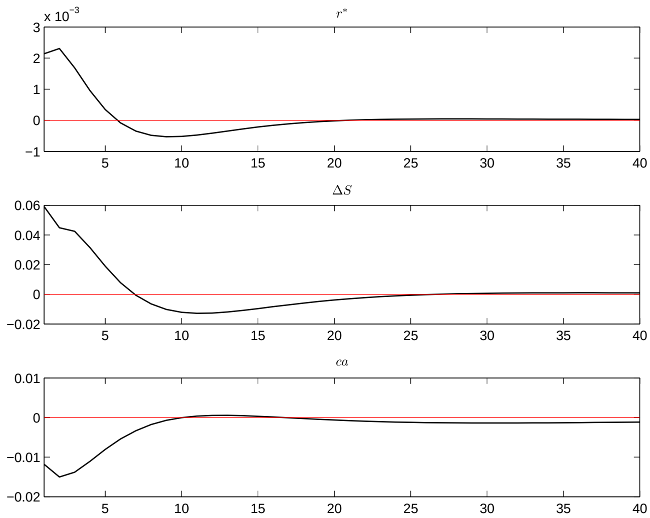

Figure 62: Impulse response functions (orthogonalized shock to ϵ^P).

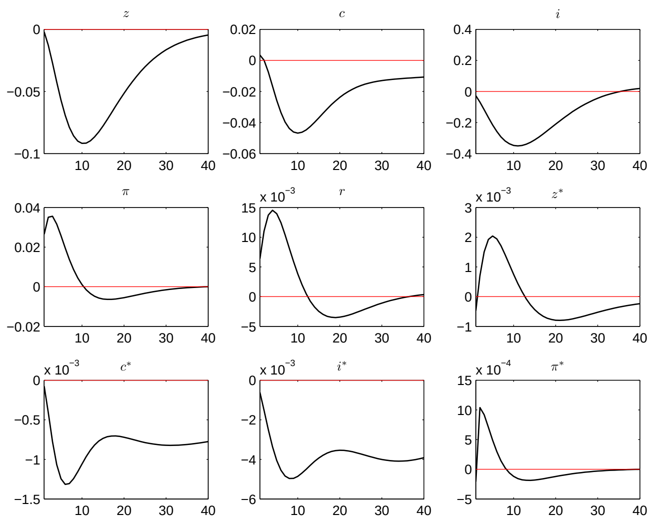

Figure 63: Impulse response functions (orthogonalized shock to ϵ^W).

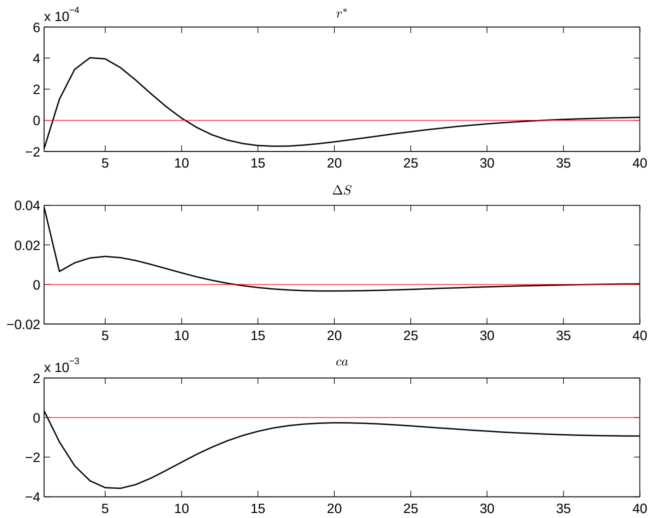

Figure 64: Impulse response functions (orthogonalized shock to ϵ^W).

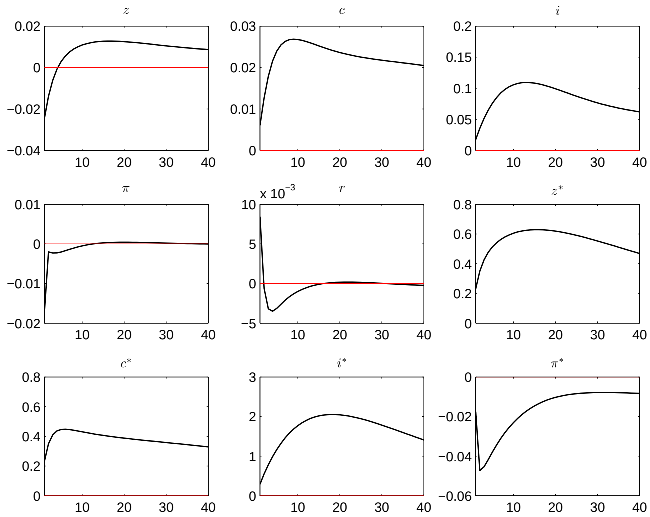

Figure 65: Impulse response functions (orthogonalized shock to $\epsilon^{A,*}$).

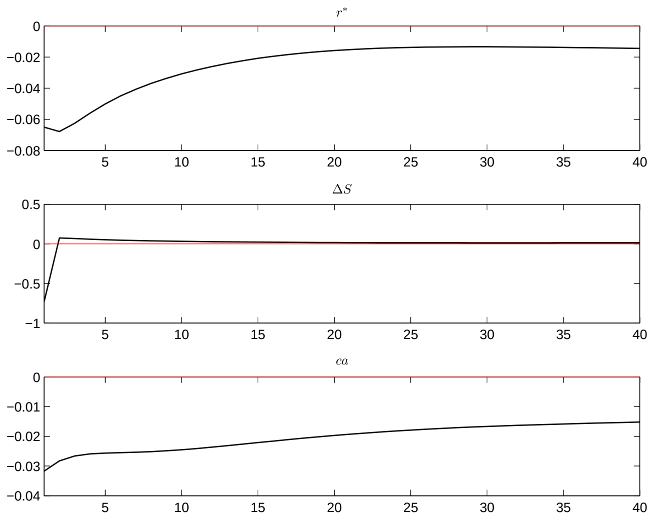

Figure 66: Impulse response functions (orthogonalized shock to $\epsilon^{A,*}$).

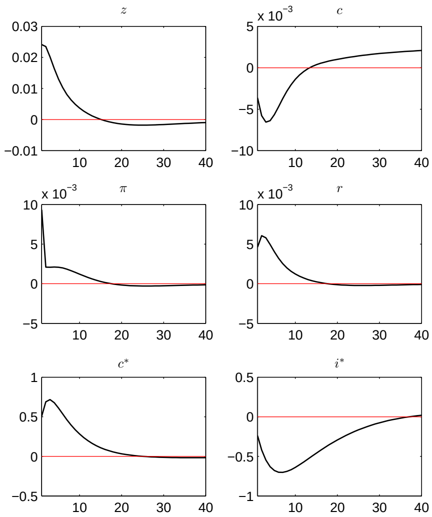

Figure 67: Impulse response functions (orthogonalized shock to $\epsilon^{B,*}$).

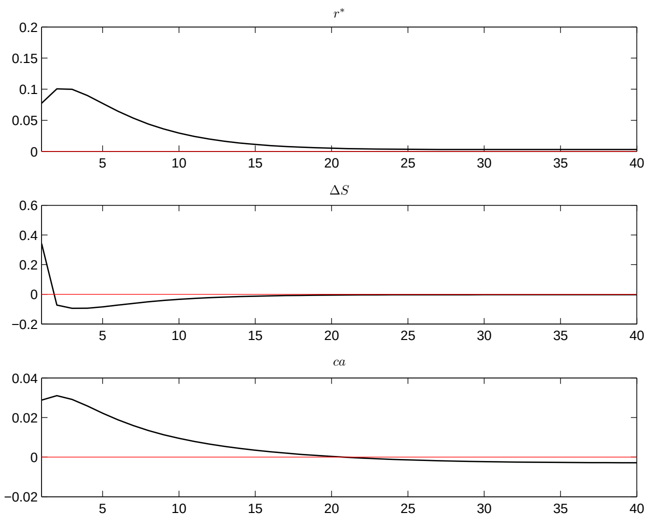

Figure 68: Impulse response functions (orthogonalized shock to $\epsilon^{B,*}$).

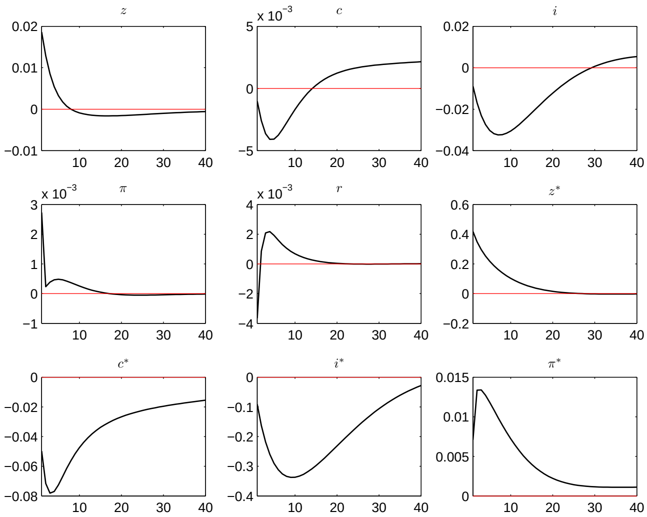

Figure 69: Impulse response functions (orthogonalized shock to $\epsilon^{G,*}$).

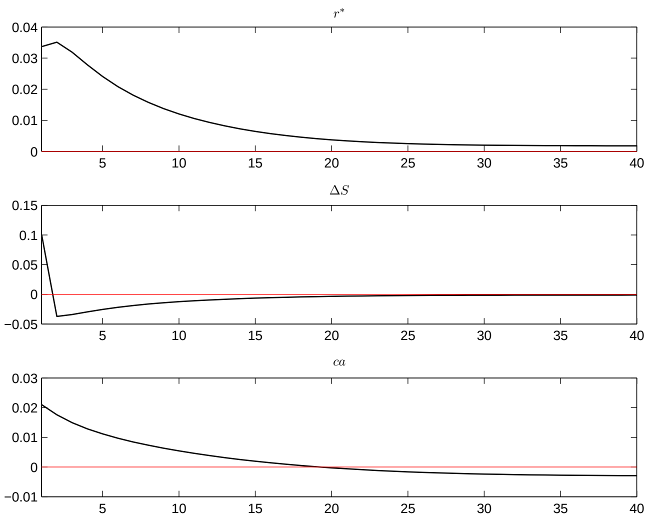

Figure 70: Impulse response functions (orthogonalized shock to $\epsilon^{G,*}$).

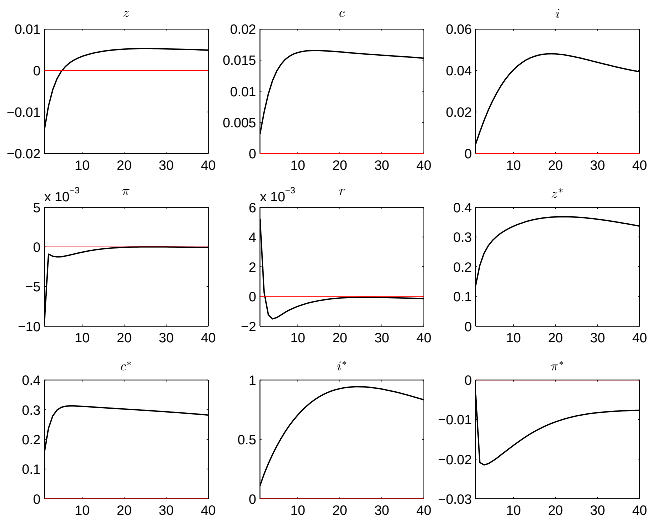

Figure 71: Impulse response functions (orthogonalized shock to $\epsilon^{L,*}$).

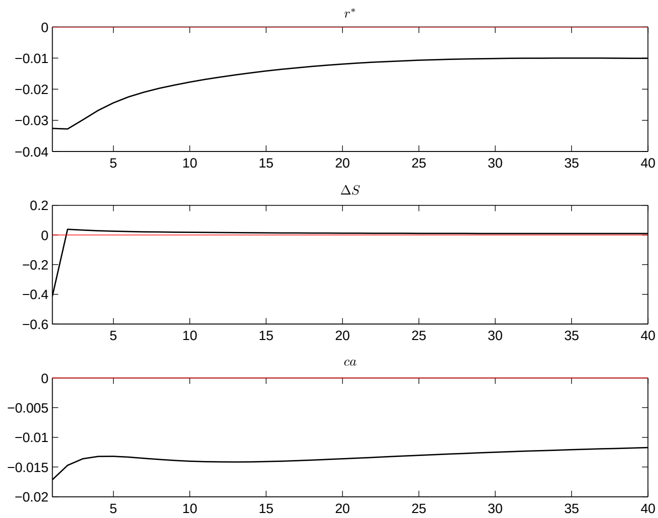

Figure 72: Impulse response functions (orthogonalized shock to $\epsilon^{L,*}$).

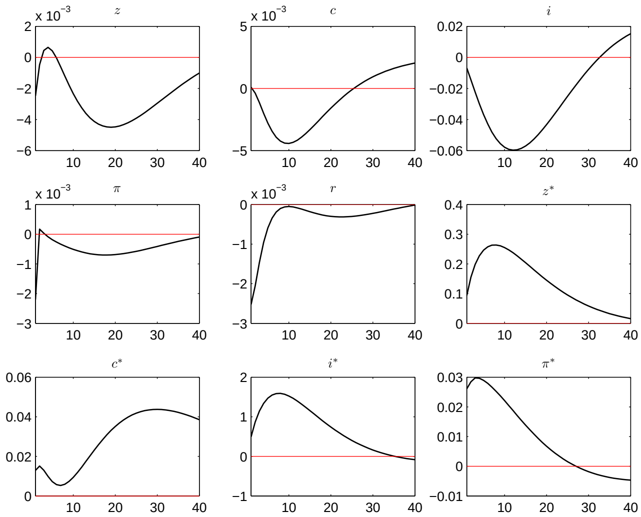

Figure 73: Impulse response functions (orthogonalized shock to $\epsilon^{I,*}$).

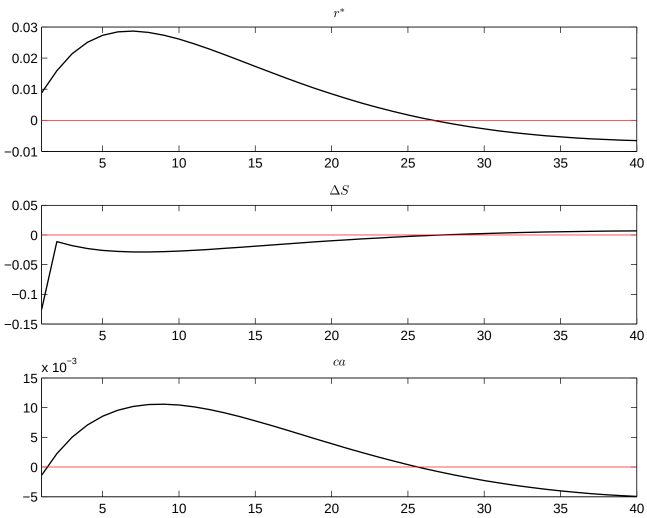

Figure 74: Impulse response functions (orthogonalized shock to $\epsilon^{I,*}$).

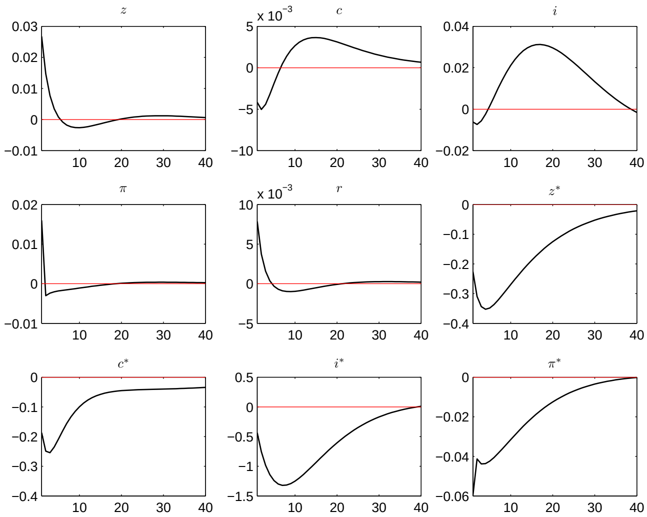

Figure 75: Impulse response functions (orthogonalized shock to $\epsilon^{R,*}$).

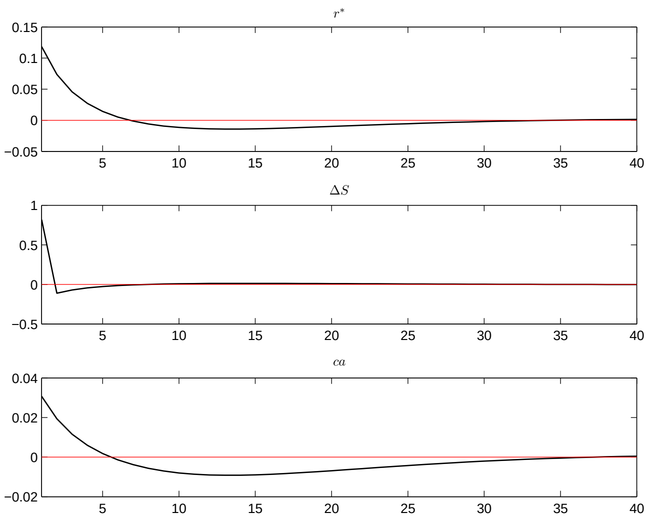

Figure 76: Impulse response functions (orthogonalized shock to $\epsilon^{R,*}$).

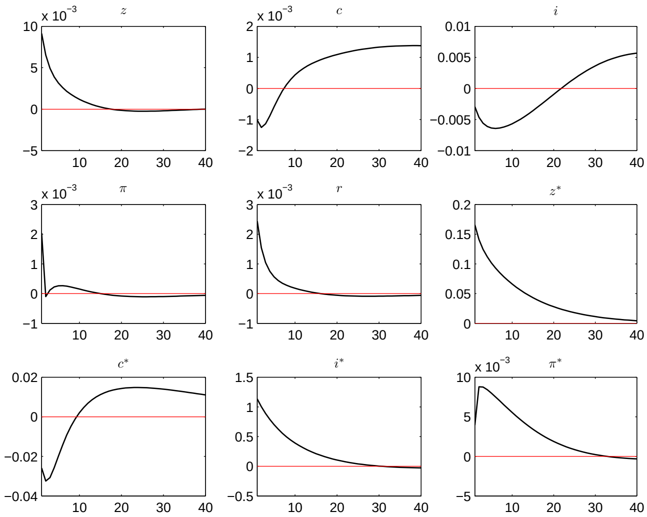

Figure 77: Impulse response functions (orthogonalized shock to $\epsilon^{Q,*}$).

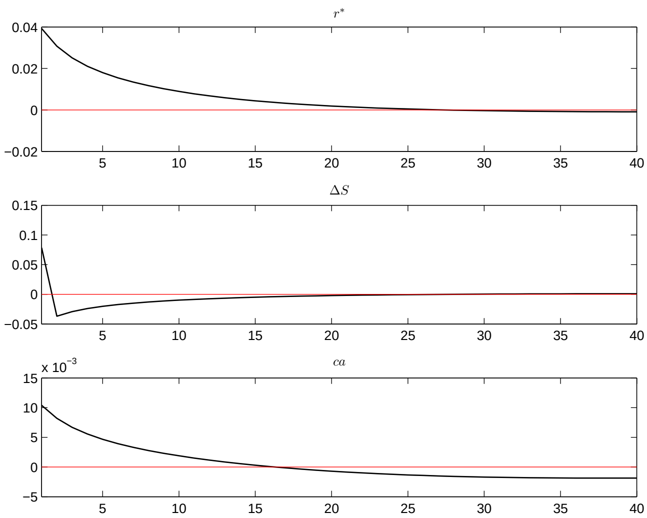

Figure 78: Impulse response functions (orthogonalized shock to $\epsilon^{Q,*}$).

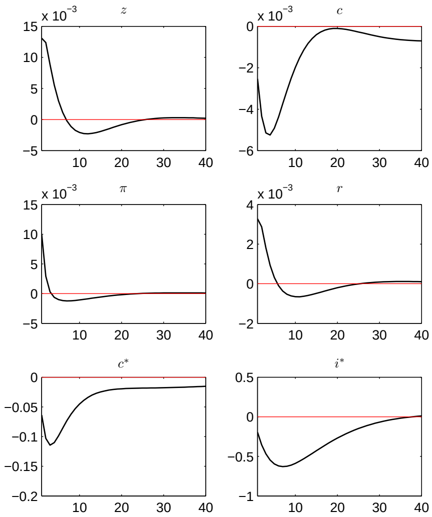

Figure 79: Impulse response functions (orthogonalized shock to $\epsilon^{P,*}$).

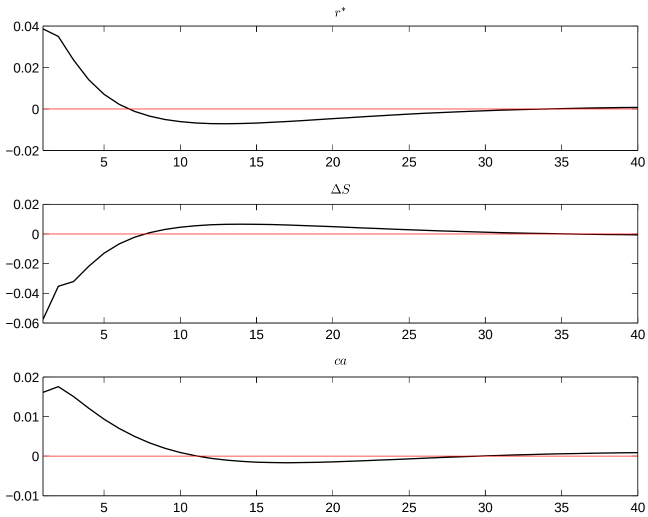

Figure 80: Impulse response functions (orthogonalized shock to $\epsilon^{P,*}$).

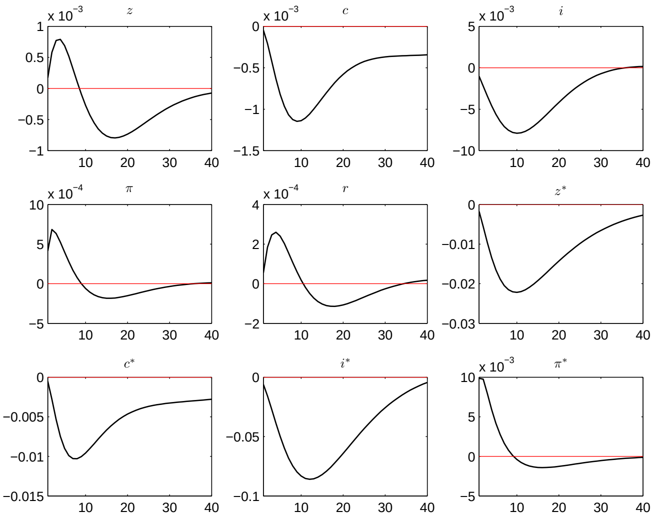

Figure 81: Impulse response functions (orthogonalized shock to $\epsilon^{W,*}$).

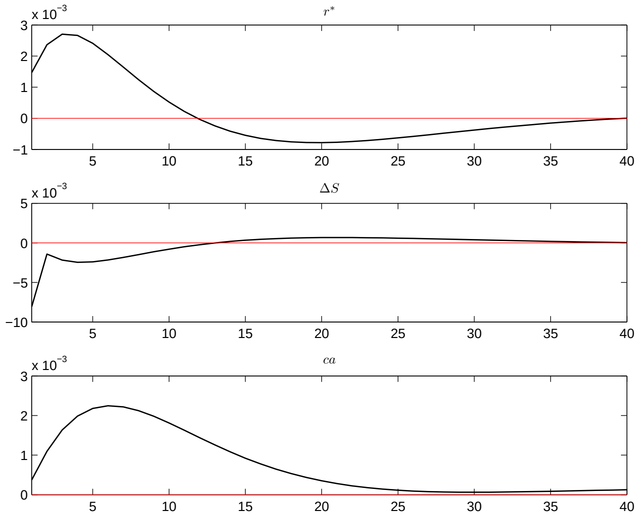

Figure 82: Impulse response functions (orthogonalized shock to $\epsilon^{W,*}$).

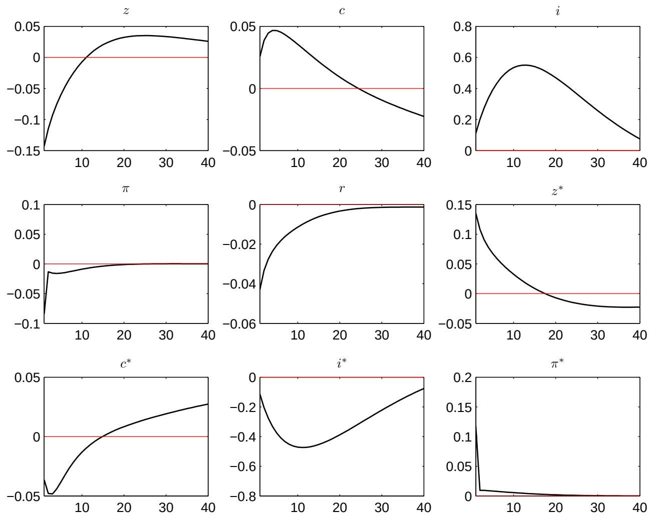

Figure 83: Impulse response functions (orthogonalized shock to ϵ^S).

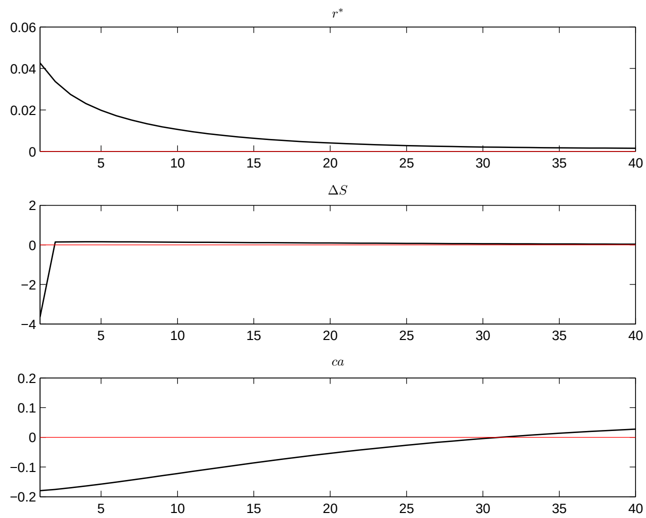

Figure 84: Impulse response functions (orthogonalized shock to ϵ^S).

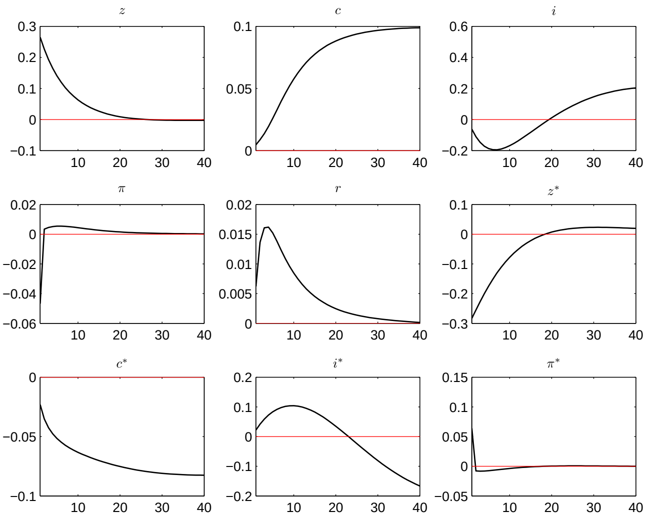

Figure 85: Impulse response functions (orthogonalized shock to ϵ^n).

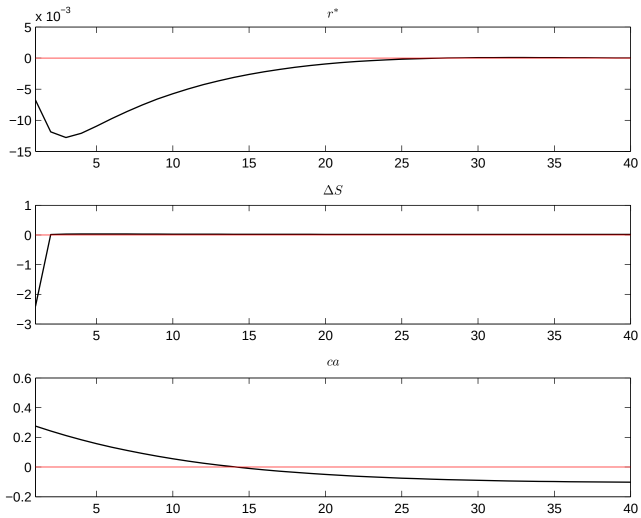

Figure 86: Impulse response functions (orthogonalized shock to ϵ^n).

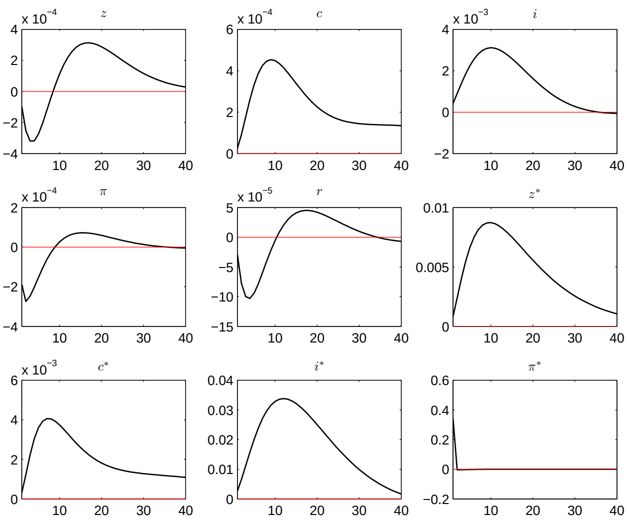

Figure 87: Impulse response functions (orthogonalized shock to $\epsilon^{CPI,*}$).

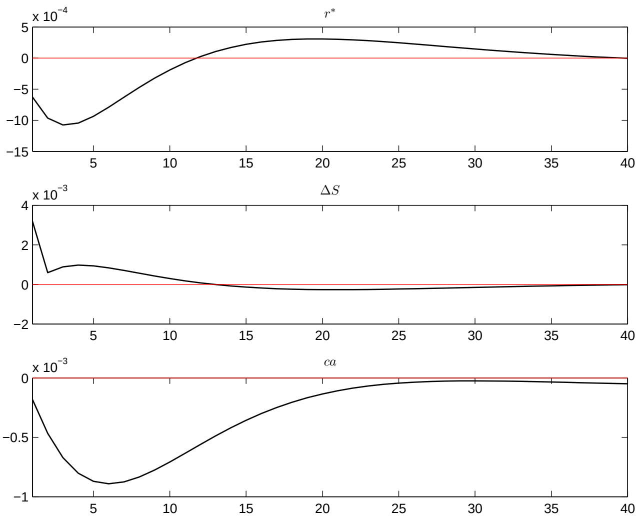

Figure 88: Impulse response functions (orthogonalized shock to $\epsilon^{CPI,*}$).

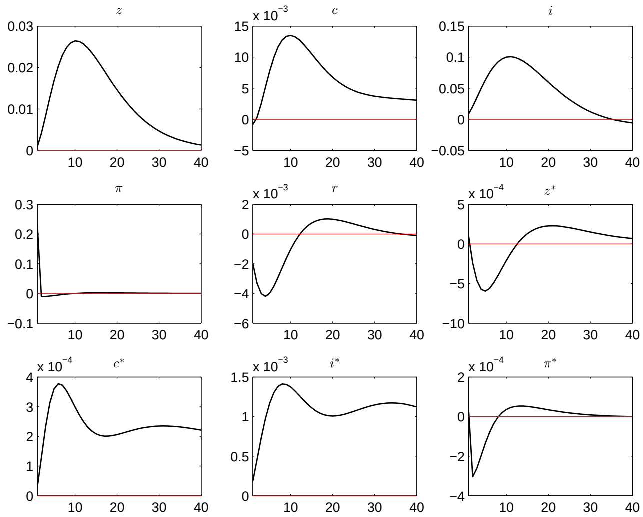

Figure 89: Impulse response functions (orthogonalized shock to ϵ^{CPI}).

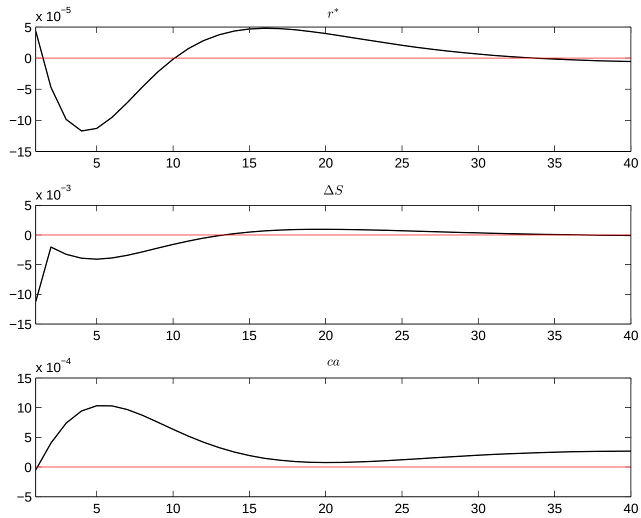

Figure 90: Impulse response functions (orthogonalized shock to ϵ^{CPI}).

	Prior distribution	Prior mean	Prior s.d.	Posterior mode	s.d.
ρ_A	beta	0.850	0.1000	0.8967	0.0359
ρ_A^*	beta	0.850	0.1000	0.9808	0.0060
ρ_B	beta	0.850	0.1000	0.4713	0.0820
ρ_B^*	beta	0.850	0.1000	0.8353	0.0387
ρ_G	beta	0.850	0.1000	0.9281	0.0422
ρ_G^*	beta	0.850	0.1000	0.8521	0.0402
ρ_L	beta	0.850	0.1000	0.9295	0.0322
ρ_L^*	beta	0.850	0.1000	0.9940	0.0040
ρ_I	beta	0.850	0.1000	0.7143	0.0529
ρ_I^*	beta	0.850	0.1000	0.8561	0.0657
φ	norm	4.000	0.5000	4.4238	0.4465
φ^*	norm	4.000	0.5000	5.2927	0.4343
σ_C	norm	1.000	0.3750	1.1355	0.1936
σ_C^*	norm	1.000	0.3750	1.7632	0.2976
h	beta	0.700	0.1000	0.7098	0.0615
h^*	beta	0.700	0.1000	0.5365	0.0773
α_W	beta	0.750	0.0500	0.7939	0.0297
α_W^*	beta	0.750	0.0500	0.7127	0.0340
σ_L	norm	2.000	0.7500	2.8078	0.5955
σ_L^*	norm	2.000	0.7500	3.0972	0.5762
α_H	beta	0.750	0.0500	0.8867	0.0146
α_F^*	beta	0.750	0.0500	0.9373	0.0080
λ_E	beta	0.750	0.0500	0.7912	0.0235
γ_W	beta	0.500	0.1500	0.4927	0.1240
γ_W^*	beta	0.500	0.1500	0.3723	0.1097
γ_H	beta	0.500	0.1500	0.6298	0.0748
γ_F^*	beta	0.500	0.1500	0.2570	0.0632
ϕ	gamm	0.200	0.1000	0.3054	0.1238
ϕ^*	gamm	0.200	0.1000	0.2476	0.1075
ω	norm	1.300	0.1000	1.4285	0.0683
ω^*	norm	1.300	0.1000	1.2860	0.0949
r_π	norm	1.500	0.1000	1.4934	0.0968
r_π^*	norm	1.500	0.1000	1.4872	0.0981
$r_{\Delta\pi}$	gamm	0.300	0.1000	0.2555	0.0591
$r_{\Delta\pi}^*$	gamm	0.300	0.1000	0.1686	0.0396
ρ	beta	0.750	0.1000	0.8441	0.0238
ρ^*	beta	0.750	0.1000	0.8801	0.0282
r_y	gamm	0.125	0.0500	0.0548	0.0224
r_y^*	gamm	0.125	0.0500	0.0464	0.0192
$r_{\Delta y}$	gamm	0.063	0.0500	0.2819	0.0374
$r_{\Delta y}^*$	gamm	0.063	0.0500	0.2555	0.0380

Table 8: Results from posterior parameters (Closed economy)

	Prior distribution	Prior mean	Prior s.d.	Posterior mode	s.d.
ϵ^{A}	unif	2.000	1.1547	0.4581	0.0305
$\epsilon^{A,*}$	unif	2.000	1.1547	0.6242	0.0918
ϵ^{B}	unif	2.000	1.1547	1.3638	0.3663
$\epsilon^{B,*}$	unif	2.000	1.1547	0.3939	0.1227
ϵ^{G}	unif	2.000	1.1547	0.5373	0.0346
$\epsilon^{G,*}$	unif	2.000	1.1547	0.3380	0.0215
ϵ^{L}	unif	2.000	1.1547	2.5455	0.6011
$\epsilon^{L,*}$	unif	2.000	1.1547	1.8646	0.2788
ϵ^{I}	unif	2.000	1.1547	0.3363	0.0828
$\epsilon^{I,*}$	unif	2.000	1.1547	0.0603	0.0387
ϵ^{R}	unif	2.000	1.1547	0.2347	0.0201
$\epsilon^{R,*}$	unif	2.000	1.1547	0.1684	0.0206
ϵ^{Q}	unif	2.000	1.1547	0.5784	0.1176
$\epsilon^{Q,*}$	unif	2.000	1.1547	0.6067	0.0608
ϵ^{P}	unif	2.000	1.1547	0.2765	0.0199
$\epsilon^{P,*}$	unif	2.000	1.1547	0.3285	0.0223
ϵ^{W}	unif	2.000	1.1547	0.2735	0.0201
$\epsilon^{W,*}$	unif	2.000	1.1547	0.2598	0.0201

Table 9: Results from posterior parameters (Closed economy)

Table 10: Dynamic variance decomposition (I, Closed economy).

Variables	Time	ϵ^A	$\epsilon^{A,*}$	ϵ^B	$\epsilon^{B,*}$	ϵ^G	$\epsilon^{G,*}$	ϵ^I	$\epsilon^{I,*}$	ϵ^L	$\epsilon^{L,*}$	ϵ^P	$\epsilon^{P,*}$	ϵ^Q	$\epsilon^{Q,*}$	ϵ^R	$\epsilon^{R,*}$	ϵ^W	$\epsilon^{W,*}$
z	$t=1$	3.04	0.00	24.40	0.00	43.99	0.00	7.98	0.00	4.80	0.00	0.76	0.00	5.63	0.00	9.39	0.00	0.00	0.00
	$t=4$	8.60	0.00	18.08	0.00	20.58	0.00	15.83	0.00	12.65	0.00	3.34	0.00	2.67	0.00	18.18	0.00	0.07	0.00
	$t=8$	12.67	0.00	11.26	0.00	13.20	0.00	17.58	0.00	18.03	0.00	4.74	0.00	1.82	0.00	20.20	0.00	0.49	0.00
	$t=12$	14.67	0.00	8.87	0.00	10.74	0.00	17.24	0.00	21.36	0.00	4.68	0.00	1.56	0.00	19.79	0.00	1.07	0.00
	$t=16$	15.56	0.00	7.87	0.00	9.63	0.00	16.69	0.00	23.83	0.00	4.37	0.00	1.44	0.00	19.06	0.00	1.54	0.00
	$t=20$	15.85	0.00	7.38	0.00	9.06	0.00	16.24	0.00	25.68	0.00	4.13	0.00	1.38	0.00	18.44	0.00	1.83	0.00
	$t=\infty$	15.54	0.00	6.79	0.00	8.35	0.00	15.36	0.00	29.50	0.00	3.81	0.00	1.29	0.00	17.29	0.00	2.06	0.00
c	$t=1$	2.86	0.00	78.86	0.00	1.10	0.00	0.85	0.00	5.09	0.00	0.42	0.00	0.24	0.00	10.57	0.00	0.01	0.00
	$t=4$	6.63	0.00	58.95	0.00	2.45	0.00	2.25	0.00	11.06	0.00	2.15	0.00	0.29	0.00	16.21	0.00	0.02	0.00
	$t=8$	9.86	0.00	45.17	0.00	3.65	0.00	3.22	0.00	16.04	0.00	3.41	0.00	0.25	0.00	18.17	0.00	0.24	0.00
	$t=12$	11.34	0.00	39.99	0.00	4.34	0.00	3.11	0.00	18.87	0.00	3.49	0.00	0.22	0.00	18.02	0.00	0.61	0.00
	$t=16$	11.93	0.00	37.58	0.00	4.78	0.00	2.97	0.00	20.71	0.00	3.36	0.00	0.21	0.00	17.57	0.00	0.89	0.00
	$t=20$	12.09	0.00	36.05	0.00	5.05	0.00	3.20	0.00	21.96	0.00	3.24	0.00	0.23	0.00	17.14	0.00	1.04	0.00
	$t=\infty$	11.74	0.00	30.45	0.00	5.59	0.00	6.74	0.00	25.65	0.00	2.83	0.00	0.36	0.00	15.40	0.00	1.24	0.00
i	$t=1$	2.59	0.00	0.41	0.00	0.56	0.00	52.74	0.00	3.45	0.00	1.12	0.00	33.00	0.00	6.13	0.00	0.01	0.00
	$t=4$	5.34	0.00	0.28	0.00	1.10	0.00	64.20	0.00	6.77	0.00	2.47	0.00	10.19	0.00	9.54	0.00	0.10	0.00
	$t=8$	8.06	0.00	0.13	0.00	1.66	0.00	59.26	0.00	10.13	0.00	3.19	0.00	5.77	0.00	11.37	0.00	0.44	0.00
	$t=12$	10.06	0.00	0.12	0.00	2.16	0.00	53.67	0.00	13.15	0.00	3.27	0.00	4.56	0.00	12.12	0.00	0.89	0.00
	$t=16$	11.24	0.00	0.13	0.00	2.57	0.00	49.67	0.00	15.64	0.00	3.14	0.00	4.08	0.00	12.24	0.00	1.31	0.00
	$t=20$	11.75	0.00	0.13	0.00	2.87	0.00	47.24	0.00	17.49	0.00	3.00	0.00	3.85	0.00	12.09	0.00	1.59	0.00
	$t=\infty$	11.76	0.00	0.13	0.00	3.24	0.00	45.08	0.00	19.87	0.00	2.87	0.00	3.63	0.00	11.62	0.00	1.80	0.00
l	$t=1$	37.40	0.00	14.99	0.00	28.16	0.00	4.95	0.00	3.47	0.00	0.00	0.00	3.59	0.00	5.54	0.00	1.91	0.00
	$t=4$	19.71	0.00	15.65	0.00	18.83	0.00	12.65	0.00	13.03	0.00	1.11	0.00	2.31	0.00	14.90	0.00	1.81	0.00
	$t=8$	12.49	0.00	11.38	0.00	14.32	0.00	14.97	0.00	21.63	0.00	2.38	0.00	1.75	0.00	18.74	0.00	2.33	0.00
	$t=12$	10.26	0.00	9.61	0.00	12.62	0.00	14.54	0.00	26.91	0.00	2.55	0.00	1.54	0.00	19.02	0.00	2.96	0.00
	$t=16$	9.40	0.00	8.84	0.00	11.84	0.00	13.80	0.00	30.34	0.00	2.43	0.00	1.43	0.00	18.52	0.00	3.40	0.00
	$t=20$	8.99	0.00	8.47	0.00	11.44	0.00	13.27	0.00	32.52	0.00	2.33	0.00	1.37	0.00	18.00	0.00	3.61	0.00
	$t=\infty$	8.69	0.00	8.01	0.00	11.01	0.00	12.95	0.00	34.97	0.00	2.25	0.00	1.31	0.00	17.15	0.00	3.65	0.00
w_{GDP}	$t=1$	0.16	0.00	0.45	0.00	0.05	0.00	0.10	0.00	0.37	0.00	21.70	0.00	0.01	0.00	0.51	0.00	76.64	0.00
	$t=4$	1.66	0.00	1.37	0.00	0.21	0.00	0.75	0.00	1.59	0.00	28.20	0.00	0.07	0.00	2.68	0.00	63.48	0.00
	$t=8$	5.42	0.00	1.93	0.00	0.34	0.00	2.13	0.00	2.88	0.00	30.25	0.00	0.16	0.00	5.81	0.00	51.08	0.00
	$t=12$	9.27	0.00	2.07	0.00	0.37	0.00	3.57	0.00	3.41	0.00	29.40	0.00	0.24	0.00	7.95	0.00	43.73	0.00
	$t=16$	12.11	0.00	2.05	0.00	0.36	0.00	4.77	0.00	3.46	0.00	28.08	0.00	0.30	0.00	9.12	0.00	39.75	0.00
	$t=20$	13.90	0.00	2.01	0.00	0.34	0.00	5.68	0.00	3.35	0.00	27.02	0.00	0.34	0.00	9.69	0.00	37.66	0.00
	$t=\infty$	15.99	0.00	1.86	0.00	0.50	0.00	7.79	0.00	3.93	0.00	24.79	0.00	0.43	0.00	10.09	0.00	34.63	0.00
r	$t=1$	9.87	0.00	26.18	0.00	1.97	0.00	0.37	0.00	9.29	0.00	3.21	0.00	3.74	0.00	45.28	0.00	0.09	0.00
	$t=4$	18.47	0.00	28.22	0.00	3.65	0.00	3.34	0.00	16.73	0.00	3.18	0.00	2.60	0.00	23.33	0.00	0.49	0.00
	$t=8$	20.56	0.00	24.17	0.00	4.28	0.00	7.17	0.00	19.31	0.00	2.66	0.00	2.36	0.00	18.69	0.00	0.80	0.00
	$t=12$	20.19	0.00	22.56	0.00	4.48	0.00	8.64	0.00	20.04	0.00	2.91	0.00	2.27	0.00	18.11	0.00	0.81	0.00
	$t=16$	19.79	0.00	21.97	0.00	4.57	0.00	8.99	0.00	20.41	0.00	3.09	0.00	2.24	0.00	18.15	0.00	0.79	0.00
	$t=20$	19.60	0.00	21.76	0.00	4.62	0.00	9.01	0.00	20.64	0.00	3.14	0.00	2.22	0.00	18.21	0.00	0.81	0.00
	$t=\infty$	19.41	0.00	21.42	0.00	4.71	0.00	9.15	0.00	21.08	0.00	3.12	0.00	2.19	0.00	18.06	0.00	0.87	0.00
z^*	$t=1$	0.03	14.19	0.01	22.19	0.01	29.95	1.96	2.82	0.07	6.36	0.00	1.41	0.00	9.33	0.00	11.66	0.00	0.00
	$t=4$	0.03	26.55	0.03	18.51	0.02	10.46	3.95	6.58	0.12	10.77	0.00	2.96	0.00	3.68	0.00	16.35	0.00	0.00
	$t=8$	0.02	34.71	0.06	10.82	0.02	5.31	5.19	9.33	0.10	13.08	0.00	3.10	0.00	2.21	0.00	16.05	0.00	0.02
	$t=12$	0.02	40.05	0.08	7.08	0.01	3.48	5.51	10.22	0.07	14.57	0.00	2.80	0.00	1.63	0.00	14.46	0.00	0.03
	$t=16$	0.02	44.09	0.08	5.24	0.01	2.59	5.35	10.07	0.05	15.86	0.00	2.46	0.00	1.30	0.00	12.82	0.00	0.04
	$t=20$	0.04	47.26	0.08	4.23	0.01	2.09	4.98	9.48	0.05	17.09	0.00	2.17	0.00	1.09	0.00	11.38	0.00	0.05
	$t=\infty$	0.05	52.26	0.04	1.61	0.01	0.79	2.19	4.26	0.08	32.47	0.00	0.91	0.00	0.43	0.00	4.86	0.00	0.03

Table 11: Dynamic variance decomposition (II, Closed economy).

Variables	Time	ϵ^{A}	$\epsilon^{A,*}$	ϵ^{B}	$\epsilon^{B,*}$	ϵ^{G}	$\epsilon^{G,*}$	ϵ^{I}	$\epsilon^{I,*}$	ϵ^{L}	$\epsilon^{L,*}$	ϵ^{P}	$\epsilon^{P,*}$	ϵ^{Q}	$\epsilon^{Q,*}$	ϵ^{R}	$\epsilon^{R,*}$	ϵ^{W}	$\epsilon^{W,*}$
c^*	$t=1$	0.02	16.33	0.00	61.71	0.01	0.26	1.23	0.09	0.04	9.63	0.00	0.89	0.00	0.35	0.00	9.45	0.00	0.00
	$t=4$	0.02	21.45	0.01	54.53	0.01	0.22	1.44	0.07	0.04	12.85	0.00	1.26	0.00	0.23	0.00	7.87	0.00	0.00
	$t=8$	0.01	27.16	0.01	46.17	0.01	0.17	1.55	0.06	0.04	17.01	0.00	1.14	0.00	0.15	0.00	6.52	0.00	0.01
	$t=12$	0.01	31.64	0.02	39.11	0.00	0.14	1.52	0.08	0.03	20.73	0.00	0.99	0.00	0.11	0.00	5.62	0.00	0.01
	$t=16$	0.01	34.90	0.02	33.60	0.00	0.12	1.43	0.13	0.02	23.81	0.00	0.87	0.00	0.10	0.00	4.97	0.00	0.02
	$t=20$	0.01	37.19	0.02	29.44	0.00	0.10	1.33	0.19	0.03	26.31	0.00	0.78	0.00	0.10	0.00	4.47	0.00	0.02
	$t=\infty$	0.01	39.87	0.01	11.48	0.00	0.04	0.61	0.42	0.02	45.06	0.00	0.36	0.00	0.07	0.00	2.04	0.00	0.01
i^*	$t=1$	0.02	4.50	0.01	4.08	0.01	0.15	2.08	11.90	0.08	0.57	0.00	1.50	0.00	66.65	0.00	8.45	0.00	0.00
	$t=4$	0.04	12.96	0.05	7.94	0.03	0.27	5.53	26.20	0.16	1.57	0.00	3.56	0.00	23.98	0.00	17.71	0.00	0.00
	$t=8$	0.02	19.91	0.09	7.17	0.02	0.24	7.35	29.07	0.13	2.38	0.00	3.90	0.00	10.52	0.00	19.17	0.00	0.02
	$t=12$	0.01	25.94	0.12	5.81	0.01	0.20	8.02	28.04	0.09	3.18	0.00	3.68	0.00	6.56	0.00	18.30	0.00	0.04
	$t=16$	0.03	31.56	0.13	4.77	0.01	0.16	8.05	26.00	0.07	4.03	0.00	3.35	0.00	4.86	0.00	16.93	0.00	0.05
	$t=20$	0.05	36.62	0.13	4.04	0.01	0.14	7.72	23.77	0.07	4.91	0.00	3.04	0.00	3.95	0.00	15.49	0.00	0.06
	$t=\infty$	0.11	53.42	0.08	2.02	0.03	0.07	4.41	12.81	0.17	14.91	0.00	1.61	0.00	1.91	0.00	8.39	0.00	0.05
l^*	$t=1$	0.00	18.85	0.06	2.88	0.00	2.53	4.26	8.05	0.01	48.93	0.00	1.01	0.00	1.24	0.00	11.30	0.00	0.90
	$t=4$	0.01	14.07	0.07	1.82	0.00	1.51	4.50	8.64	0.01	55.69	0.00	1.18	0.00	0.86	0.00	10.93	0.00	0.71
	$t=8$	0.02	11.12	0.07	1.03	0.00	0.95	4.27	8.28	0.01	62.56	0.00	1.09	0.00	0.62	0.00	9.42	0.00	0.57
	$t=12$	0.04	9.42	0.07	0.75	0.00	0.69	3.80	7.37	0.02	68.02	0.00	0.93	0.00	0.47	0.00	7.95	0.00	0.47
	$t=16$	0.05	8.29	0.06	0.61	0.01	0.55	3.29	6.38	0.04	72.40	0.00	0.80	0.00	0.38	0.00	6.74	0.00	0.39
	$t=20$	0.06	7.50	0.05	0.52	0.01	0.46	2.84	5.51	0.06	75.82	0.00	0.68	0.00	0.32	0.00	5.80	0.00	0.34
	$t=\infty$	0.03	5.47	0.02	0.20	0.01	0.16	1.07	2.07	0.05	88.37	0.00	0.25	0.00	0.12	0.00	2.06	0.00	0.12
w^*_{GDP}	$t=1$	0.00	0.31	0.00	3.03	0.00	0.14	0.47	0.45	0.01	0.23	0.00	31.90	0.00	0.06	0.00	1.55	0.00	61.85
	$t=4$	0.00	2.43	0.04	12.69	0.00	0.52	3.02	3.21	0.03	0.99	0.00	25.26	0.00	0.30	0.00	8.59	0.00	42.93
	$t=8$	0.00	7.04	0.09	16.80	0.00	0.66	6.32	7.43	0.03	1.52	0.00	19.31	0.00	0.53	0.00	15.70	0.00	24.56
	$t=12$	0.02	12.44	0.13	15.29	0.00	0.60	8.30	10.49	0.02	1.65	0.00	15.58	0.00	0.64	0.00	18.80	0.00	16.05
	$t=16$	0.05	18.13	0.16	12.83	0.00	0.51	9.17	12.26	0.02	1.59	0.00	13.13	0.00	0.68	0.00	19.63	0.00	11.82
	$t=20$	0.09	23.77	0.17	10.76	0.01	0.43	9.32	13.02	0.05	1.46	0.00	11.42	0.00	0.68	0.00	19.34	0.00	9.48
	$t=\infty$	0.18	59.33	0.11	4.65	0.04	0.19	5.28	8.19	0.23	0.78	0.00	5.43	0.00	0.40	0.00	11.14	0.00	4.05
r^*	$t=1$	0.20	13.44	0.15	23.94	0.04	1.82	0.01	0.14	0.23	2.15	0.00	4.38	0.00	7.05	0.00	46.43	0.00	0.01
	$t=4$	0.41	18.86	0.15	41.80	0.09	2.24	0.06	1.22	0.49	2.41	0.00	3.30	0.00	4.98	0.00	23.95	0.00	0.04
	$t=8$	0.57	21.05	0.14	43.80	0.13	2.13	0.12	3.24	0.73	2.41	0.00	2.56	0.00	4.57	0.00	18.47	0.00	0.06
	$t=12$	0.66	22.14	0.13	42.19	0.16	2.03	0.18	4.84	0.89	2.48	0.00	2.46	0.00	4.42	0.00	17.34	0.00	0.06
	$t=16$	0.70	22.62	0.13	40.82	0.18	1.97	0.22	5.74	0.98	2.54	0.00	2.50	0.00	4.31	0.00	17.23	0.00	0.06
	$t=20$	0.72	22.90	0.13	39.98	0.19	1.93	0.24	6.11	1.04	2.59	0.00	2.55	0.00	4.24	0.00	17.33	0.00	0.06
	$t=\infty$	0.68	27.25	0.12	35.56	0.19	1.71	0.84	6.34	1.04	4.22	0.00	2.36	0.00	3.76	0.00	15.87	0.00	0.06
π_{GDP}	$t=1$	2.08	0.00	0.23	0.00	0.10	0.00	0.15	0.00	0.33	0.00	94.99	0.00	0.02	0.00	0.91	0.00	1.19	0.00
	$t=4$	9.48	0.00	1.48	0.00	0.69	0.00	1.07	0.00	2.43	0.00	73.09	0.00	0.11	0.00	6.49	0.00	5.17	0.00
	$t=8$	11.65	0.00	2.53	0.00	1.27	0.00	1.99	0.00	4.84	0.00	59.23	0.00	0.20	0.00	12.42	0.00	5.87	0.00
	$t=12$	11.04	0.00	2.87	0.00	1.54	0.00	2.36	0.00	6.14	0.00	55.34	0.00	0.25	0.00	15.12	0.00	5.34	0.00
	$t=16$	10.61	0.00	2.97	0.00	1.67	0.00	2.48	0.00	6.83	0.00	53.79	0.00	0.26	0.00	16.21	0.00	5.18	0.00
	$t=20$	10.44	0.00	2.99	0.00	1.73	0.00	2.50	0.00	7.17	0.00	53.09	0.00	0.27	0.00	16.58	0.00	5.23	0.00
	$t=\infty$	10.35	0.00	2.98	0.00	1.81	0.00	2.57	0.00	7.62	0.00	52.40	0.00	0.27	0.00	16.63	0.00	5.37	0.00
π^*_{GDP}	$t=1$	0.01	1.20	0.01	0.29	0.00	0.01	0.24	0.36	0.01	0.05	0.00	97.00	0.00	0.02	0.00	0.70	0.00	0.09
	$t=4$	0.05	5.00	0.03	1.40	0.01	0.06	1.21	1.88	0.05	0.28	0.00	86.09	0.00	0.10	0.00	3.57	0.00	0.28
	$t=8$	0.09	7.30	0.05	2.23	0.02	0.10	2.13	3.38	0.10	0.50	0.00	77.31	0.00	0.17	0.00	6.31	0.00	0.31
	$t=12$	0.14	8.17	0.06	2.55	0.03	0.12	2.64	4.30	0.16	0.64	0.00	72.70	0.00	0.21	0.00	7.98	0.00	0.30
	$t=16$	0.18	8.53	0.07	2.66	0.04	0.12	2.88	4.82	0.22	0.74	0.00	70.27	0.00	0.24	0.00	8.96	0.00	0.29
	$t=20$	0.21	8.69	0.07	2.69	0.05	0.12	2.96	5.06	0.28	0.81	0.00	68.99	0.00	0.25	0.00	9.52	0.00	0.28
	$t=\infty$	0.26	10.09	0.08	2.74	0.07	0.12	3.24	5.32	0.41	1.52	0.00	65.76	0.00	0.25	0.00	9.84	0.00	0.28

	Prior distribution	Prior mean	Prior s.d.	Posterior mode	s.d.
ρ_A	beta	0.850	0.1000	0.9175	0.0332
ρ_A^*	beta	0.850	0.1000	0.9814	0.0060
ρ_B	beta	0.850	0.1000	0.4703	0.0745
ρ_B^*	beta	0.850	0.1000	0.8573	0.0375
ρ_G	beta	0.850	0.1000	0.8445	0.0502
ρ_G^*	beta	0.850	0.1000	0.9083	0.0293
ρ_L	beta	0.850	0.1000	0.9109	0.0332
ρ_L^*	beta	0.850	0.1000	0.9841	0.0084
ρ_I	beta	0.850	0.1000	0.8146	0.0443
ρ_I^*	beta	0.850	0.1000	0.8163	0.0412
φ	norm	4.000	0.5000	4.5857	0.4401
φ^*	norm	4.000	0.5000	5.1894	0.4342
σ_C	norm	1.000	0.3750	1.2516	0.1986
σ_C^*	norm	1.000	0.3750	1.8616	0.2431
h	beta	0.700	0.1000	0.7323	0.0500
h^*	beta	0.700	0.1000	0.5373	0.0646
α_W	beta	0.750	0.0500	0.7383	0.0370
α_W^*	beta	0.750	0.0500	0.6264	0.0340
σ_L	norm	2.000	0.7500	2.4202	0.6464
σ_L^*	norm	2.000	0.7500	3.1156	0.5489
α_H	beta	0.750	0.0500	0.8815	0.0144
α_F^*	beta	0.750	0.0500	0.9286	0.0077
λ_E	beta	0.750	0.0500	0.7912	0.0225
γ_W	beta	0.500	0.1500	0.3044	0.1132
γ_W^*	beta	0.500	0.1500	0.3319	0.1229
γ_H	beta	0.500	0.1500	0.5853	0.0775
γ_F^*	beta	0.500	0.1500	0.2535	0.0721
γ_H^*	gamm	0.200	0.1000	0.2946	0.1207
γ_F	gamm	0.200	0.1000	0.3441	0.1380
ϕ	norm	1.300	0.1000	1.4316	0.0688
ϕ^*	norm	1.300	0.1000	1.2528	0.0951
ω	norm	1.500	0.1000	1.5182	0.0968
ω^*	norm	1.500	0.1000	1.4269	0.1013
r_π	gamm	0.300	0.1000	0.2545	0.0593
r_π^*	gamm	0.300	0.1000	0.1610	0.0352
$r_{\Delta\pi}$	beta	0.750	0.1000	0.8456	0.0245
$r_{\Delta\pi}^*$	beta	0.750	0.1000	0.8782	0.0228
ρ	gamm	0.125	0.0500	0.0695	0.0272
ρ^*	gamm	0.125	0.0500	0.0445	0.0181
r_y	gamm	0.063	0.0500	0.2495	0.0342
r_y^*	gamm	0.063	0.0500	0.2219	0.0321
$r_{\Delta y}$	gamm	2.000	0.7500	0.9975	0.1841
$r_{\Delta y}^*$	beta	0.850	0.0500	0.9645	0.0064
ξ	beta	0.850	0.1000	0.9605	0.0204
n	beta	0.850	0.1000	0.9231	0.0275
ρ_S	norm	0.500	0.3000	0.8251	0.1084
$\rho_{\Delta n}$	norm	0.500	0.3000	0.5581	0.1209
η	gamm	0.005	0.0020	0.0054	0.0021

Table 12: Results from posterior parameters (Cross countru correlation)

	Prior distribution	Prior mean	Prior s.d.	Posterior mode	s.d.
ϵ^{A}	unif	3.000	1.7321	0.4059	0.0465
$\epsilon^{A,*}$	unif	3.000	1.7321	0.6088	0.0880
ϵ^{B}	unif	3.000	1.7321	1.6361	0.4325
$\epsilon^{B,*}$	unif	3.000	1.7321	0.2521	0.1941
ϵ^{G}	unif	3.000	1.7321	0.5882	0.0373
$\epsilon^{G,*}$	unif	3.000	1.7321	0.4872	0.0309
ϵ^{L}	unif	3.000	1.7321	3.1922	0.8061
$\epsilon^{L,*}$	unif	3.000	1.7321	2.0856	0.3216
ϵ^{I}	unif	3.000	1.7321	0.1721	0.0596
ϵ^{R}	unif	3.000	1.7321	0.1823	0.0257
$\epsilon^{R,*}$	unif	3.000	1.7321	0.0960	0.0308
ϵ^{Q}	unif	3.000	1.7321	0.6815	0.0967
$\epsilon^{Q,*}$	unif	3.000	1.7321	0.5563	0.0516
ϵ^{P}	unif	3.000	1.7321	0.2826	0.0206
$\epsilon^{P,*}$	unif	3.000	1.7321	0.3486	0.0250
ϵ^{W}	unif	3.000	1.7321	0.2811	0.0214
$\epsilon^{W,*}$	unif	3.000	1.7321	0.3000	0.0242
ϵ^{S}	unif	3.000	1.7321	0.2275	0.0792
ϵ^{n}	unif	3.000	1.7321	0.4027	0.0329
ϵ^{CPI}	unif	3.000	1.7321	0.1910	0.0227
$\epsilon^{CPI,*}$	unif	3.000	1.7321	0.3121	0.0229
ϵ^{A}_{world}	unif	3.000	1.7321	0.2083	0.0745
ϵ^{B}_{world}	unif	3.000	1.7321	0.2681	0.1224
ϵ^{I}_{world}	unif	3.000	1.7321	0.1236	0.0312
ϵ^{R}_{world}	unif	3.000	1.7321	1.0076	0.1358
ϵ^{CPI}_{world}	unif	3.000	1.7321	0.1480	0.0261

Table 13: Results from posterior parameters (Cross country correlation)

Table 14: Dynamic variance decomposition (I, Cross country correlation).

Var.	T.	ϵ^A	$\epsilon^{A,*}$	ϵ^B	$\epsilon^{B,*}$	ϵ^G	$\epsilon^{G,*}$	ϵ^I	ϵ^L	$\epsilon^{L,*}$	ϵ^n	ϵ^S	ϵ^P	$\epsilon^{P,*}$	ϵ^{CPI}	$\epsilon^{CPI,*}$	ϵ^Q	$\epsilon^{Q,*}$	ϵ^R	$\epsilon^{R,*}$	ϵ^W	$\epsilon^{W,*}$	ϵ_w^A	ϵ_w^B	ϵ_w^{CPI}	ϵ_w^I	ϵ_w^R
z	1	2.36	0.08	17.00	0.05	42.56	0.06	2.34	5.01	0.03	11.22	3.08	0.78	0.02	0.00	0.00	5.70	0.01	5.02	0.03	0.00	0.00	0.48	0.81	0.00	1.15	2.19
	4	7.56	0.03	15.72	0.03	21.05	0.02	6.59	13.78	0.01	6.67	1.60	2.87	0.01	0.01	0.00	3.22	0.01	9.40	0.01	0.10	0.00	1.91	0.70	0.00	3.46	5.25
	8	12.46	0.02	9.80	0.02	12.46	0.01	9.01	20.52	0.01	4.42	0.95	3.47	0.01	0.02	0.00	2.20	0.00	9.93	0.01	0.41	0.00	3.29	0.44	0.01	4.70	5.83
	12	15.17	0.02	7.48	0.02	9.52	0.01	9.63	24.26	0.01	3.52	0.72	3.12	0.01	0.04	0.00	1.81	0.00	9.16	0.00	0.68	0.00	4.07	0.34	0.02	4.96	5.45
	16	16.57	0.02	6.50	0.01	8.28	0.01	9.66	26.63	0.01	3.09	0.64	2.79	0.01	0.05	0.00	1.63	0.00	8.47	0.00	0.83	0.00	4.48	0.29	0.03	4.92	5.06
	20	17.24	0.03	6.04	0.01	7.70	0.01	9.55	28.16	0.01	2.88	0.64	2.61	0.01	0.05	0.00	1.53	0.00	8.03	0.00	0.88	0.00	4.68	0.27	0.03	4.83	4.80
	∞	17.76	0.07	5.56	0.01	7.09	0.01	9.18	30.28	0.03	2.66	0.92	2.40	0.00	0.05	0.00	1.42	0.00	7.44	0.00	0.88	0.00	4.89	0.25	0.03	4.61	4.45
c	1	1.77	0.01	81.96	0.00	0.40	0.00	0.45	4.16	0.00	0.01	0.19	0.38	0.00	0.00	0.00	0.21	0.00	4.65	0.00	0.00	0.00	0.51	2.06	0.00	0.23	3.02
	4	4.77	0.04	64.77	0.00	0.82	0.00	1.36	9.76	0.01	0.03	0.34	1.64	0.00	0.00	0.00	0.30	0.00	7.56	0.00	0.02	0.00	1.42	1.57	0.00	0.74	4.81
	8	8.32	0.10	50.23	0.00	1.05	0.00	2.51	15.19	0.04	0.17	0.49	2.37	0.00	0.01	0.00	0.29	0.00	8.55	0.00	0.16	0.00	2.53	1.20	0.01	1.42	5.35
	12	10.35	0.16	44.02	0.00	1.09	0.00	2.89	18.12	0.06	0.49	0.57	2.30	0.00	0.02	0.00	0.26	0.00	8.28	0.00	0.32	0.00	3.19	1.05	0.01	1.67	5.13
	16	11.35	0.21	41.18	0.00	1.08	0.00	2.81	19.80	0.08	0.98	0.60	2.17	0.00	0.02	0.00	0.25	0.00	7.95	0.00	0.41	0.00	3.54	0.98	0.02	1.64	4.90
	20	11.83	0.25	39.52	0.00	1.07	0.00	2.72	20.80	0.10	1.59	0.60	2.09	0.00	0.03	0.00	0.25	0.00	7.70	0.00	0.45	0.00	3.73	0.94	0.02	1.58	4.74
	∞	10.94	0.60	29.66	0.01	0.90	0.01	3.79	19.89	0.28	12.49	2.74	1.60	0.00	0.02	0.00	0.29	0.00	6.01	0.00	0.41	0.00	3.69	0.71	0.01	2.26	3.68
i	1	2.61	0.01	0.57	0.00	0.31	0.00	22.60	4.69	0.00	0.10	0.37	1.04	0.00	0.00	0.00	49.32	0.00	3.84	0.00	0.02	0.00	0.74	0.03	0.00	11.30	2.42
	4	5.95	0.02	0.57	0.00	0.54	0.01	35.71	9.69	0.00	0.21	0.82	2.10	0.00	0.01	0.00	15.44	0.00	5.86	0.00	0.14	0.00	1.70	0.04	0.01	17.57	3.62
	8	8.63	0.04	0.35	0.01	0.58	0.01	36.15	13.17	0.01	0.25	1.33	2.13	0.00	0.02	0.00	7.67	0.00	5.81	0.00	0.36	0.00	2.48	0.03	0.01	17.45	3.51
	12	10.56	0.06	0.26	0.01	0.58	0.01	34.28	15.94	0.02	0.25	1.89	1.88	0.00	0.03	0.00	5.57	0.00	5.45	0.00	0.56	0.00	3.06	0.02	0.02	16.30	3.24
	16	11.83	0.08	0.22	0.01	0.58	0.01	32.40	18.12	0.02	0.23	2.44	1.67	0.00	0.04	0.00	4.77	0.00	5.13	0.00	0.68	0.00	3.46	0.02	0.02	15.26	3.01
	20	12.54	0.10	0.20	0.01	0.57	0.01	31.01	19.63	0.03	0.22	2.92	1.56	0.00	0.04	0.00	4.43	0.00	4.89	0.00	0.73	0.00	3.69	0.02	0.03	14.53	2.85
	∞	12.70	0.22	0.19	0.01	0.54	0.01	29.20	20.72	0.09	1.44	4.02	1.45	0.00	0.04	0.00	4.08	0.00	4.55	0.00	0.73	0.00	3.76	0.02	0.03	13.56	2.64
l	1	24.14	0.09	10.78	0.04	29.82	0.04	1.58	4.66	0.03	7.01	2.81	0.00	0.03	0.23	0.00	3.96	0.01	3.25	0.03	1.84	0.00	6.87	0.55	0.14	0.77	1.31
	4	14.33	0.04	12.85	0.03	19.24	0.02	5.28	16.45	0.01	5.28	1.92	0.75	0.02	0.14	0.00	2.79	0.01	7.45	0.01	1.81	0.00	4.04	0.61	0.08	2.78	4.05
	8	9.34	0.03	9.34	0.03	13.44	0.01	7.69	27.94	0.01	3.94	1.43	1.37	0.01	0.14	0.00	2.11	0.00	8.83	0.01	2.02	0.00	2.63	0.45	0.08	4.05	5.10
	12	7.68	0.02	7.76	0.02	11.22	0.01	8.16	34.61	0.01	3.32	1.21	1.36	0.01	0.14	0.00	1.82	0.00	8.56	0.01	2.19	0.00	2.16	0.38	0.09	4.26	5.02
	16	7.04	0.02	7.10	0.02	10.28	0.01	8.01	38.49	0.01	3.04	1.10	1.26	0.01	0.15	0.00	1.68	0.00	8.14	0.01	2.25	0.00	1.98	0.34	0.09	4.16	4.80
	20	6.76	0.02	6.81	0.02	9.87	0.01	7.79	40.63	0.01	2.92	1.06	1.21	0.01	0.14	0.00	1.61	0.00	7.86	0.01	2.26	0.00	1.90	0.33	0.09	4.04	4.64
	∞	6.61	0.02	6.47	0.02	9.37	0.01	7.71	41.77	0.01	3.53	1.22	1.17	0.01	0.14	0.00	1.55	0.00	7.50	0.01	2.18	0.00	1.86	0.31	0.08	4.01	4.43
w_{GDP}	1	0.09	0.01	1.41	0.00	0.14	0.00	0.06	2.03	0.00	0.31	0.07	17.91	0.00	8.18	0.00	0.03	0.00	0.52	0.00	63.83	0.00	0.03	0.03	4.92	0.03	0.39
	4	1.71	0.00	3.13	0.00	0.40	0.00	0.44	6.95	0.00	0.46	0.06	27.79	0.01	4.04	0.00	0.11	0.00	2.66	0.00	47.37	0.00	0.47	0.11	2.43	0.22	1.62
	8	6.12	0.01	3.43	0.00	0.52	0.00	1.18	10.55	0.00	0.74	0.05	28.27	0.01	2.80	0.00	0.20	0.00	4.60	0.00	34.55	0.00	1.69	0.13	1.69	0.61	2.84
	12	10.64	0.02	3.18	0.01	0.50	0.00	1.95	11.23	0.01	0.90	0.04	25.98	0.00	2.32	0.00	0.27	0.00	5.40	0.00	28.69	0.00	2.94	0.13	1.40	1.00	3.38
	16	13.96	0.02	2.94	0.01	0.47	0.00	2.60	10.81	0.01	0.99	0.05	24.07	0.00	2.10	0.00	0.32	0.00	5.61	0.00	25.91	0.00	3.88	0.12	1.26	1.34	3.53
	20	16.07	0.03	2.77	0.01	0.44	0.00	3.10	10.28	0.01	1.05	0.07	22.83	0.00	1.98	0.00	0.34	0.00	5.60	0.00	24.47	0.00	4.48	0.12	1.19	1.61	3.54
	∞	18.75	0.13	2.47	0.01	0.41	0.00	4.24	9.92	0.05	2.05	0.27	20.33	0.00	1.76	0.00	0.38	0.00	5.25	0.00	21.84	0.00	5.36	0.10	1.06	2.25	3.34
r	1	5.49	0.11	23.36	0.02	2.06	0.02	0.18	14.05	0.05	0.04	2.74	3.04	0.01	0.00	0.00	3.44	0.01	25.57	0.03	0.05	0.00	1.19	0.88	0.00	0.03	17.62
	4	10.22	0.05	24.07	0.03	3.13	0.01	1.32	23.93	0.02	0.34	2.28	3.18	0.01	0.02	0.00	2.56	0.00	14.48	0.01	0.26	0.00	2.69	0.99	0.01	0.56	9.84
	8	11.97	0.05	20.42	0.03	3.25	0.01	3.40	28.01	0.02	0.52	2.28	2.55	0.01	0.02	0.00	2.31	0.00	11.31	0.01	0.41	0.00	3.22	0.87	0.01	1.66	7.68
	12	11.98	0.04	18.95	0.03	3.14	0.01	4.68	28.83	0.02	0.57	2.30	2.53	0.01	0.02	0.00	2.21	0.00	10.64	0.01	0.40	0.00	3.22	0.81	0.01	2.34	7.23
	16	11.84	0.04	18.44	0.03	3.09	0.01	5.19	29.04	0.02	0.59	2.32	2.56	0.01	0.02	0.00	2.17	0.00	10.50	0.01	0.39	0.00	3.19	0.79	0.01	2.60	7.14
	20	11.78	0.04	18.28	0.03	3.06	0.01	5.34	29.13	0.02	0.60	2.33	2.56	0.01	0.02	0.00	2.16	0.00	10.47	0.01	0.40	0.00	3.17	0.78	0.01	2.67	7.11
	∞	11.80	0.04	18.08	0.03	3.03	0.01	5.49	29.22	0.02	0.61	2.37	2.54	0.01	0.02	0.00	2.14	0.00	10.38	0.01	0.41	0.00	3.18	0.77	0.01	2.74	7.06

Table 15: Dynamic variance decomposition (II, Cross country correlation).

Var.	T.	ϵ^{A}	$\epsilon^{A,*}$	ϵ^{B}	$\epsilon^{B,*}$	ϵ^{G}	$\epsilon^{G,*}$	ϵ^{I}	ϵ^{L}	$\epsilon^{L,*}$	ϵ^{n}	ϵ^{S}	ϵ^{P}	$\epsilon^{P,*}$	ϵ^{CPI}	$\epsilon^{CPI,*}$	ϵ^{Q}	$\epsilon^{Q,*}$	ϵ^{R}	$\epsilon^{R,*}$	ϵ^{W}	$\epsilon^{W,*}$	ϵ_w^{A}	ϵ_w^{B}	ϵ_w^{CPI}	ϵ_w^{I}	ϵ_w^{R}
z^*	1	0.00	9.94	0.16	5.99	0.09	34.02	1.22	0.02	3.46	15.96	3.49	0.02	1.50	0.00	0.00	0.02	4.72	0.09	3.32	0.00	0.00	1.11	7.12	0.00	1.70	6.07
	4	0.02	20.49	0.11	6.79	0.03	16.47	2.73	0.02	6.85	8.90	1.58	0.01	3.16	0.00	0.00	0.01	2.40	0.02	4.90	0.00	0.01	2.58	7.97	0.00	4.66	10.27
	8	0.02	29.42	0.09	4.42	0.02	10.00	3.84	0.02	9.62	5.66	0.95	0.01	3.34	0.00	0.00	0.00	1.59	0.01	4.95	0.00	0.03	3.70	5.22	0.00	6.39	10.69
	12	0.01	35.92	0.09	3.04	0.02	7.17	4.25	0.01	11.76	4.07	0.68	0.00	3.00	0.00	0.01	0.00	1.22	0.01	4.48	0.00	0.04	4.41	3.59	0.00	6.47	9.75
	16	0.01	40.74	0.09	2.34	0.02	5.60	4.21	0.01	13.51	3.15	0.53	0.00	2.61	0.00	0.01	0.00	0.99	0.01	3.95	0.00	0.05	4.88	2.76	0.00	5.92	8.61
	20	0.02	44.32	0.08	1.95	0.02	4.63	3.96	0.02	14.94	2.60	0.44	0.00	2.28	0.00	0.01	0.00	0.84	0.00	3.47	0.00	0.05	5.20	2.30	0.00	5.27	7.59
	∞	0.02	54.76	0.04	0.91	0.01	2.08	2.01	0.02	22.07	1.22	0.26	0.00	1.08	0.00	0.00	0.00	0.39	0.00	1.66	0.00	0.03	6.21	1.07	0.00	2.51	3.63
c^*	1	0.03	13.56	0.00	30.87	0.00	0.71	1.12	0.04	5.22	0.13	0.36	0.00	0.94	0.00	0.00	0.00	0.16	0.01	2.99	0.00	0.00	1.82	34.89	0.00	0.24	6.92
	4	0.04	18.02	0.00	28.19	0.00	0.76	1.28	0.05	6.91	0.20	0.29	0.00	1.28	0.00	0.00	0.00	0.10	0.00	2.50	0.00	0.00	2.40	31.91	0.00	0.38	5.68
	8	0.03	23.73	0.01	24.75	0.00	0.76	1.38	0.04	9.18	0.33	0.23	0.00	1.15	0.00	0.00	0.00	0.07	0.00	2.08	0.00	0.01	3.07	28.10	0.00	0.43	4.67
	12	0.02	28.73	0.02	21.62	0.00	0.74	1.37	0.03	11.28	0.49	0.19	0.00	1.00	0.00	0.00	0.00	0.05	0.00	1.81	0.00	0.01	3.61	24.59	0.00	0.37	4.05
	16	0.02	32.75	0.02	19.04	0.00	0.71	1.31	0.02	13.06	0.65	0.17	0.00	0.90	0.00	0.00	0.00	0.05	0.00	1.62	0.00	0.01	4.03	21.67	0.00	0.32	3.63
	20	0.02	35.84	0.02	17.01	0.01	0.68	1.23	0.02	14.48	0.81	0.15	0.00	0.82	0.00	0.00	0.00	0.05	0.00	1.48	0.00	0.01	4.35	19.36	0.00	0.33	3.32
	∞	0.01	47.58	0.02	8.00	0.01	0.41	0.66	0.01	21.52	2.81	0.68	0.00	0.44	0.00	0.00	0.00	0.05	0.00	0.80	0.00	0.01	5.61	9.11	0.00	0.51	1.78
i^*	1	0.04	3.46	0.00	1.66	0.00	0.41	2.20	0.05	0.85	0.02	0.64	0.00	1.76	0.00	0.00	0.00	55.11	0.00	3.11	0.00	0.00	0.55	1.85	0.00	21.32	6.98
	4	0.07	9.04	0.02	3.22	0.00	0.85	5.03	0.07	2.18	0.05	1.33	0.00	3.56	0.00	0.00	0.00	17.53	0.00	5.61	0.00	0.01	1.36	3.55	0.00	34.06	12.44
	8	0.06	14.77	0.06	3.50	0.00	1.04	6.74	0.05	3.61	0.06	1.72	0.00	3.86	0.00	0.00	0.00	7.93	0.00	6.03	0.00	0.03	2.06	3.81	0.00	31.43	13.25
	12	0.04	20.41	0.08	3.36	0.00	1.13	7.48	0.03	5.13	0.07	1.97	0.00	3.66	0.00	0.01	0.00	5.15	0.00	5.78	0.00	0.04	2.65	3.63	0.00	26.71	12.65
	16	0.03	25.72	0.09	3.12	0.01	1.15	7.56	0.03	6.71	0.07	2.13	0.00	3.32	0.00	0.01	0.00	3.93	0.00	5.32	0.00	0.05	3.17	3.35	0.00	22.59	11.62
	20	0.03	30.35	0.10	2.86	0.02	1.13	7.22	0.03	8.22	0.06	2.19	0.00	2.99	0.00	0.01	0.00	3.26	0.00	4.83	0.00	0.06	3.59	3.06	0.00	19.45	10.53
	∞	0.05	44.64	0.06	1.70	0.02	0.75	4.50	0.05	15.46	0.72	1.81	0.00	1.72	0.00	0.00	0.00	1.79	0.00	2.81	0.00	0.04	5.02	1.82	0.00	10.91	6.14
l^*	1	0.00	17.84	0.08	0.85	0.02	7.07	3.19	0.00	47.40	1.84	0.76	0.00	1.23	0.00	0.10	0.00	0.91	0.00	3.34	0.00	0.71	2.10	1.06	0.02	4.32	7.13
	4	0.00	14.11	0.07	0.50	0.01	4.98	3.43	0.00	55.86	1.07	0.50	0.00	1.37	0.00	0.07	0.00	0.62	0.00	3.16	0.00	0.55	1.66	0.63	0.02	4.48	6.90
	8	0.00	11.77	0.06	0.29	0.01	3.54	3.29	0.01	63.93	0.62	0.33	0.00	1.20	0.00	0.05	0.00	0.43	0.00	2.63	0.00	0.41	1.42	0.36	0.01	3.86	5.77
	12	0.01	10.47	0.05	0.26	0.01	2.76	2.92	0.02	69.46	0.51	0.24	0.00	0.99	0.00	0.04	0.00	0.33	0.00	2.15	0.00	0.33	1.30	0.31	0.01	3.10	4.73
	16	0.02	9.68	0.04	0.24	0.01	2.28	2.54	0.03	73.21	0.54	0.20	0.00	0.83	0.00	0.03	0.00	0.26	0.00	1.79	0.00	0.28	1.24	0.28	0.01	2.54	3.95
	20	0.03	9.21	0.04	0.21	0.01	1.98	2.21	0.03	75.70	0.62	0.18	0.00	0.71	0.00	0.03	0.00	0.23	0.00	1.54	0.00	0.24	1.20	0.25	0.01	2.18	3.40
	∞	0.02	11.68	0.02	0.14	0.01	1.04	1.21	0.03	77.48	1.66	0.51	0.00	0.38	0.00	0.02	0.00	0.12	0.00	0.81	0.00	0.12	1.47	0.16	0.00	1.31	1.79
w^*_{GDP}	1	0.02	0.10	0.00	3.00	0.00	0.50	0.54	0.03	1.16	1.44	0.24	0.00	23.04	0.00	14.25	0.00	0.09	0.01	0.69	0.00	46.25	0.03	3.42	3.21	0.21	1.75
	4	0.01	1.96	0.06	10.02	0.01	1.53	3.10	0.01	3.63	2.27	0.23	0.01	19.16	0.00	5.18	0.00	0.33	0.00	3.69	0.00	26.25	0.28	11.59	1.17	1.41	8.09
	8	0.01	6.06	0.11	11.60	0.01	1.77	5.70	0.01	4.85	2.52	0.40	0.01	14.66	0.00	2.49	0.00	0.48	0.00	5.68	0.00	13.40	0.77	13.51	0.56	2.93	12.47
	12	0.01	11.27	0.15	10.29	0.02	1.61	7.27	0.01	5.06	2.33	0.50	0.01	12.32	0.00	1.66	0.00	0.53	0.00	6.36	0.00	8.98	1.34	12.04	0.38	3.92	13.98
	16	0.01	17.00	0.16	8.74	0.03	1.40	8.02	0.02	4.88	2.06	0.52	0.00	10.82	0.00	1.30	0.00	0.53	0.00	6.42	0.00	7.04	1.92	10.27	0.29	4.39	14.14
	20	0.03	22.67	0.17	7.54	0.04	1.21	8.17	0.04	4.55	1.82	0.51	0.00	9.71	0.00	1.10	0.00	0.52	0.00	6.19	0.00	5.98	2.47	8.88	0.25	4.49	13.64
	∞	0.06	52.82	0.10	3.84	0.03	0.62	4.93	0.08	2.49	1.03	0.32	0.00	5.19	0.00	0.56	0.00	0.30	0.00	3.58	0.00	3.04	5.70	4.52	0.13	2.78	7.89
r^*	1	0.02	11.79	0.04	8.33	0.01	3.37	0.19	0.00	4.81	0.16	5.54	0.02	3.74	0.00	0.00	0.03	4.18	0.14	13.43	0.00	0.01	1.54	9.62	0.00	0.19	32.83
	4	0.32	14.25	0.32	16.19	0.14	4.01	0.43	0.44	6.06	0.52	4.29	0.01	2.90	0.00	0.00	0.01	3.11	0.06	6.90	0.00	0.03	2.44	19.09	0.00	1.82	16.65
	8	0.45	15.17	0.28	17.38	0.17	4.01	0.63	0.58	6.96	0.63	3.96	0.01	2.13	0.00	0.00	0.01	2.78	0.04	5.03	0.00	0.03	2.75	20.39	0.00	4.49	12.11
	12	0.50	15.68	0.25	16.76	0.17	3.93	0.75	0.62	7.71	0.64	3.86	0.01	2.01	0.00	0.00	0.01	2.63	0.04	4.62	0.00	0.03	2.89	19.64	0.00	6.09	11.14
	16	0.52	16.01	0.24	16.21	0.17	3.86	0.80	0.64	8.32	0.63	3.81	0.01	2.02	0.00	0.00	0.01	2.54	0.04	4.55	0.00	0.03	2.97	18.99	0.00	6.67	10.95
	20	0.54	16.28	0.24	15.86	0.16	3.81	0.81	0.65	8.82	0.62	3.79	0.01	2.03	0.00	0.00	0.01	2.49	0.04	4.53	0.00	0.03	3.03	18.58	0.00	6.78	10.89
	∞	0.48	21.84	0.21	13.34	0.14	3.27	1.30	0.57	12.87	0.54	3.30	0.01	1.75	0.00	0.00	0.01	2.09	0.03	3.86	0.00	0.03	3.51	15.61	0.00	6.00	9.26

Table 16: Dynamic variance decomposition (III, Cross country correlation).

Var.	T.	ϵ^{A}	$\epsilon^{A,*}$	ϵ^{B}	$\epsilon^{B,*}$	ϵ^{G}	$\epsilon^{G,*}$	ϵ^{I}	ϵ^{L}	$\epsilon^{L,*}$	ϵ^{n}	ϵ^{S}	ϵ^{P}	$\epsilon^{P,*}$	ϵ^{CPI}	$\epsilon^{CPI,*}$	ϵ^{Q}	$\epsilon^{Q,*}$	ϵ^{R}	$\epsilon^{R,*}$	ϵ^{W}	$\epsilon^{W,*}$	ϵ_w^{A}	ϵ_w^{B}	ϵ_w^{CPI}	ϵ_w^{I}	ϵ_w^{R}
Δs	1	0.60	2.32	0.42	0.31	0.05	0.05	0.16	1.62	0.80	26.51	63.48	0.01	0.03	0.00	0.00	0.05	0.03	2.20	1.00	0.01	0.00	0.01	0.23	0.00	0.00	0.10
	4	0.65	2.34	0.58	0.35	0.07	0.06	0.17	1.74	0.82	26.24	63.11	0.04	0.04	0.00	0.00	0.07	0.04	2.29	1.01	0.01	0.00	0.02	0.26	0.00	0.00	0.10
	8	0.69	2.35	0.61	0.38	0.08	0.07	0.21	1.84	0.83	26.04	63.01	0.04	0.04	0.00	0.00	0.08	0.04	2.28	1.00	0.01	0.00	0.02	0.29	0.00	0.00	0.10
	12	0.70	2.36	0.61	0.39	0.08	0.07	0.24	1.86	0.83	25.93	63.03	0.04	0.04	0.00	0.00	0.08	0.04	2.27	1.00	0.01	0.00	0.02	0.30	0.00	0.00	0.10
	16	0.69	2.36	0.61	0.39	0.08	0.07	0.25	1.87	0.84	25.86	63.08	0.04	0.04	0.00	0.00	0.08	0.04	2.26	1.00	0.01	0.00	0.02	0.30	0.00	0.00	0.10
	20	0.69	2.36	0.61	0.39	0.08	0.07	0.26	1.87	0.84	25.82	63.12	0.04	0.04	0.00	0.00	0.08	0.04	2.26	1.00	0.01	0.00	0.02	0.30	0.00	0.00	0.10
	∞	0.69	2.41	0.60	0.39	0.08	0.07	0.27	1.86	0.88	25.74	63.13	0.04	0.04	0.00	0.00	0.08	0.04	2.25	0.99	0.01	0.00	0.02	0.30	0.00	0.00	0.10
π	1	0.54	0.22	0.06	0.04	0.02	0.01	0.13	0.15	0.07	1.63	5.59	45.77	0.08	27.27	0.00	0.00	0.00	0.96	0.06	0.51	0.00	0.29	0.06	16.36	0.03	0.16
	4	4.44	0.17	1.23	0.03	0.31	0.00	0.63	4.14	0.05	1.24	4.58	41.77	0.06	20.36	0.00	0.09	0.00	2.99	0.05	2.17	0.00	1.34	0.11	12.22	0.31	1.70
	8	5.69	0.15	1.92	0.03	0.51	0.00	1.19	7.87	0.05	1.09	4.22	36.65	0.06	17.05	0.00	0.16	0.00	5.14	0.04	2.34	0.00	1.68	0.14	10.23	0.58	3.19
	12	5.61	0.14	2.05	0.03	0.57	0.00	1.46	9.37	0.04	1.05	4.09	35.29	0.05	15.97	0.00	0.18	0.00	6.00	0.04	2.20	0.00	1.65	0.15	9.58	0.70	3.77
	16	5.52	0.13	2.06	0.03	0.58	0.00	1.57	9.90	0.04	1.04	4.05	34.80	0.05	15.65	0.00	0.19	0.00	6.27	0.04	2.20	0.00	1.62	0.15	9.40	0.74	3.96
	20	5.49	0.13	2.06	0.03	0.58	0.00	1.60	10.07	0.04	1.04	4.04	34.63	0.05	15.57	0.00	0.19	0.00	6.34	0.04	2.22	0.00	1.61	0.15	9.35	0.75	4.00
	∞	5.51	0.13	2.05	0.03	0.58	0.00	1.66	10.19	0.04	1.04	4.03	34.49	0.05	15.51	0.00	0.20	0.00	6.35	0.04	2.24	0.00	1.62	0.15	9.31	0.78	4.00
π^*	1	0.08	0.09	0.06	0.06	0.01	0.02	0.29	0.18	0.03	1.70	5.85	0.02	41.65	0.00	39.64	0.01	0.00	0.16	0.46	0.00	0.04	0.06	0.08	8.92	0.09	0.49
	4	0.08	1.98	0.06	0.74	0.01	0.17	1.10	0.17	0.83	1.59	5.37	0.02	38.99	0.00	35.72	0.01	0.06	0.16	1.07	0.00	0.12	0.33	0.87	8.04	0.42	2.08
	8	0.09	3.10	0.07	1.21	0.02	0.28	1.91	0.17	1.60	1.52	5.03	0.02	36.48	0.00	32.90	0.00	0.10	0.15	1.66	0.00	0.12	0.50	1.43	7.40	0.73	3.50
	12	0.10	3.53	0.08	1.35	0.02	0.32	2.35	0.19	2.11	1.47	4.86	0.02	35.27	0.00	31.55	0.00	0.12	0.14	1.99	0.00	0.12	0.59	1.59	7.10	0.89	4.25
	16	0.12	3.73	0.08	1.37	0.03	0.33	2.54	0.20	2.45	1.44	4.79	0.02	34.69	0.00	30.91	0.00	0.12	0.14	2.15	0.00	0.12	0.63	1.63	6.95	0.95	4.60
	20	0.13	3.85	0.08	1.37	0.03	0.34	2.60	0.21	2.68	1.43	4.75	0.02	34.40	0.00	30.60	0.00	0.13	0.14	2.21	0.00	0.12	0.66	1.63	6.88	0.97	4.75
	∞	0.15	5.28	0.08	1.35	0.03	0.34	2.73	0.23	4.16	1.37	4.57	0.02	33.04	0.00	29.36	0.00	0.12	0.13	2.18	0.00	0.12	0.84	1.60	6.61	0.98	4.68
ca	1	0.22	0.77	0.67	0.37	0.55	0.39	0.00	0.52	0.26	66.79	27.77	0.13	0.21	0.00	0.00	0.14	0.08	0.60	0.24	0.00	0.00	0.00	0.26	0.00	0.00	0.02
	4	0.18	0.80	0.53	0.51	0.39	0.34	0.10	0.36	0.26	61.26	33.79	0.20	0.26	0.00	0.00	0.09	0.06	0.29	0.12	0.00	0.00	0.01	0.41	0.00	0.00	0.01
	8	0.15	1.02	0.39	0.50	0.30	0.30	0.27	0.28	0.33	54.50	40.65	0.16	0.22	0.00	0.00	0.07	0.05	0.21	0.09	0.01	0.01	0.03	0.44	0.00	0.01	0.01
	12	0.14	1.28	0.34	0.48	0.26	0.29	0.37	0.25	0.43	49.36	45.54	0.14	0.19	0.00	0.00	0.06	0.05	0.19	0.09	0.01	0.01	0.05	0.43	0.00	0.01	0.02
	16	0.13	1.51	0.32	0.46	0.25	0.27	0.39	0.24	0.54	46.38	48.22	0.13	0.18	0.00	0.00	0.06	0.05	0.19	0.11	0.01	0.01	0.08	0.42	0.00	0.02	0.04
	20	0.13	1.71	0.31	0.44	0.24	0.26	0.38	0.24	0.64	45.48	48.88	0.13	0.17	0.00	0.00	0.06	0.04	0.18	0.11	0.01	0.01	0.10	0.40	0.00	0.02	0.05
	∞	0.08	1.60	0.16	0.21	0.13	0.15	0.35	0.15	0.72	61.04	34.73	0.06	0.08	0.00	0.00	0.04	0.03	0.08	0.05	0.01	0.00	0.10	0.19	0.00	0.01	0.03
π_{GDP}	1	1.54	0.04	0.24	0.01	0.07	0.00	0.18	0.77	0.01	0.16	1.53	92.36	0.00	0.07	0.00	0.01	0.00	0.99	0.01	0.98	0.00	0.49	0.04	0.04	0.07	0.36
	4	7.22	0.02	1.82	0.01	0.47	0.00	0.99	6.60	0.01	0.26	1.53	67.70	0.00	0.20	0.00	0.13	0.00	4.38	0.01	3.44	0.00	1.97	0.11	0.12	0.45	2.55
	8	8.32	0.02	2.59	0.01	0.71	0.00	1.74	11.24	0.01	0.36	1.77	54.57	0.00	0.20	0.00	0.21	0.00	7.22	0.01	3.39	0.00	2.26	0.15	0.12	0.78	4.33
	12	7.94	0.02	2.70	0.02	0.76	0.00	2.06	12.95	0.01	0.40	1.90	51.17	0.00	0.18	0.00	0.24	0.00	8.23	0.01	3.11	0.00	2.16	0.16	0.11	0.92	4.98
	16	7.75	0.02	2.69	0.02	0.76	0.00	2.18	13.53	0.01	0.42	1.97	50.07	0.00	0.18	0.00	0.25	0.00	8.54	0.01	3.08	0.00	2.10	0.16	0.11	0.97	5.19
	20	7.69	0.02	2.69	0.02	0.77	0.00	2.21	13.72	0.01	0.42	2.01	49.72	0.00	0.18	0.00	0.25	0.00	8.62	0.01	3.12	0.00	2.09	0.16	0.11	0.98	5.24
	∞	7.70	0.02	2.67	0.02	0.76	0.00	2.28	13.83	0.01	0.43	2.09	49.41	0.00	0.18	0.00	0.25	0.00	8.60	0.01	3.14	0.00	2.09	0.16	0.11	1.01	5.23
π^*_{GDP}	1	0.06	0.61	0.05	0.21	0.01	0.05	0.51	0.13	0.18	0.72	3.83	0.00	91.24	0.00	0.01	0.00	0.01	0.10	0.65	0.00	0.10	0.15	0.28	0.00	0.17	0.91
	4	0.06	4.29	0.06	1.48	0.02	0.33	2.05	0.11	1.72	0.83	3.25	0.00	76.45	0.00	0.03	0.00	0.10	0.08	1.85	0.00	0.24	0.65	1.75	0.01	0.79	3.85
	8	0.07	6.03	0.08	2.17	0.03	0.50	3.34	0.12	3.01	0.89	2.95	0.00	66.59	0.00	0.03	0.00	0.17	0.07	2.83	0.00	0.23	0.91	2.58	0.01	1.29	6.10
	12	0.10	6.56	0.09	2.32	0.03	0.54	3.97	0.15	3.77	0.88	2.87	0.00	62.40	0.00	0.03	0.00	0.19	0.07	3.31	0.00	0.22	1.03	2.76	0.01	1.52	7.18
	16	0.13	6.78	0.10	2.32	0.04	0.56	4.22	0.18	4.28	0.85	2.86	0.00	60.51	0.00	0.03	0.00	0.20	0.07	3.53	0.00	0.21	1.10	2.77	0.01	1.60	7.67
	20	0.15	6.90	0.10	2.30	0.04	0.56	4.28	0.21	4.63	0.84	2.87	0.00	59.62	0.00	0.03	0.00	0.20	0.06	3.62	0.00	0.21	1.14	2.75	0.01	1.61	7.86
	∞	0.19	8.87	0.10	2.20	0.04	0.55	4.38	0.23	6.79	0.81	2.81	0.00	55.92	0.00	0.03	0.00	0.19	0.06	3.47	0.00	0.20	1.39	2.62	0.01	1.59	7.55

	Prior distribution	Prior mean	Prior s.d.	Posterior mode	s.d.
ρ_A	beta	0.850	0.1000	0.9139	0.0387
ρ_A^*	beta	0.850	0.1000	0.9789	0.0063
ρ_B	beta	0.850	0.1000	0.4606	0.0727
ρ_B^*	beta	0.850	0.1000	0.8382	0.0414
ρ_G	beta	0.850	0.1000	0.8402	0.0504
ρ_G^*	beta	0.850	0.1000	0.8908	0.0296
ρ_L	beta	0.850	0.1000	0.9213	0.0294
ρ_L^*	beta	0.850	0.1000	0.9831	0.0126
ρ_I	beta	0.850	0.1000	0.7380	0.0531
ρ_I^*	beta	0.850	0.1000	0.8801	0.0476
φ	norm	4.000	0.5000	4.5658	0.4421
φ^*	norm	4.000	0.5000	5.3597	0.4298
σ_C	norm	1.000	0.3750	1.3420	0.2045
σ_C^*	norm	1.000	0.3750	1.7589	0.2486
h	beta	0.700	0.1000	0.7440	0.0459
h^*	beta	0.700	0.1000	0.5064	0.0675
α_W	beta	0.750	0.0500	0.7474	0.0372
α_W^*	beta	0.750	0.0500	0.6081	0.0353
σ_L	norm	2.000	0.7500	2.8002	0.6286
σ_L^*	norm	2.000	0.7500	3.2787	0.5454
α_H	beta	0.750	0.0500	0.8976	0.0140
α_F^*	beta	0.750	0.0500	0.9230	0.0095
λ_E	beta	0.750	0.0500	0.7659	0.0276
γ_W	beta	0.500	0.1500	0.3321	0.1212
γ_W^*	beta	0.500	0.1500	0.3294	0.1240
γ_H	beta	0.500	0.1500	0.4963	0.0713
γ_F^*	beta	0.500	0.1500	0.2620	0.0741
ϕ	gamm	0.200	0.1000	0.2428	0.1107
ϕ^*	gamm	0.200	0.1000	0.3486	0.1277
ω	norm	1.300	0.1000	1.4191	0.0692
ω^*	norm	1.300	0.1000	1.2498	0.0961
r_π	norm	1.500	0.1000	1.4930	0.0981
r_π^*	norm	1.500	0.1000	1.4748	0.0977
$r_{\Delta\pi}$	gamm	0.300	0.1000	0.2775	0.0625
$r_{\Delta\pi}^*$	gamm	0.300	0.1000	0.2080	0.0417
ρ	beta	0.750	0.1000	0.8478	0.0232
ρ^*	beta	0.750	0.1000	0.8518	0.0249
r_y	gamm	0.125	0.0500	0.0656	0.0268
r_y^*	gamm	0.125	0.0500	0.0335	0.0143
$r_{\Delta y}$	gamm	0.063	0.0500	0.2440	0.0353
$r_{\Delta y}^*$	gamm	0.063	0.0500	0.2268	0.0360
ξ	gamm	2.000	0.7500	0.6270	0.0618
ρ_S	beta	0.850	0.1000	0.9496	0.0197
$\rho_{\Delta n}$	beta	0.850	0.1000	0.9486	0.0147
η	norm	0.500	0.3000	0.7644	0.0648
η^*	norm	0.500	0.3000	0.3707	0.0770
χ	gamm	0.005	0.0020	0.0055	0.0020

Table 17: Results from posterior parameters (exogenous openess ratio)

	Prior distribution	Prior mean	Prior s.d.	Posterior mode	s.d.
ϵ^{A}	unif	3.000	1.7321	0.4586	0.0304
$\epsilon^{A,*}$	unif	3.000	1.7321	0.6128	0.0807
ϵ^{B}	unif	3.000	1.7321	1.8491	0.4817
$\epsilon^{B,*}$	unif	3.000	1.7321	0.3562	0.1184
ϵ^{G}	unif	3.000	1.7321	0.5883	0.0373
$\epsilon^{G,*}$	unif	3.000	1.7321	0.4882	0.0310
ϵ^{L}	unif	3.000	1.7321	3.3911	0.7662
$\epsilon^{L,*}$	unif	3.000	1.7321	1.9930	0.3423
ϵ^{I}	unif	3.000	1.7321	0.3151	0.0836
$\epsilon^{I,*}$	unif	3.000	1.7321	0.0556	0.0252
ϵ^{R}	unif	3.000	1.7321	0.2403	0.0217
$\epsilon^{R,*}$	unif	3.000	1.7321	0.1929	0.0197
ϵ^{Q}	unif	3.000	1.7321	0.5852	0.1286
$\epsilon^{Q,*}$	unif	3.000	1.7321	0.5850	0.0514
ϵ^{P}	unif	3.000	1.7321	0.3040	0.0262
$\epsilon^{P,*}$	unif	3.000	1.7321	0.4656	0.0418
ϵ^{W}	unif	3.000	1.7321	0.2806	0.0217
$\epsilon^{W,*}$	unif	3.000	1.7321	0.3031	0.0247
ϵ^{S}	unif	3.000	1.7321	0.2190	0.0606
ϵ^{n}	unif	3.000	1.7321	0.4884	0.0439
ϵ^{CPI}	unif	3.000	1.7321	0.2532	0.0171
$\epsilon^{CPI,*}$	unif	3.000	1.7321	0.3465	0.0222

Table 18: Results from posterior parameters (exogenous openess ratio)

	Prior distribution	Prior mean	Prior s.d.	Posterior mode	s.d.
ρ_A	beta	0.850	0.1000	0.9002	0.0338
ρ_A^*	beta	0.850	0.1000	0.9799	0.0056
ρ_B	beta	0.850	0.1000	0.4758	0.0806
ρ_B^*	beta	0.850	0.1000	0.8393	0.0363
ρ_G	beta	0.850	0.1000	0.9284	0.0411
ρ_G^*	beta	0.850	0.1000	0.9000	0.0284
ρ_L	beta	0.850	0.1000	0.9325	0.0341
ρ_L^*	beta	0.850	0.1000	0.9906	0.0048
ρ_I	beta	0.850	0.1000	0.7343	0.0489
ρ_I^*	beta	0.850	0.1000	0.8296	0.0637
φ	norm	4.000	0.5000	4.5294	0.4404
φ^*	norm	4.000	0.5000	5.3573	0.4260
σ_C	norm	1.000	0.3750	1.3491	0.2240
σ_C^*	norm	1.000	0.3750	2.1146	0.2566
h	beta	0.700	0.1000	0.7264	0.0564
h^*	beta	0.700	0.1000	0.5227	0.0687
α_W	beta	0.750	0.0500	0.7474	0.0396
α_W^*	beta	0.750	0.0500	0.6419	0.0346
σ_L	norm	2.000	0.7500	2.4771	0.6385
σ_L^*	norm	2.000	0.7500	2.8458	0.5565
α_H	beta	0.750	0.0500	0.8695	0.0157
α_F^*	beta	0.750	0.0500	0.9352	0.0077
λ_E	beta	0.750	0.0500	0.8028	0.0219
α_D	beta	0.750	0.0500	0.8386	0.0205
α_D^*	beta	0.750	0.0500	0.8284	0.0230
γ_W	beta	0.500	0.1500	0.4205	0.1378
γ_W^*	beta	0.500	0.1500	0.4046	0.1334
γ_H	beta	0.500	0.1500	0.6887	0.0905
γ_F^*	beta	0.500	0.1500	0.3791	0.1047
γ_D	beta	0.500	0.1500	0.5940	0.0865
γ_D^*	beta	0.500	0.1500	0.6420	0.1056
ϕ	gamm	0.200	0.1000	0.2716	0.1145
ϕ^*	gamm	0.200	0.1000	0.2968	0.1182
ω	norm	1.300	0.1000	1.4480	0.0677
ω^*	norm	1.300	0.1000	1.2698	0.0943
r_π	norm	1.500	0.1000	1.4914	0.0959
r_π^*	norm	1.500	0.1000	1.3957	0.1147
$r_{\Delta\pi}$	gamm	0.300	0.1000	0.2648	0.0609
$r_{\Delta\pi}^*$	gamm	0.300	0.1000	0.1657	0.0362
ρ	beta	0.750	0.1000	0.8554	0.0226
ρ^*	beta	0.750	0.1000	0.9053	0.0224
r_y	gamm	0.125	0.0500	0.0552	0.0227
r_y^*	gamm	0.125	0.0500	0.0396	0.0182
$r_{\Delta y}$	gamm	0.063	0.0500	0.2534	0.0368
$r_{\Delta y}^*$	gamm	0.063	0.0500	0.2695	0.0367
ξ	gamm	2.000	0.7500	0.5844	0.0807
n	beta	0.850	0.0500	0.9718	0.0035
ρ_S	beta	0.850	0.1000	0.9763	0.0180
$\rho_{\Delta n}$	beta	0.850	0.1000	0.9019	0.0184
η	norm	0.500	0.3000	0.7223	0.1479
η^*	norm	0.500	0.3000	0.5371	0.1833
χ	gamm	0.005	0.0020	0.0039	0.0016

Table 19: Results from posterior parameters (Nominal rigidity on CPI)

	Prior distribution	Prior mean	Prior s.d.	Posterior mode	s.d.
ϵ^{A}	unif	2.000	1.1547	0.4565	0.0302
$\epsilon^{A,*}$	unif	2.000	1.1547	0.6264	0.0909
ϵ^{B}	unif	2.000	1.1547	1.7004	0.5516
$\epsilon^{B,*}$	unif	2.000	1.1547	0.4312	0.1357
ϵ^{G}	unif	2.000	1.1547	0.6438	0.0412
$\epsilon^{G,*}$	unif	2.000	1.1547	0.5462	0.0364
ϵ^{L}	unif	2.000	1.1547	2.8708	0.6815
$\epsilon^{L,*}$	unif	2.000	1.1547	2.0139	0.2924
ϵ^{I}	unif	2.000	1.1547	0.3258	0.0804
$\epsilon^{I,*}$	unif	2.000	1.1547	0.0782	0.0402
ϵ^{R}	unif	2.000	1.1547	0.2382	0.0196
$\epsilon^{R,*}$	unif	2.000	1.1547	0.1704	0.0199
ϵ^{Q}	unif	2.000	1.1547	0.5735	0.1227
$\epsilon^{Q,*}$	unif	2.000	1.1547	0.5919	0.0611
ϵ^{P}	unif	2.000	1.1547	0.2969	0.0245
$\epsilon^{P,*}$	unif	2.000	1.1547	0.3782	0.0329
ϵ^{W}	unif	2.000	1.1547	0.2974	0.0240
$\epsilon^{W,*}$	unif	2.000	1.1547	0.3023	0.0249
ϵ^{S}	unif	2.000	1.1547	0.1797	0.0808
ϵ^{n}	unif	2.000	1.1547	0.3700	0.0238
ϵ^{CPI}	unif	2.000	1.1547	0.2106	0.0167
$\epsilon^{CPI,*}$	unif	2.000	1.1547	0.2379	0.0185

Table 20: Results from posterior parameters (Nominal rigidity on CPI)

	Prior distribution	Prior mean	Prior s.d.	Posterior mode	s.d.
ρ_A	beta	0.850	0.1000	0.8981	0.0348
ρ_A^*	beta	0.850	0.1000	0.9806	0.0059
ρ_B	beta	0.850	0.1000	0.4675	0.0768
ρ_B^*	beta	0.850	0.1000	0.8364	0.0416
ρ_G	beta	0.850	0.1000	0.8420	0.0512
ρ_G^*	beta	0.850	0.1000	0.9030	0.0298
ρ_L	beta	0.850	0.1000	0.9135	0.0322
ρ_L^*	beta	0.850	0.1000	0.9906	0.0058
ρ_I	beta	0.850	0.1000	0.7373	0.0509
ρ_I^*	beta	0.850	0.1000	0.8675	0.0550
φ	norm	4.000	0.5000	4.5784	0.4413
φ^*	norm	4.000	0.5000	5.3752	0.4301
σ_C	norm	1.000	0.3750	1.2785	0.2063
σ_C^*	norm	1.000	0.3750	1.9599	0.2654
h	beta	0.700	0.1000	0.7443	0.0491
h^*	beta	0.700	0.1000	0.5473	0.0692
α_W	beta	0.750	0.0500	0.7553	0.0375
α_W^*	beta	0.750	0.0500	0.6209	0.0338
σ_L	norm	2.000	0.7500	2.7429	0.6302
σ_L^*	norm	2.000	0.7500	3.1827	0.5474
α_H	beta	0.750	0.0500	0.8814	0.0148
α_F^*	beta	0.750	0.0500	0.9265	0.0079
λ_E	beta	0.750	0.0500	0.7967	0.0215
γ_W	beta	0.500	0.1500	0.3670	0.1269
γ_W^*	beta	0.500	0.1500	0.3688	0.1295
γ_H	beta	0.500	0.1500	0.6047	0.0773
γ_F^*	beta	0.500	0.1500	0.2563	0.0745
ϕ	gamm	0.200	0.1000	0.2635	0.1132
ϕ^*	gamm	0.200	0.1000	0.3022	0.1299
ω	norm	1.300	0.1000	1.4378	0.0679
ω^*	norm	1.300	0.1000	1.2428	0.0957
r_π	norm	1.500	0.1000	1.4799	0.0974
r_π^*	norm	1.500	0.1000	1.4340	0.1027
$r_{\Delta\pi}$	gamm	0.300	0.1000	0.1837	0.0485
$r_{\Delta\pi}^*$	gamm	0.300	0.1000	0.1847	0.0410
ρ	beta	0.750	0.1000	0.8421	0.0228
ρ^*	beta	0.750	0.1000	0.8756	0.0251
r_y	gamm	0.125	0.0500	0.0537	0.0227
r_y^*	gamm	0.125	0.0500	0.0385	0.0176
$r_{\Delta y}$	gamm	0.063	0.0500	0.2335	0.0358
$r_{\Delta y}^*$	gamm	0.063	0.0500	0.2191	0.0362
ξ	gamm	2.000	0.7500	0.8670	0.1528
n	beta	0.850	0.0500	0.9623	0.0069
ρ_S	beta	0.850	0.1000	0.9584	0.0198
$\rho_{\Delta n}$	beta	0.850	0.1000	0.9100	0.0294
η	norm	0.500	0.3000	0.8694	0.1058
η^*	norm	0.500	0.3000	0.6003	0.1197
χ	gamm	0.005	0.0020	0.0054	0.0021

Table 21: Results from posterior parameters (CPI Taylor rule)

	Prior distribution	Prior mean	Prior s.d.	Posterior mode	s.d.
ϵ^{A}	unif	3.000	1.7321	0.4575	0.0303
$\epsilon^{A,*}$	unif	3.000	1.7321	0.6407	0.0899
ϵ^{B}	unif	3.000	1.7321	1.7558	0.5005
$\epsilon^{B,*}$	unif	3.000	1.7321	0.4468	0.1603
ϵ^{G}	unif	3.000	1.7321	0.5881	0.0373
$\epsilon^{G,*}$	unif	3.000	1.7321	0.4875	0.0309
ϵ^{L}	unif	3.000	1.7321	3.2037	0.7772
$\epsilon^{L,*}$	unif	3.000	1.7321	2.0112	0.2903
ϵ^{I}	unif	3.000	1.7321	0.3137	0.0804
$\epsilon^{I,*}$	unif	3.000	1.7321	0.0619	0.0294
ϵ^{R}	unif	3.000	1.7321	0.2441	0.0210
$\epsilon^{R,*}$	unif	3.000	1.7321	0.1823	0.0198
ϵ^{Q}	unif	3.000	1.7321	0.5911	0.1225
$\epsilon^{Q,*}$	unif	3.000	1.7321	0.5920	0.0547
ϵ^{P}	unif	3.000	1.7321	0.2826	0.0207
$\epsilon^{P,*}$	unif	3.000	1.7321	0.3481	0.0256
ϵ^{W}	unif	3.000	1.7321	0.2916	0.0229
$\epsilon^{W,*}$	unif	3.000	1.7321	0.3126	0.0257
ϵ^{S}	unif	3.000	1.7321	0.2272	0.0751
ϵ^{n}	unif	3.000	1.7321	0.3982	0.0309
ϵ^{CPI}	unif	3.000	1.7321	0.2452	0.0159
$\epsilon^{CPI,*}$	unif	3.000	1.7321	0.3452	0.0219

Table 22: Results from posterior parameters (CPI Taylor rule)

	Prior distribution	Prior mean	Prior s.d.	Posterior mode	s.d.
ρ_A	beta	0.850	0.1000	0.8749	0.0343
ρ_A^*	beta	0.850	0.1000	0.9934	0.0032
ρ_B	beta	0.850	0.1000	0.4534	0.0761
ρ_B^*	beta	0.850	0.1000	0.8784	0.0200
ρ_G	beta	0.850	0.1000	0.8623	0.0485
ρ_G^*	beta	0.850	0.1000	0.9225	0.0288
ρ_L	beta	0.850	0.1000	0.9811	0.0063
ρ_L^*	beta	0.850	0.1000	0.9716	0.0136
ρ_I	beta	0.850	0.1000	0.6708	0.0619
ρ_I^*	beta	0.850	0.1000	0.9122	0.0121
φ	norm	4.000	0.5000	4.6536	0.4561
φ^*	norm	4.000	0.5000	5.3463	0.4219
σ_C	norm	1.000	0.3750	0.5800	0.0537
σ_C^*	norm	1.000	0.3750	1.9037	0.2280
h	beta	0.700	0.1000	0.8949	0.0144
h^*	beta	0.700	0.1000	0.5565	0.0519
α_W	beta	0.750	0.0500	0.7293	0.0357
α_W^*	beta	0.750	0.0500	0.6336	0.0379
σ_L	norm	2.000	0.7500	1.4903	0.3429
σ_L^*	norm	2.000	0.7500	3.6187	0.5604
α_H	beta	0.750	0.0500	0.8967	0.0136
α_F^*	beta	0.750	0.0500	0.9220	0.0083
λ_E	beta	0.750	0.0500	0.7634	0.0285
γ_W	beta	0.500	0.1500	0.2785	0.1104
γ_W^*	beta	0.500	0.1500	0.3824	0.1269
γ_H	beta	0.500	0.1500	0.5444	0.0782
γ_F^*	beta	0.500	0.1500	0.2117	0.0658
ϕ	gamm	0.200	0.1000	0.1945	0.0704
ϕ^*	gamm	0.200	0.1000	0.1262	0.0403
ω	norm	1.300	0.1000	1.4806	0.0647
ω^*	norm	1.300	0.1000	1.2503	0.0976
r_π	norm	1.500	0.1000	1.4986	0.0878
r_π^*	norm	1.500	0.1000	1.3369	0.0754
$r_{\Delta\pi}$	gamm	0.300	0.1000	0.2143	0.0513
$r_{\Delta\pi}^*$	gamm	0.300	0.1000	0.2636	0.0370
ρ	beta	0.750	0.1000	0.7407	0.0284
ρ^*	beta	0.750	0.1000	0.7240	0.0286
r_c	gamm	0.125	0.0500	0.0327	0.0128
r_c^*	gamm	0.125	0.0500	0.0337	0.0064
$r_{\Delta c}$	gamm	0.063	0.0500	0.2028	0.0335
$r_{\Delta c}^*$	gamm	0.063	0.0500	0.1301	0.0232
ξ	gamm	2.000	0.7500	1.2862	0.2976
n	beta	0.850	0.0500	0.9619	0.0064
ρ_S	beta	0.850	0.1000	0.9551	0.0191
$\rho_{\Delta n}$	beta	0.850	0.1000	0.9554	0.0182
η	norm	0.500	0.3000	0.8397	0.1111
η^*	norm	0.500	0.3000	0.5743	0.1227
χ	gamm	0.005	0.0020	0.0066	0.0023

Table 23: Results from posterior parameters (CPI, conso gap Taylor rule)

	Prior distribution	Prior mean	Prior s.d.	Posterior mode	s.d.
ϵ^{A}	unif	3.000	1.7321	0.4574	0.0295
$\epsilon^{A,*}$	unif	3.000	1.7321	0.5868	0.0824
ϵ^{B}	unif	3.000	1.7321	2.1724	0.5182
$\epsilon^{B,*}$	unif	3.000	1.7321	0.3153	0.0723
ϵ^{G}	unif	3.000	1.7321	0.5892	0.0374
$\epsilon^{G,*}$	unif	3.000	1.7321	0.4871	0.0308
ϵ^{L}	unif	3.000	1.7321	1.2569	0.2524
$\epsilon^{L,*}$	unif	3.000	1.7321	2.3126	0.4028
ϵ^{I}	unif	3.000	1.7321	0.4824	0.1068
$\epsilon^{I,*}$	unif	3.000	1.7321	0.1392	0.0230
ϵ^{R}	unif	3.000	1.7321	0.2454	0.0172
$\epsilon^{R,*}$	unif	3.000	1.7321	0.1515	0.0145
ϵ^{Q}	unif	3.000	1.7321	0.3798	0.1910
$\epsilon^{Q,*}$	unif	3.000	1.7321	0.5846	0.0475
ϵ^{P}	unif	3.000	1.7321	0.2712	0.0205
$\epsilon^{P,*}$	unif	3.000	1.7321	0.3298	0.0236
ϵ^{W}	unif	3.000	1.7321	0.2900	0.0228
$\epsilon^{W,*}$	unif	3.000	1.7321	0.3279	0.0261
ϵ^{S}	unif	3.000	1.7321	0.2331	0.0692
ϵ^{n}	unif	3.000	1.7321	0.4620	0.0545
ϵ^{CPI}	unif	3.000	1.7321	0.2434	0.0157
$\epsilon^{CPI,*}$	unif	3.000	1.7321	0.3450	0.0219

Table 24: Results from posterior parameters (CPI, conso gap Taylor rule)

	Prior distribution	Prior mean	Prior s.d.	Posterior mode	s.d.
$\rho_S A$	unif	0.000	1.7321	-0.1360	0.0634
$\rho_S B$	unif	0.000	1.7321	0.5541	0.3091
$\rho_S G$	unif	0.000	1.7321	0.3578	0.0912
$\rho_S L$	unif	0.000	1.7321	1.4281	0.7831
$\rho_S n$	unif	0.000	1.7321	-0.5059	0.0905
$\rho_S G^*$	unif	0.000	1.7321	-0.4930	0.0920
$\rho_S L^*$	unif	0.000	1.7321	-0.5254	0.3046
ρ_A	beta	0.850	0.1000	0.8889	0.0355
ρ^*_A	beta	0.850	0.1000	0.9891	0.0061
ρ_B	beta	0.850	0.1000	0.3981	0.0732
ρ^*_B	beta	0.850	0.1000	0.7315	0.0509
ρ_G	beta	0.850	0.1000	0.8495	0.0500
ρ^*_G	beta	0.850	0.1000	0.8851	0.0277
ρ_L	beta	0.850	0.1000	0.9428	0.0475
ρ^*_L	beta	0.850	0.1000	0.9979	0.0000
ρ_I	beta	0.850	0.1000	0.7141	0.0519
ρ^*_I	beta	0.850	0.1000	0.8291	0.0667
φ	norm	4.000	0.5000	4.3266	0.4577
φ^*	norm	4.000	0.5000	5.1024	0.4339
σ_C	norm	1.000	0.3750	1.1271	0.2231
σ^*_C	norm	1.000	0.3750	1.2059	0.3050
h	beta	0.700	0.1000	0.7649	0.0460
h^*	beta	0.700	0.1000	0.6483	0.0676
α_W	beta	0.750	0.0500	0.7751	0.0373
α^*_W	beta	0.750	0.0500	0.8994	0.0202
σ_L	norm	2.000	0.7500	3.0448	0.5927
σ^*_L	norm	2.000	0.7500	3.5528	0.5473
α_H	beta	0.750	0.0500	0.8816	0.0151
α^*_F	beta	0.750	0.0500	0.9336	0.0083
λ_E	beta	0.750	0.0500	0.7504	0.0406
γ_W	beta	0.500	0.1500	0.3797	0.1286
γ^*_W	beta	0.500	0.1500	0.5969	0.1116
γ_H	beta	0.500	0.1500	0.6230	0.0791
γ^*_F	beta	0.500	0.1500	0.3751	0.0766
ϕ	gamm	0.200	0.1000	0.2226	0.1159
ϕ^*	gamm	0.200	0.1000	0.2369	0.1013
ω	norm	1.300	0.1000	1.4547	0.0695
ω^*	norm	1.300	0.1000	1.3035	0.0920
r_π	norm	1.500	0.1000	1.5056	0.0960
r^*_π	norm	1.500	0.1000	1.4775	0.0976
$r_{\Delta\pi}$	gamm	0.300	0.1000	0.2626	0.0624
$r^*_{\Delta\pi}$	gamm	0.300	0.1000	0.1347	0.0357
ρ	beta	0.750	0.1000	0.8540	0.0230
ρ^*	beta	0.750	0.1000	0.8848	0.0342
r_y	gamm	0.125	0.0500	0.0435	0.0191
r^*_y	gamm	0.125	0.0500	0.2024	0.0522
$r_{\Delta y}$	gamm	0.063	0.0500	0.2622	0.0389
$r^*_{\Delta y}$	gamm	0.063	0.0500	0.3635	0.0482
ξ	gamm	2.000	0.7500	1.2881	0.2190
n	beta	0.850	0.0500	0.9708	0.0079
ρ_S	beta	0.850	0.1000	0.9040	0.0238
$\rho_{\Delta n}$	beta	0.850	0.1000	0.9941	0.0044
η	norm	0.500	0.3000	0.9312	0.1364
η^*	norm	0.500	0.3000	0.6121	0.1641
χ	gamm	0.005	0.0020	0.0060	0.0022

Table 25: Results from posterior parameters (UIP correlation)

	Prior distribution	Prior mean	Prior s.d.	Posterior mode	s.d.
ϵ^{A}	unif	3.000	1.7321	0.4481	0.0299
$\epsilon^{A,*}$	unif	3.000	1.7321	0.6285	0.0817
ϵ^{B}	unif	3.000	1.7321	1.8018	0.4600
$\epsilon^{B,*}$	unif	3.000	1.7321	0.6093	0.1561
ϵ^{G}	unif	3.000	1.7321	0.5334	0.0342
$\epsilon^{G,*}$	unif	3.000	1.7321	0.3479	0.0223
ϵ^{L}	unif	3.000	1.7321	2.4970	0.7480
$\epsilon^{L,*}$	unif	3.000	1.7321	1.7816	0.2842
ϵ^{I}	unif	3.000	1.7321	0.3269	0.0908
$\epsilon^{I,*}$	unif	3.000	1.7321	0.0675	0.0364
ϵ^{R}	unif	3.000	1.7321	0.2532	0.0226
$\epsilon^{R,*}$	unif	3.000	1.7321	0.0232	0.2075
ϵ^{Q}	unif	3.000	1.7321	0.5839	0.1286
$\epsilon^{Q,*}$	unif	3.000	1.7321	0.6208	0.0566
ϵ^{P}	unif	3.000	1.7321	0.2839	0.0207
$\epsilon^{P,*}$	unif	3.000	1.7321	0.3713	0.0266
ϵ^{W}	unif	3.000	1.7321	0.3011	0.0230
$\epsilon^{W,*}$	unif	3.000	1.7321	0.3897	0.0269
ϵ^{S}	unif	3.000	1.7321	0.6919	0.1245
ϵ^{n}	unif	3.000	1.7321	0.2570	0.0457
ϵ^{CPI}	unif	3.000	1.7321	0.2438	0.0157
$\epsilon^{CPI,*}$	unif	3.000	1.7321	0.3455	0.0219

Table 26: Results from posterior parameters (UIP correlation)

Model	Marginal density
BVAR$_c$(1)	-1564.4298
BVAR$_c$(2)	-1487.1234
BVAR$_c$(3)	-1514.3160
BVAR$_c$(4)	-1532.5031
Closed economy	-1331.7052
BVAR(1)	-2477.0980
BVAR(2)	-2426.2539
BVAR(3)	-2473.7283
BVAR(4)	-2485.6520
Benchmark	**-1915.8563**
Cross country correlation	-1910.7499
Exogenous openess ratio	-1953.2497
Nominal rigidity on CPI	-1961.3686
CPI Taylor rule	-1921.0169
CPI, conso gap Taylor rule	-1991.5348
UIP correlation	-1913.5939

Table 27: **Model comparison.** Note that the closed model is estimated with less observed variables (as BVAR$_c$(i) for i=1,...4) than the benchmark model.