

Read-Me file for: Florian Huber and Martin Feldkircher: Adaptive shrinkage in Bayesian vector autoregressive models

- The zip file contains the data for the country models (**data.large.cs**) and a set of script files that can be used to estimate variants of the NG-VAR and the competing models described in the paper. Below you find a brief summary of all script files involved:
 - **ng_triangular.R** - This function estimates all NG-VARs (i.e. set shrinktype to shrinktype to "lagwise" "columnwise" "rowwise" or "global"). The function can be used to perform forecasting and impulse response analysis. To turn off SV set SV=FALSE.
 - **competitors_function.R** - Estimates the competing models (i.e. hierarchical Minnesota prior and SSVS prior as in Koop and Korobilis, 2012). See ng_triangular.R.
 - **aux_functions.R** - Contains several helper functions.
 - **data_handling.R** - Transforms the data according to Table A1 and returns a list of length three (small, medium and large dataset as described in the paper).
 - **forecast_run.R & forecast_run_competitors.R** - This script computes the predictive densities for a given point T-80-run+1. This script should be executed on a cluster with run ranging from 1 to 146.
- To obtain impulse responses to a shock of interest simply specify store.draws=TRUE and imps=1. The impulse responses to all shocks in the system are stored in an array IRF_store with dimensions saved draws (1), responses (2), shocks (3), and impulse response horizon (4).

For further questions/comments please contact fhuber@wu.ac.at.