

## 1 SW

### 1.1 Identities

$$C_t = \epsilon_t^b + (1+h)^{-1} \mathbf{E}_t [C_{t+1}] + hC_{t-1} (1+h)^{-1} - \sigma^c (1-h) (1+h)^{-1} (R_t - \mathbf{E}_t [\pi_{t+1}]) \quad (1.1)$$

$$I_t = -\epsilon_t^I + I_{t-1} (1+\beta)^{-1} + \beta (1+\beta)^{-1} \mathbf{E}_t [I_{t+1}] + \varphi^{-1} Q_t (1+\beta)^{-1} \quad (1.2)$$

$$Q_t = -R_t + r^{\text{kbar}} \left(1 + r^{\text{kbar}} - \tau\right)^{-1} \mathbf{E}_t [r_{t+1}^k] + (1-\tau) \left(1 + r^{\text{kbar}} - \tau\right)^{-1} \mathbf{E}_t [Q_{t+1}] + \mathbf{E}_t [\pi_{t+1}] \quad (1.3)$$

$$K_t = \tau I_t + K_{t-1} (1-\tau) \quad (1.4)$$

$$\pi_t = \eta_t^P + \beta (1+\beta\gamma^P)^{-1} \mathbf{E}_t [\pi_{t+1}] + \gamma^P \pi_{t-1} (1+\beta\gamma^P)^{-1} + \xi^P (1-\xi^P) (1+\beta\gamma^P)^{-1} (1-\beta\xi^P) (-\epsilon_t^a + \alpha r_t^k + W_t (1-\alpha)) \quad (1.5)$$

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$$W_t = -\eta_t^w + W_{t-1} (1+\beta)^{-1} + \beta (1+\beta)^{-1} \mathbf{E}_t [\pi_{t+1}] + \beta (1+\beta)^{-1} \mathbf{E}_t [W_{t+1}] + \gamma^w \pi_{t-1} (1+\beta)^{-1} - \pi_t (1+\beta)^{-1} (1+\beta\gamma^w) - \xi^w (1+\beta)^{-1} (1-\xi^w) (1-\beta\xi^w) \left(1 + \lambda^w \sigma^l (1 + \lambda^w)\right)^{-1} \quad (1.6)$$

$$L_t = K_{t-1} - W_t + r_t^k (1+\psi^{-1}) \quad (1.7)$$

$$Y_t = \epsilon_t^G + C_t (1-g^Y - k^Y \tau) + k^Y \tau I_t + k^Y \psi^{-1} r^{\text{kbar}} r_t^k \quad (1.8)$$

$$Y_t = \phi \epsilon_t^a + \alpha \phi K_{t-1} + \phi L_t (1-\alpha) + \alpha \phi \psi r_t^k \quad (1.9)$$

$$R_t = \eta_t^R + r^{\Delta\pi} (-\pi_{t-1} + \pi_t) + r^{\Delta Y} (-Y_{t-1} + Y_{t-1}^P + Y_t - Y_t^P) + \rho R_{t-1} + (1-\rho) (\pi_t^{\text{bar}} + r^\pi (\pi_{t-1} - \pi_t^{\text{bar}}) + r^Y (Y_t - Y_t^P)) \quad (1.10)$$

$$C_t^f = \epsilon_t^b + (1+h)^{-1} \mathbf{E}_t [C_{t+1}^f] + hC_{t-1}^f (1+h)^{-1} - \sigma^c (1-h) (1+h)^{-1} (R_t^f - \mathbf{E}_t [\pi_{t+1}^f]) \quad (1.11)$$

$$I_t^f = -\epsilon_t^I + I_{t-1}^f (1+\beta)^{-1} + \beta (1+\beta)^{-1} \mathbf{E}_t [I_{t+1}^f] + \varphi^{-1} Q_t^f (1+\beta)^{-1} \quad (1.12)$$

$$Q_t^f = -R_t^f + r^{\text{kbar}} \left(1 + r^{\text{kbar}} - \tau\right)^{-1} \mathbf{E}_t [r_{t+1}^k] + (1-\tau) \left(1 + r^{\text{kbar}} - \tau\right)^{-1} \mathbf{E}_t [Q_{t+1}^f] + \mathbf{E}_t [\pi_{t+1}^f] \quad (1.13)$$

$$K_t^f = \tau I_t^f + K_{t-1}^f (1 - \tau) \quad (1.14)$$

$$\pi_t^f = 0 \quad (1.15)$$

$$L_t^f = K_{t-1}^f - w_t^f + r_t^{kf} (1 + \psi^{-1}) \quad (1.16)$$

$$Y_t^P = \epsilon_t^G + C_t^f (1 - g^Y - k^Y \tau) + k^Y \tau I_t^f + k^Y \psi^{-1} r^{k^{\text{bar}}} r_t^{kf} \quad (1.17)$$

$$Y_t^P = \phi \epsilon_t^a + \alpha \phi K_{t-1}^f + \phi L_t^f (1 - \alpha) + \alpha \phi \psi^{-1} r_t^{kf} \quad (1.18)$$

$$w_t^f = -\epsilon_t^L + \sigma^L L_t^f + \sigma^c (1 - h)^{-1} (C_t^f - h C_{t-1}^f) \quad (1.19)$$

$$\epsilon_t^a = \alpha r_t^{kf} + w_t^f (1 - \alpha) \quad (1.20)$$

$$Emp_t = Emp_{t-1} - Emp_t + \xi^{e-1} (1 - \xi^e) (1 - \beta \xi^e) (-Emp_t + L_t) + E_t [Emp_{t+1}] \quad (1.21)$$

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## 2 EXOG

### 2.1 Identities

$$\epsilon_t^a = \eta_t^a + \rho^a \epsilon_{t-1}^a \quad (2.1)$$

$$\epsilon_t^b = \eta_t^b + \rho^b \epsilon_{t-1}^b \quad (2.2)$$

$$\epsilon_t^G = \eta_t^G + \rho^G \epsilon_{t-1}^G \quad (2.3)$$

$$\epsilon_t^I = \eta_t^I + \rho^I \epsilon_{t-1}^I \quad (2.4)$$

$$\epsilon_t^L = \eta_t^L + \rho^L \epsilon_{t-1}^L \quad (2.5)$$

$$\pi_t^{\text{bar}} = \eta_t^\pi + \rho^{\pi^{\text{bar}}} \pi_{t-1}^{\text{bar}} \quad (2.6)$$

### 3 Equilibrium relationships (after reduction)

$$-\pi_t^f = 0 \quad (3.1)$$

$$-\epsilon_t^b + \eta_t^b + \rho^b \epsilon_{t-1}^b = 0 \quad (3.2)$$

$$-\epsilon_t^L + \eta_t^L + \rho^L \epsilon_{t-1}^L = 0 \quad (3.3)$$

$$-\epsilon_t^I + \eta_t^I + \rho^I \epsilon_{t-1}^I = 0 \quad (3.4)$$

$$-\epsilon_t^a + \eta_t^a + \rho^a \epsilon_{t-1}^a = 0 \quad (3.5)$$

$$-\epsilon_t^a + \alpha r_t^{kf} + w_t^f (1 - \alpha) = 0 \quad (3.6)$$

$$-\epsilon_t^G + \eta_t^G + \rho^G \epsilon_{t-1}^G = 0 \quad (3.7)$$

$$\eta_t^\pi - \pi_t^{\text{bar}} + \rho^{\pi^{\text{bar}}} \pi_{t-1}^{\text{bar}} = 0 \quad (3.8)$$

$$-K_t + \tau I_t + K_{t-1} (1 - \tau) = 0 \quad (3.9)$$

$$-K_t^f + \tau I_t^f + K_{t-1}^f (1 - \tau) = 0 \quad (3.10)$$

$$Emp_{t-1} - 2Emp_t + \xi^{e-1} (1 - \xi^e) (1 - \beta \xi^e) (-Emp_t + L_t) + E_t [Emp_{t+1}] = 0 \quad (3.11)$$

$$K_{t-1} - L_t - W_t + r_t^k (1 + \psi^{-1}) = 0 \quad (3.12)$$

$$K_{t-1}^f - w_t^f - L_t^f + r_t^{kf} (1 + \psi^{-1}) = 0 \quad (3.13)$$

$$-\epsilon_t^L - w_t^f + \sigma^1 L_t^f + \sigma^c (1 - h)^{-1} (C_t^f - h C_{t-1}^f) = 0 \quad (3.14)$$

$$\epsilon_t^b - C_t + (1 + h)^{-1} E_t [C_{t+1}] + h C_{t-1} (1 + h)^{-1} - \sigma^{c-1} (1 - h) (1 + h)^{-1} (R_t - E_t [\pi_{t+1}]) = 0 \quad (3.15)$$

$$\epsilon_t^b - C_t^f + (1 + h)^{-1} E_t [C_{t+1}^f] + h C_{t-1}^f (1 + h)^{-1} - \sigma^{c-1} (1 - h) (1 + h)^{-1} (R_t^f - E_t [\pi_{t+1}^f]) = 0 \quad (3.16)$$

$$-\epsilon_t^I - I_t + I_{t-1} (1 + \beta)^{-1} + \beta (1 + \beta)^{-1} \mathbf{E}_t [I_{t+1}] + \varphi^{-1} Q_t (1 + \beta)^{-1} = 0 \quad (3.17)$$

$$-\epsilon_t^I - I_t^f + I_{t-1}^f (1 + \beta)^{-1} + \beta (1 + \beta)^{-1} \mathbf{E}_t [I_{t+1}^f] + \varphi^{-1} Q_t^f (1 + \beta)^{-1} = 0 \quad (3.18)$$

$$\epsilon_t^G - Y_t + C_t (1 - g^Y - k^Y \tau) + k^Y \tau I_t + k^Y \psi^{-1} r^{\text{k}^{\text{bar}}} r_t^{\text{k}} = 0 \quad (3.19)$$

$$\epsilon_t^G - Y_t^{\text{P}} + C_t^f (1 - g^Y - k^Y \tau) + k^Y \tau I_t^f + k^Y \psi^{-1} r^{\text{k}^{\text{bar}}} r_t^{\text{k}^f} = 0 \quad (3.20)$$

$$\eta_t^{\text{P}} - \pi_t + \beta (1 + \beta \gamma^{\text{P}})^{-1} \mathbf{E}_t [\pi_{t+1}] + \gamma^{\text{P}} \pi_{t-1} (1 + \beta \gamma^{\text{P}})^{-1} + \xi^{\text{P}-1} (1 - \xi^{\text{P}}) (1 + \beta \gamma^{\text{P}})^{-1} (1 - \beta \xi^{\text{P}}) (-\epsilon_t^{\text{a}} + \alpha r_t^{\text{k}} + W_t (1 - \alpha)) = 0 \quad (3.21)$$

$$-Q_t - R_t + r^{\text{k}^{\text{bar}}} \left(1 + r^{\text{k}^{\text{bar}}} - \tau\right)^{-1} \mathbf{E}_t [r_{t+1}^{\text{k}}] + (1 - \tau) \left(1 + r^{\text{k}^{\text{bar}}} - \tau\right)^{-1} \mathbf{E}_t [Q_{t+1}] + \mathbf{E}_t [\pi_{t+1}] = 0 \quad (3.22)$$

$$-Q_t^f - R_t^f + r^{\text{k}^{\text{bar}}} \left(1 + r^{\text{k}^{\text{bar}}} - \tau\right)^{-1} \mathbf{E}_t [r_{t+1}^{\text{k}^f}] + (1 - \tau) \left(1 + r^{\text{k}^{\text{bar}}} - \tau\right)^{-1} \mathbf{E}_t [Q_{t+1}^f] + \mathbf{E}_t [\pi_{t+1}^f] = 0 \quad (3.23)$$

$$-Y_t + \phi \epsilon_t^{\text{a}} + \alpha \phi K_{t-1} + \phi L_t (1 - \alpha) + \alpha \phi \psi r_t^{\text{k}} = 0 \quad (3.24)$$

$$-Y_t^{\text{P}} + \phi \epsilon_t^{\text{a}} + \alpha \phi K_{t-1}^f + \phi L_t^f (1 - \alpha) + \alpha \phi \psi^{-1} r_t^{\text{k}^f} = 0 \quad (3.25)$$

$$\eta_t^{\text{R}} - R_t + r^{\Delta \pi} (-\pi_{t-1} + \pi_t) + r^{\Delta Y} (-Y_{t-1} + Y_{t-1}^{\text{P}} + Y_t - Y_t^{\text{P}}) + \rho R_{t-1} + (1 - \rho) (\pi_t^{\text{bar}} + r^{\pi} (\pi_{t-1} - \pi_t^{\text{bar}}) + r^Y (Y_t - Y_t^{\text{P}})) = 0 \quad (3.26)$$

$$-\eta_t^{\text{w}} - W_t + W_{t-1} (1 + \beta)^{-1} + \beta (1 + \beta)^{-1} \mathbf{E}_t [\pi_{t+1}] + \beta (1 + \beta)^{-1} \mathbf{E}_t [W_{t+1}] + \gamma^{\text{w}} \pi_{t-1} (1 + \beta)^{-1} - \pi_t (1 + \beta)^{-1} (1 + \beta \gamma^{\text{w}}) - \xi^{\text{w}-1} (1 + \beta)^{-1} (1 - \xi^{\text{w}}) (1 - \beta \xi^{\text{w}}) \left(1 + \lambda^{\text{w}-1} \sigma^1 (1 + \lambda^{\text{w}})\right)^{-1} \left( \quad (3.27)$$

## 4 Steady state relationships (after reduction)

$$-\pi_{\text{ss}}^f = 0 \quad (4.1)$$

$$-\epsilon_{\text{ss}}^{\text{b}} + \rho^{\text{b}} \epsilon_{\text{ss}}^{\text{b}} = 0 \quad (4.2)$$

$$-\epsilon_{\text{ss}}^{\text{L}} + \rho^{\text{L}} \epsilon_{\text{ss}}^{\text{L}} = 0 \quad (4.3)$$

$$-\epsilon_{ss}^I + \rho^I \epsilon_{ss}^I = 0 \quad (4.4)$$

$$-\epsilon_{ss}^a + \rho^a \epsilon_{ss}^a = 0 \quad (4.5)$$

$$-\epsilon_{ss}^G + \rho^G \epsilon_{ss}^G = 0 \quad (4.6)$$

$$-\pi_{ss}^{\text{bar}} + \rho^\pi \pi_{ss}^{\text{bar}} = 0 \quad (4.7)$$

$$-\epsilon_{ss}^a + \alpha r_{ss}^{\text{kf}} + w_{ss}^f (1 - \alpha) = 0 \quad (4.8)$$

$$-K_{ss} + \tau I_{ss} + K_{ss} (1 - \tau) = 0 \quad (4.9)$$

$$-K_{ss}^f + \tau I_{ss}^f + K_{ss}^f (1 - \tau) = 0 \quad (4.10)$$

$$-R_{ss} + \rho R_{ss} + (1 - \rho) (\pi_{ss}^{\text{bar}} + r^\pi (\pi_{ss} - \pi_{ss}^{\text{bar}}) + r^Y (Y_{ss} - Y_{ss}^P)) = 0 \quad (4.11)$$

$$-\epsilon_{ss}^L - w_{ss}^f + \sigma^l L_{ss}^f + \sigma^c (1 - h)^{-1} (C_{ss}^f - h C_{ss}^f) = 0 \quad (4.12)$$

$$-\pi_{ss} + \beta \pi_{ss} (1 + \beta \gamma^P)^{-1} + \gamma^P \pi_{ss} (1 + \beta \gamma^P)^{-1} + \xi^{P-1} (1 - \xi^P) (1 + \beta \gamma^P)^{-1} (1 - \beta \xi^P) (-\epsilon_{ss}^a + \alpha r_{ss}^{\text{kf}} + W_{ss} (1 - \alpha)) = 0 \quad (4.13)$$

$$-w_{ss}^f + K_{ss}^f - L_{ss}^f + r_{ss}^{\text{kf}} (1 + \psi^{-1}) = 0 \quad (4.14)$$

$$K_{ss} - L_{ss} - W_{ss} + r_{ss}^{\text{k}} (1 + \psi^{-1}) = 0 \quad (4.15)$$

$$\epsilon_{ss}^b - C_{ss} + C_{ss} (1 + h)^{-1} + h C_{ss} (1 + h)^{-1} - \sigma^{c-1} (1 - h) (1 + h)^{-1} (-\pi_{ss} + R_{ss}) = 0 \quad (4.16)$$

$$\epsilon_{ss}^b - C_{ss}^f + C_{ss}^f (1 + h)^{-1} + h C_{ss}^f (1 + h)^{-1} - \sigma^{c-1} (1 - h) (1 + h)^{-1} (-\pi_{ss}^f + R_{ss}^f) = 0 \quad (4.17)$$

$$-\epsilon_{ss}^I - I_{ss} + I_{ss} (1 + \beta)^{-1} + \beta I_{ss} (1 + \beta)^{-1} + \varphi^{-1} Q_{ss} (1 + \beta)^{-1} = 0 \quad (4.18)$$

$$-\epsilon_{ss}^I - I_{ss}^f + I_{ss}^f (1 + \beta)^{-1} + \beta I_{ss}^f (1 + \beta)^{-1} + \varphi^{-1} Q_{ss}^f (1 + \beta)^{-1} = 0 \quad (4.19)$$

$$\epsilon_{ss}^G - Y_{ss} + C_{ss} (1 - g^Y - k^Y \tau) + k^Y \tau I_{ss} + k^Y \psi^{-1} r^{k^{bar}} r_{ss}^k = 0 \quad (4.20)$$

$$\epsilon_{ss}^G - Y_{ss}^P + C_{ss}^f (1 - g^Y - k^Y \tau) + k^Y \tau I_{ss}^f + k^Y \psi^{-1} r^{k^{bar}} r_{ss}^{k^f} = 0 \quad (4.21)$$

$$\pi_{ss} - Q_{ss} - R_{ss} + r^{k^{bar}} r_{ss}^k (1 + r^{k^{bar}} - \tau)^{-1} + Q_{ss} (1 - \tau) (1 + r^{k^{bar}} - \tau)^{-1} = 0 \quad (4.22)$$

$$\pi_{ss}^f - Q_{ss}^f - R_{ss}^f + r^{k^{bar}} r_{ss}^{k^f} (1 + r^{k^{bar}} - \tau)^{-1} + Q_{ss}^f (1 - \tau) (1 + r^{k^{bar}} - \tau)^{-1} = 0 \quad (4.23)$$

$$-Y_{ss} + \phi \epsilon_{ss}^a + \alpha \phi K_{ss} + \phi L_{ss} (1 - \alpha) + \alpha \phi \psi r_{ss}^k = 0 \quad (4.24)$$

$$-Y_{ss}^P + \phi \epsilon_{ss}^a + \alpha \phi K_{ss}^f + \phi L_{ss}^f (1 - \alpha) + \alpha \phi \psi^{-1} r_{ss}^{k^f} = 0 \quad (4.25)$$

$$-W_{ss} + W_{ss} (1 + \beta)^{-1} + \beta \pi_{ss} (1 + \beta)^{-1} + \beta W_{ss} (1 + \beta)^{-1} + \gamma^w \pi_{ss} (1 + \beta)^{-1} - \pi_{ss} (1 + \beta)^{-1} (1 + \beta \gamma^w) - \xi^{w-1} (1 + \beta)^{-1} (1 - \xi^w) (1 - \beta \xi^w) \left(1 + \lambda^{w-1} \sigma^1 (1 + \lambda^w)\right)^{-1} \left(-\epsilon_{ss}^L + W_{ss} - \sigma^1 L_{ss}\right) \quad (4.26)$$

$$\xi^{e-1} (1 - \xi^e) (1 - \beta \xi^e) (-Emp_{ss} + L_{ss}) = 0 \quad (4.27)$$

## 5 Parameter settings

$$\alpha = 0.3 \quad (5.1)$$

$$\beta = 0.99 \quad (5.2)$$

$$g^Y = 0.18 \quad (5.3)$$

$$\gamma^w = 0.763 \quad (5.4)$$

$$\gamma^P = 0.469 \quad (5.5)$$

$$h = 0.573 \quad (5.6)$$

$$k^Y = 8.8 \quad (5.7)$$

$$\lambda^w = 0.5 \tag{5.8}$$

$$\phi = 1.408 \tag{5.9}$$

$$\psi = 0.169 \tag{5.10}$$

$$r^\pi = 1.684 \tag{5.11}$$

$$r^Y = 0.099 \tag{5.12}$$

$$r^{\Delta\pi} = 0.14 \tag{5.13}$$

$$r^{k^{\text{bar}}} = 0.0351 \tag{5.14}$$

$$r^{\Delta Y} = 0.159 \tag{5.15}$$

$$\rho^b = 0.855 \tag{5.16}$$

$$\rho^L = 0.889 \tag{5.17}$$

$$\rho^I = 0.927 \tag{5.18}$$

$$\rho^a = 0.823 \tag{5.19}$$

$$\rho^G = 0.949 \tag{5.20}$$

$$\rho = 0.961 \tag{5.21}$$

$$\rho^{\pi^{\text{bar}}} = 0.924 \tag{5.22}$$

$$\sigma^c = 1.353 \tag{5.23}$$

$$\sigma^1 = 2.4 \tag{5.24}$$

$$\tau = 0.025 \tag{5.25}$$

$$\varphi = 6.771 \tag{5.26}$$

$$\xi^w = 0.737 \tag{5.27}$$

$$\xi^p = 0.908 \tag{5.28}$$

$$\xi^e = 0.5 \tag{5.29}$$



## 6 Posterior distributions

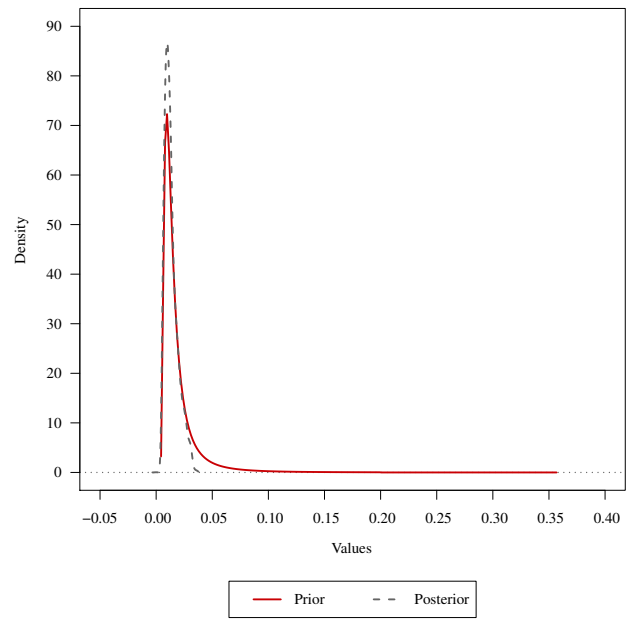
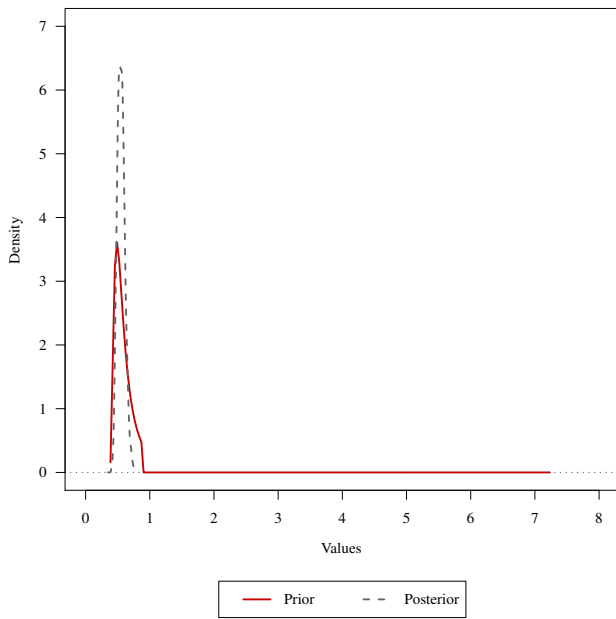


Figure 1: Prior and posterior distributions for:  $sd(\eta^a)$  Figure 2: Prior and posterior distributions for:  $sd(\eta^\pi)$

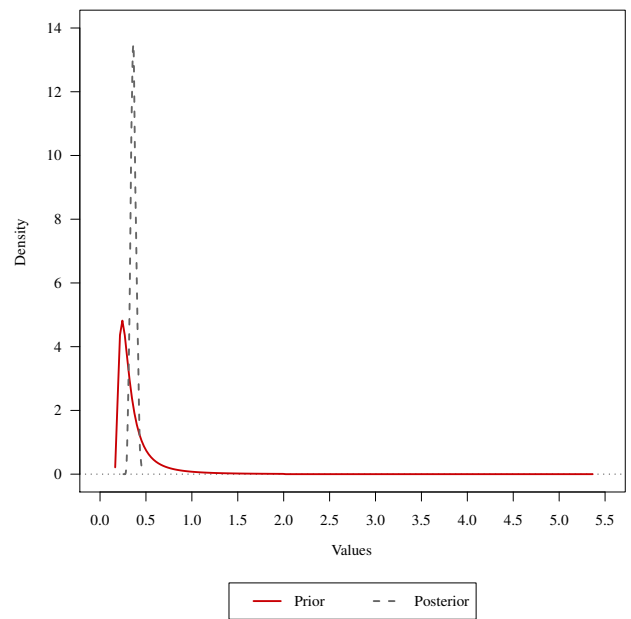
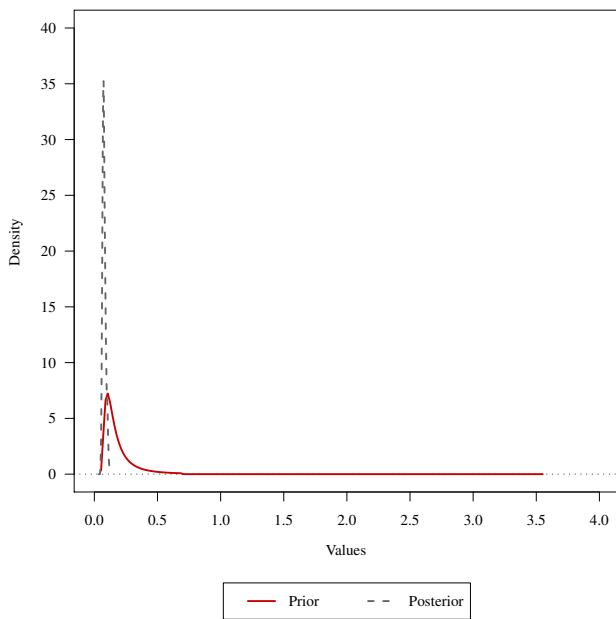


Figure 3: Prior and posterior distributions for:  $sd(\eta^b)$  Figure 4: Prior and posterior distributions for:  $sd(\eta^G)$

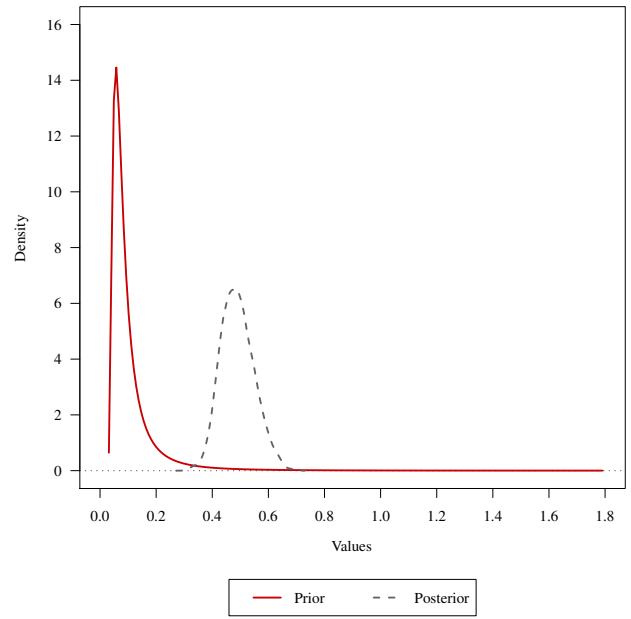
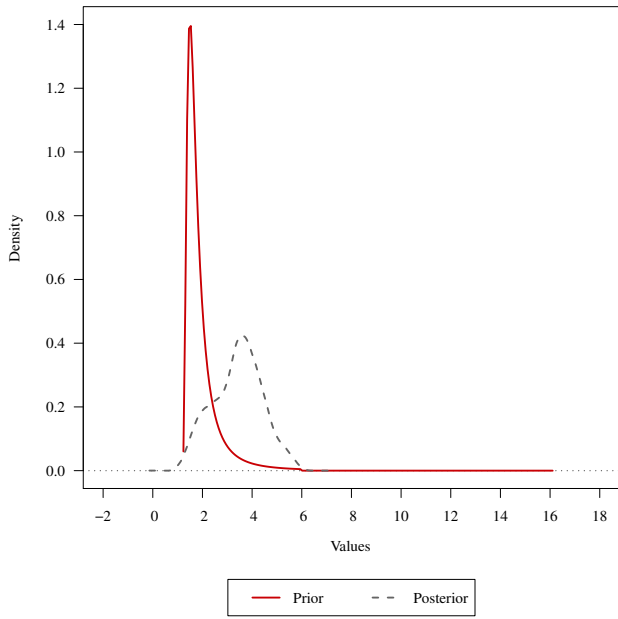


Figure 5: Prior and posterior distributions for:  $sd(\eta^L)$  Figure 6: Prior and posterior distributions for:  $sd(\eta^I)$

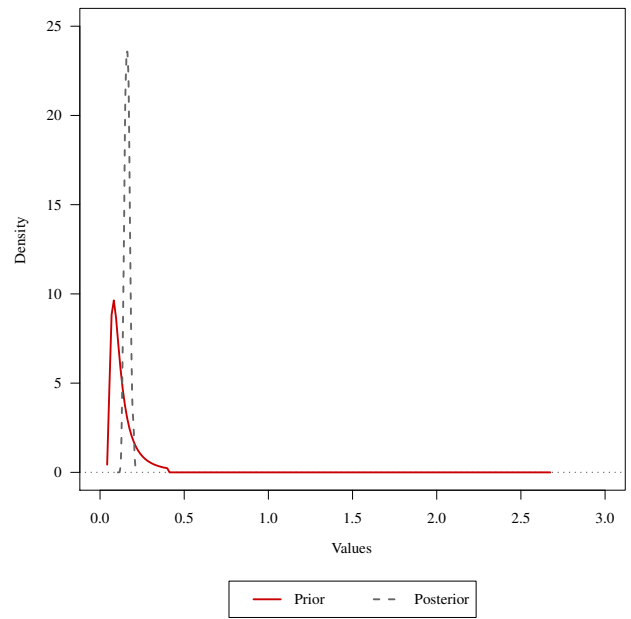
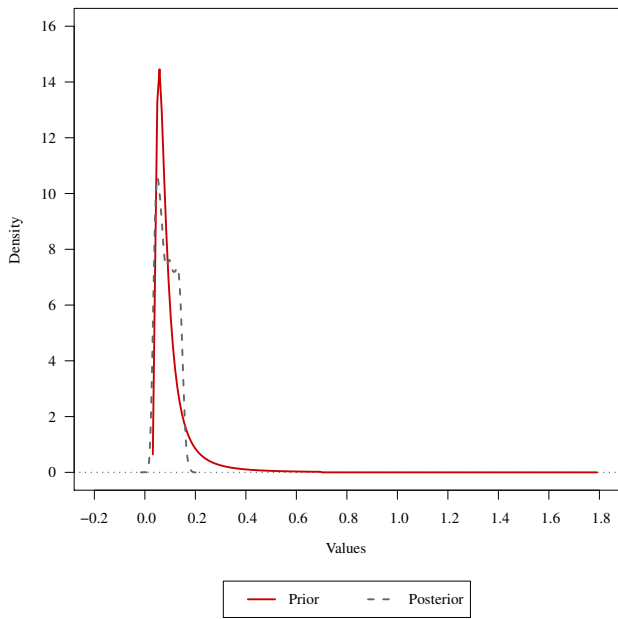


Figure 7: Prior and posterior distributions for:  $sd(\eta^R)$  Figure 8: Prior and posterior distributions for:  $sd(\eta^P)$

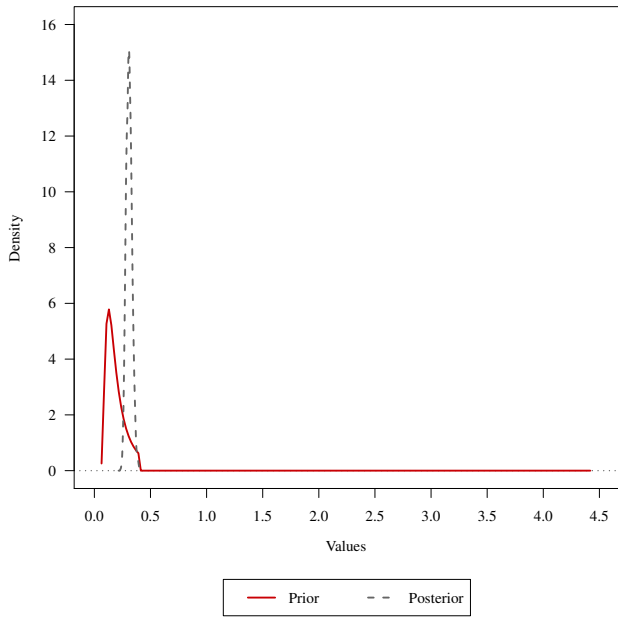


Figure 9: Prior and posterior distributions for:  $sd(\eta^w)$

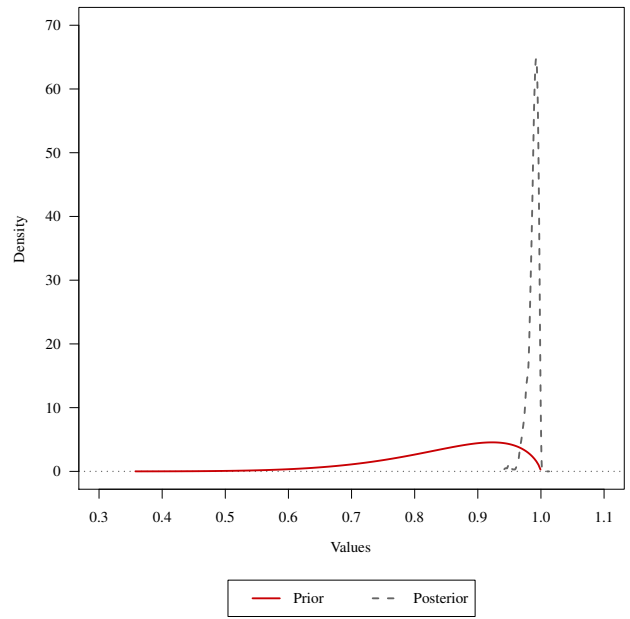


Figure 10: Prior and posterior distributions for:  $\rho^a$

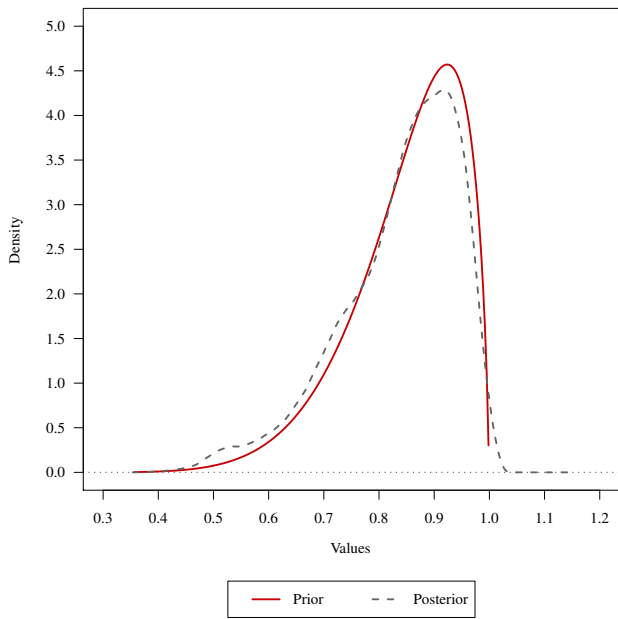


Figure 11: Prior and posterior distributions for:  $\rho^{\pi^{\text{bar}}}$

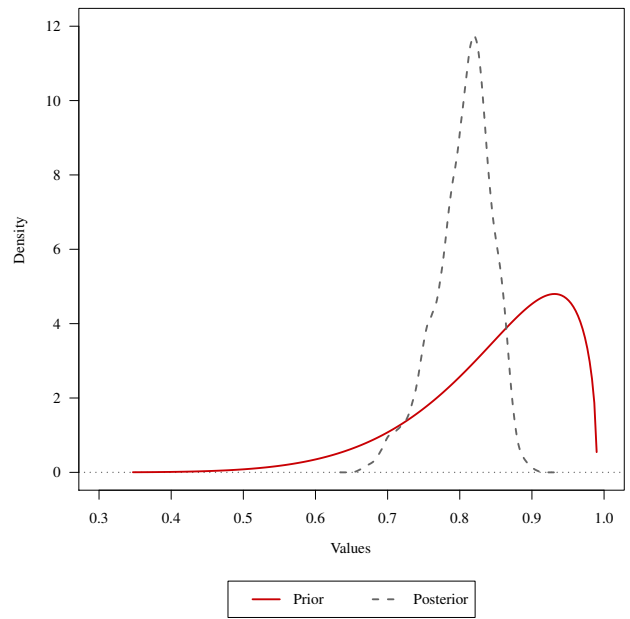


Figure 12: Prior and posterior distributions for:  $\rho^b$

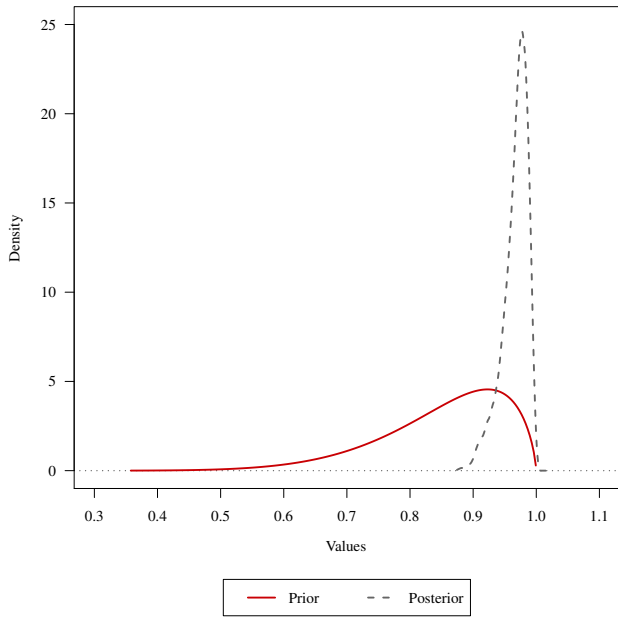


Figure 13: Prior and posterior distributions for:  $\rho^G$

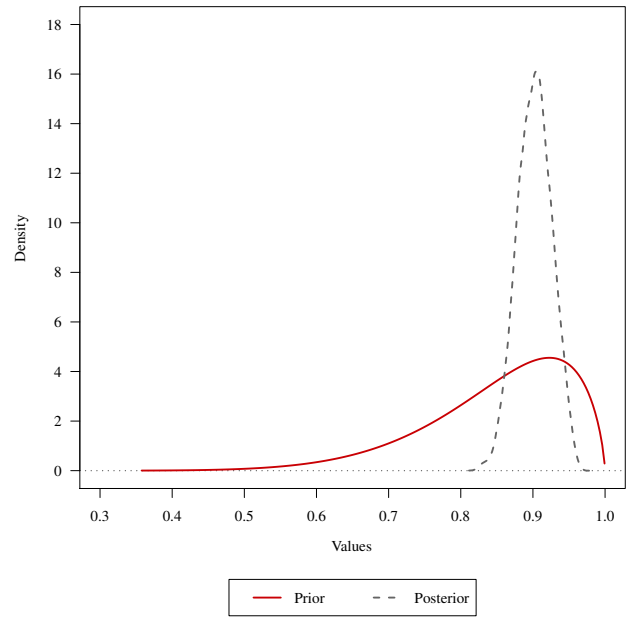


Figure 14: Prior and posterior distributions for:  $\rho^L$

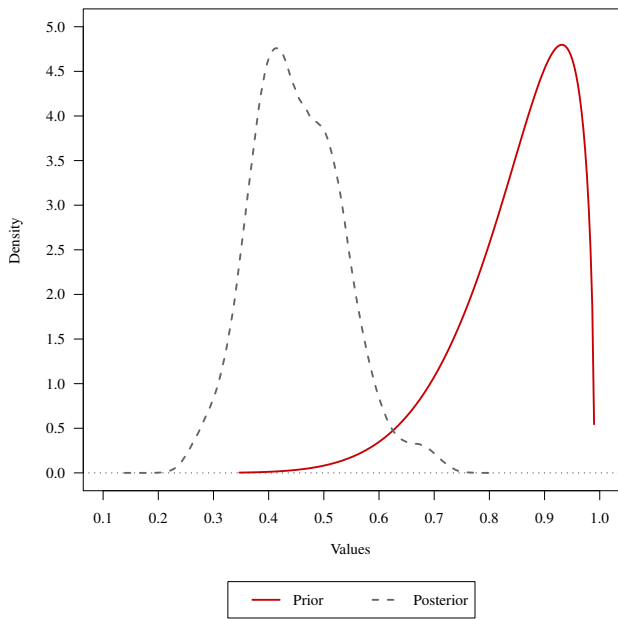


Figure 15: Prior and posterior distributions for:  $\rho^I$

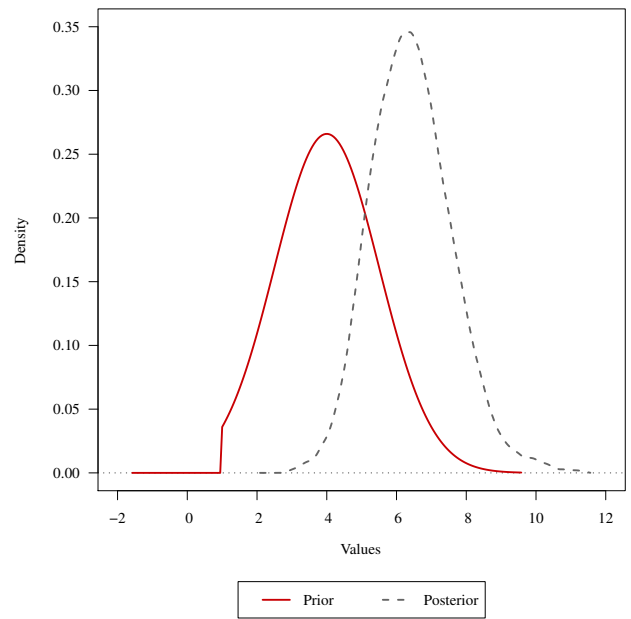


Figure 16: Prior and posterior distributions for:  $\varphi$

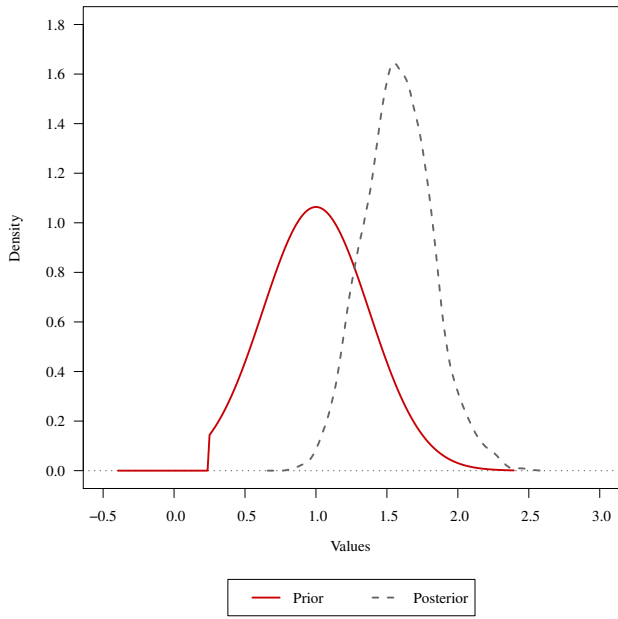


Figure 17: Prior and posterior distributions for:  $\sigma^c$

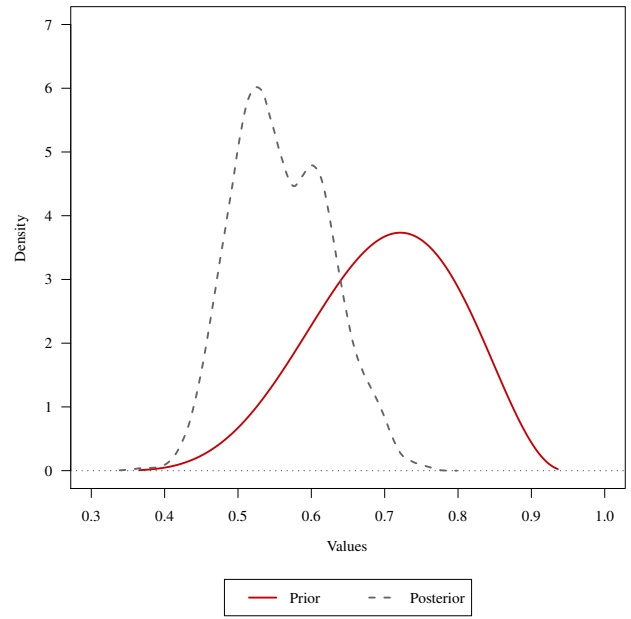


Figure 18: Prior and posterior distributions for:  $h$

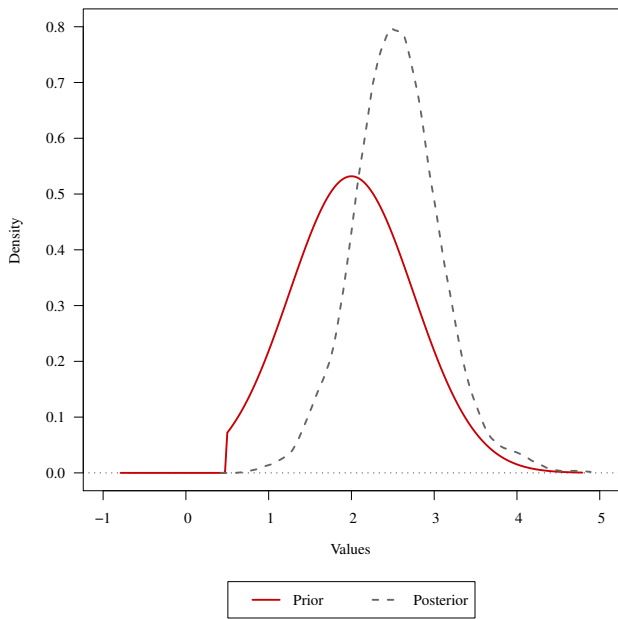


Figure 19: Prior and posterior distributions for:  $\sigma^1$

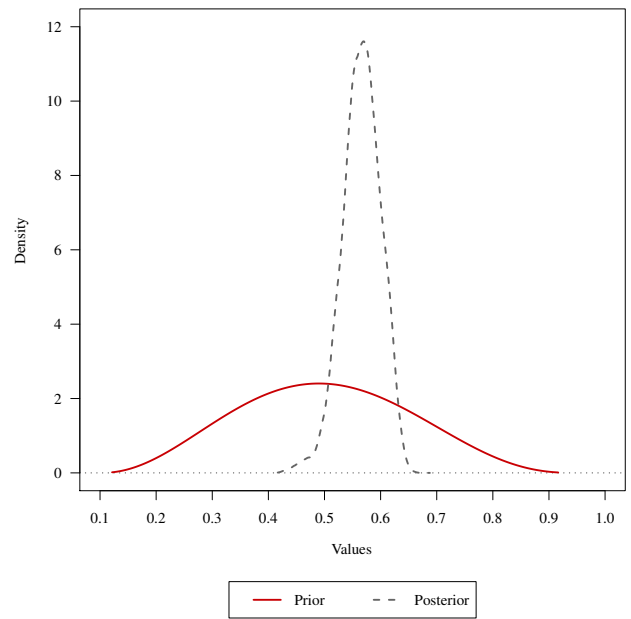


Figure 20: Prior and posterior distributions for:  $\xi^e$

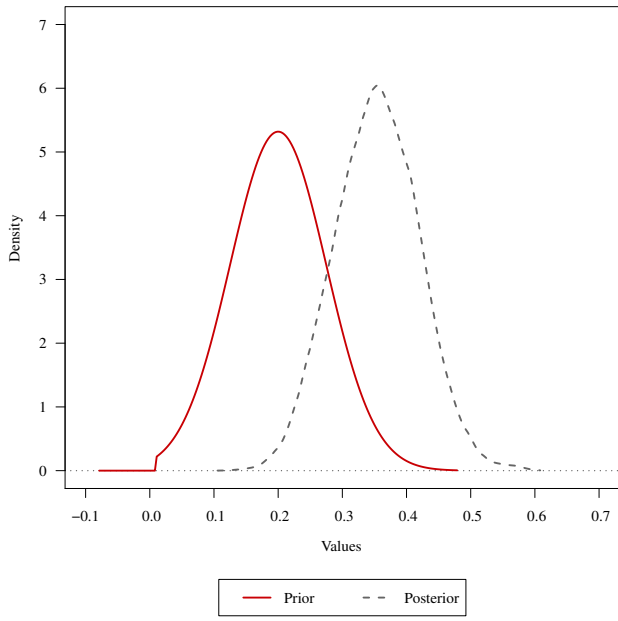


Figure 21: Prior and posterior distributions for:  $\psi$

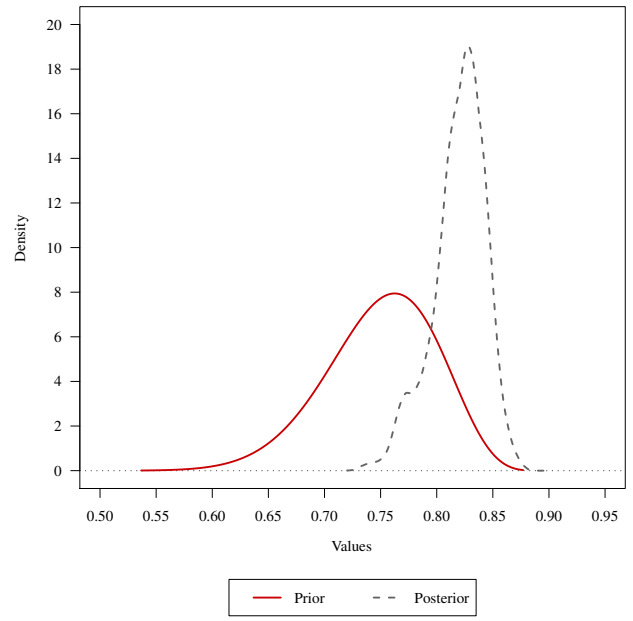


Figure 22: Prior and posterior distributions for:  $\xi^w$

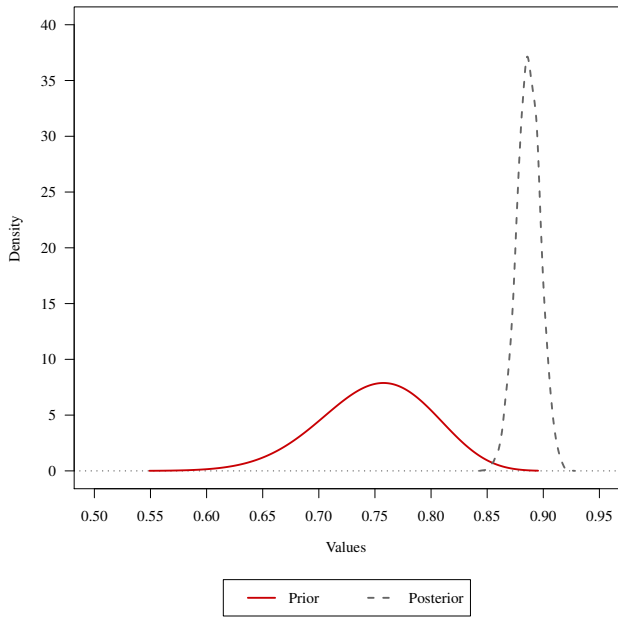


Figure 23: Prior and posterior distributions for:  $\xi^P$

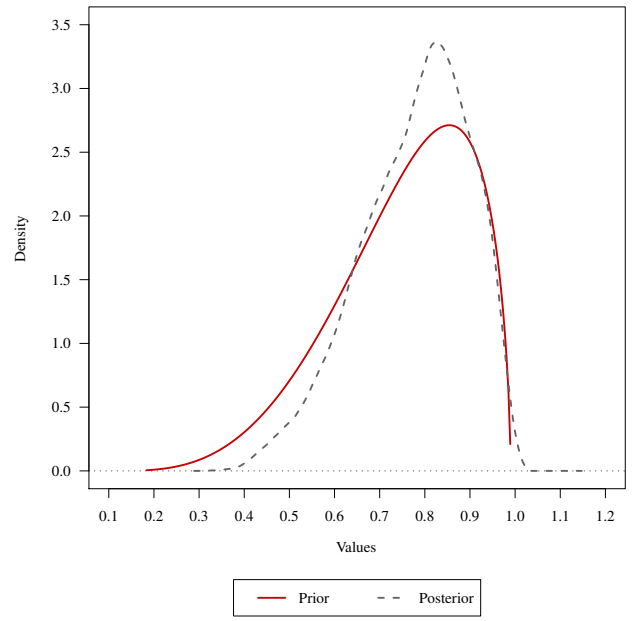


Figure 24: Prior and posterior distributions for:  $\gamma^w$

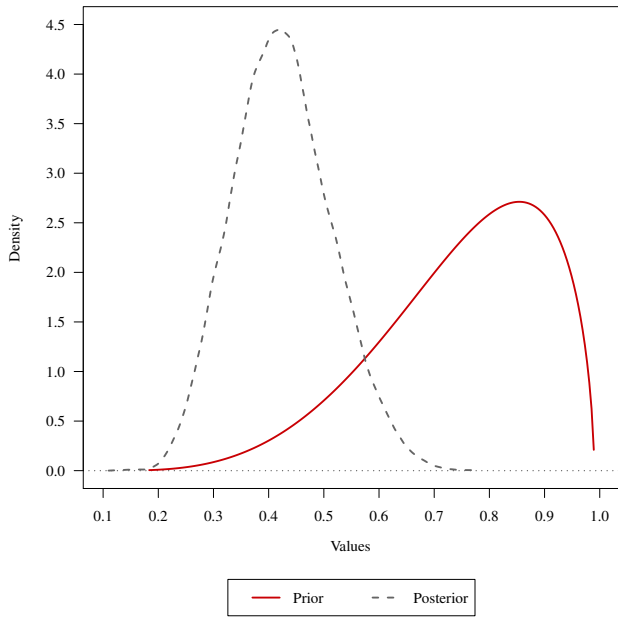


Figure 25: Prior and posterior distributions for:  $\gamma^P$

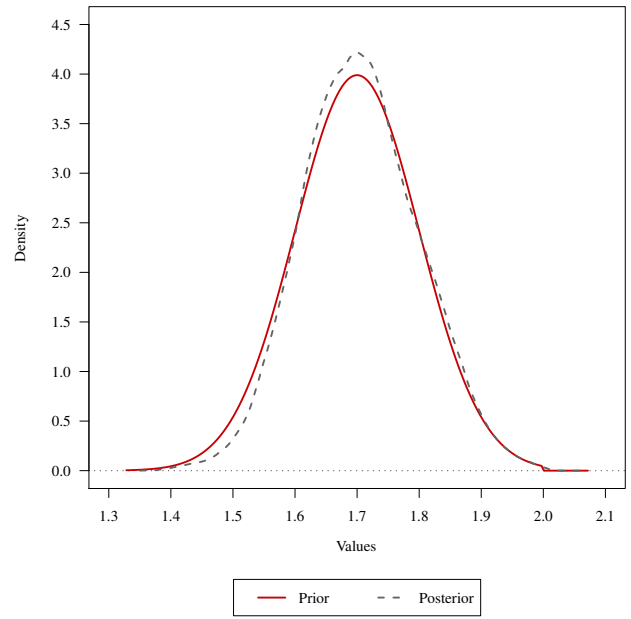


Figure 26: Prior and posterior distributions for:  $r^\pi$

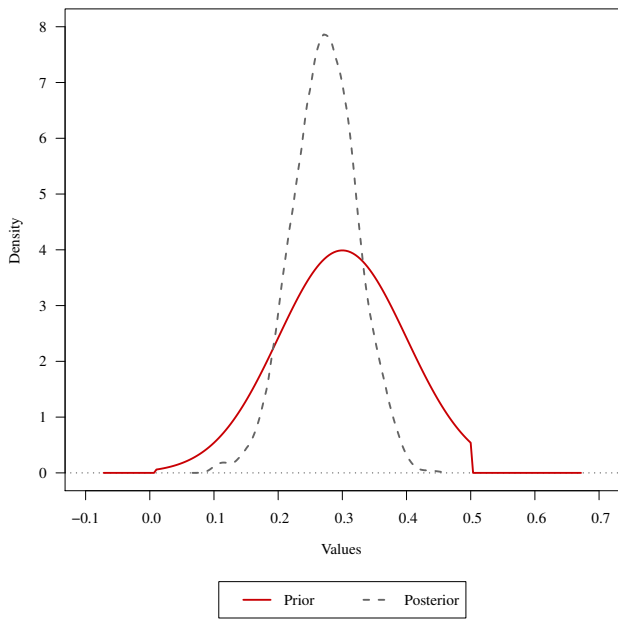


Figure 27: Prior and posterior distributions for:  $r^{\Delta^\pi}$

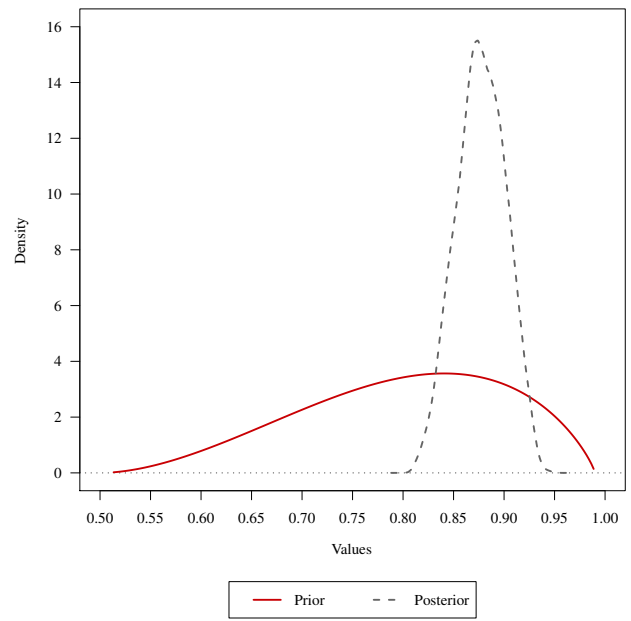


Figure 28: Prior and posterior distributions for:  $\rho$

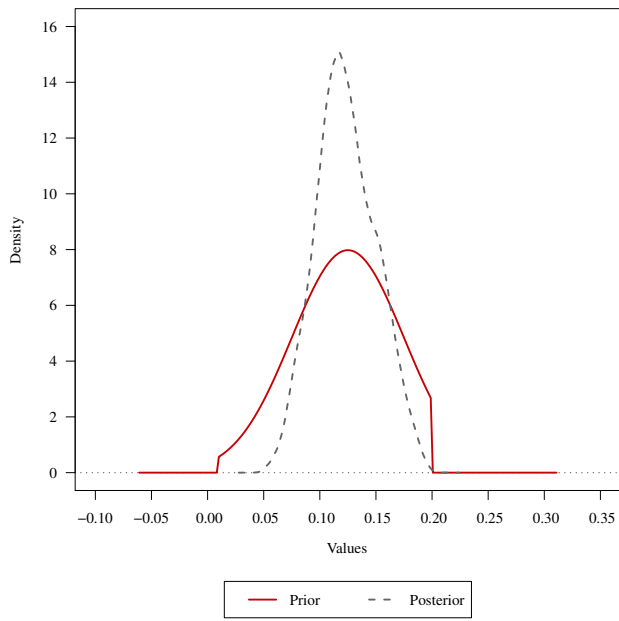


Figure 29: Prior and posterior distributions for:  $r^Y$

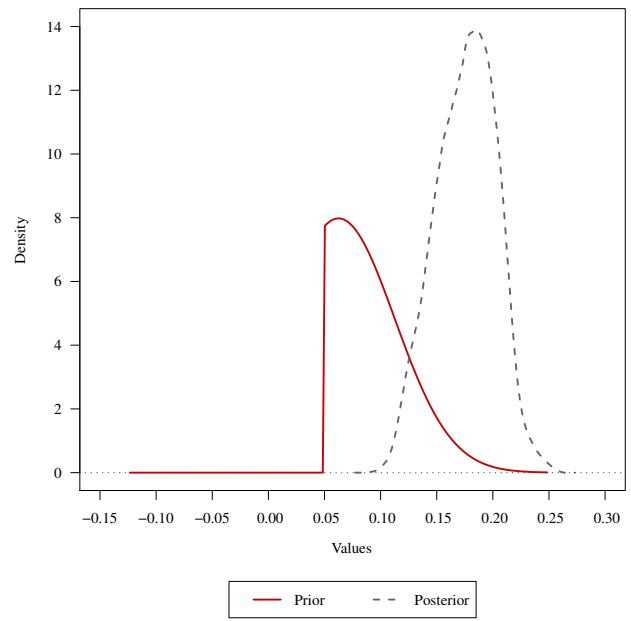


Figure 30: Prior and posterior distributions for:  $r^{\Delta Y}$



## 7 Model forecasts

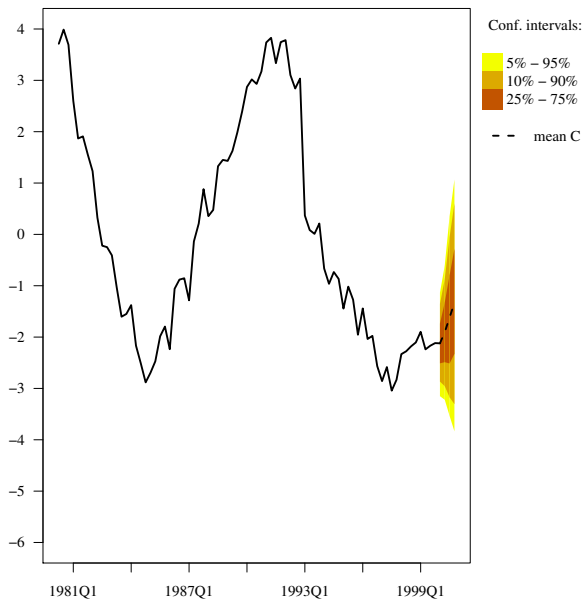


Figure 31: Forecast for:  $C$

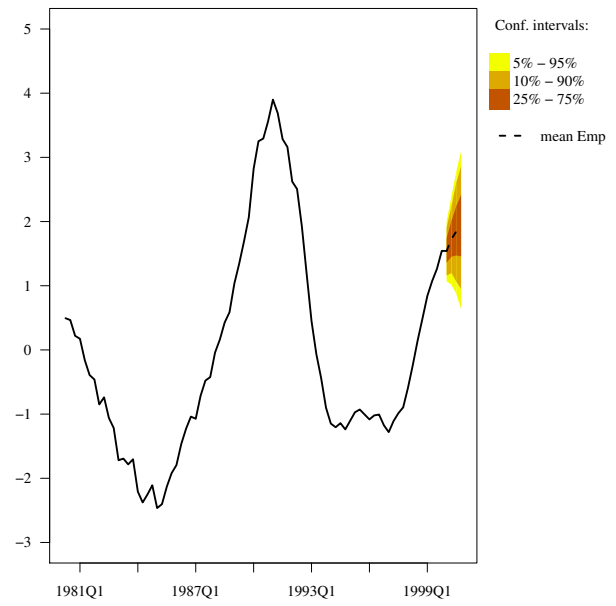


Figure 32: Forecast for:  $Emp$

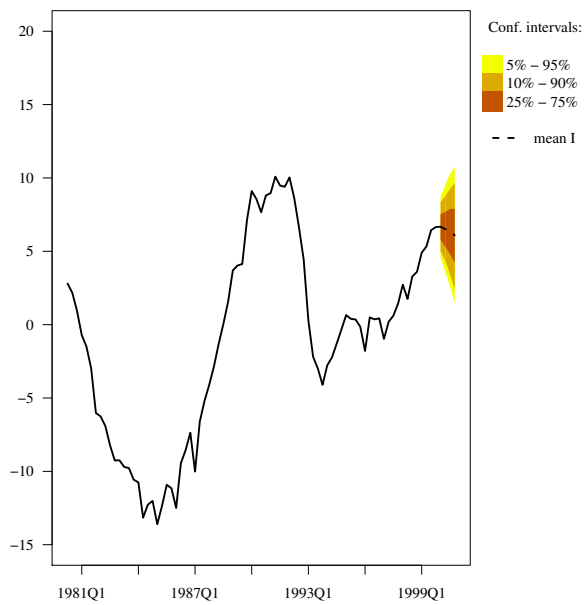


Figure 33: Forecast for:  $I$

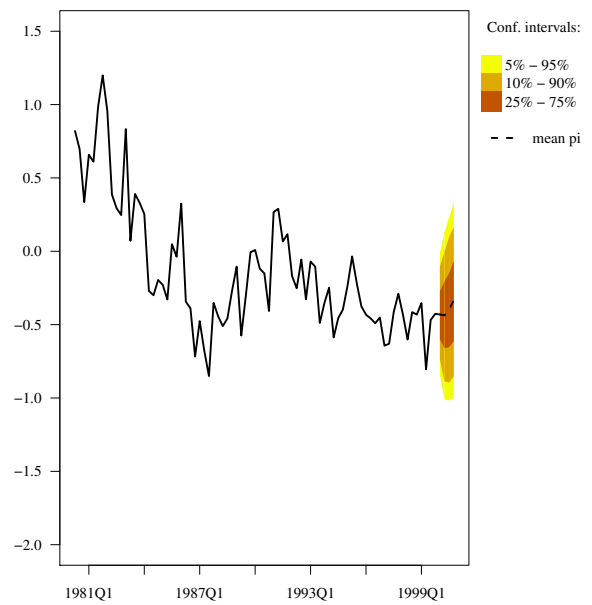


Figure 34: Forecast for:  $\pi$

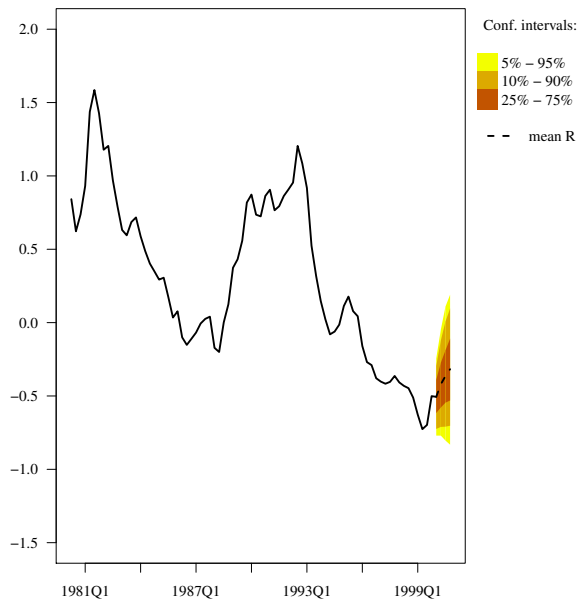


Figure 35: Forecast for:  $R$

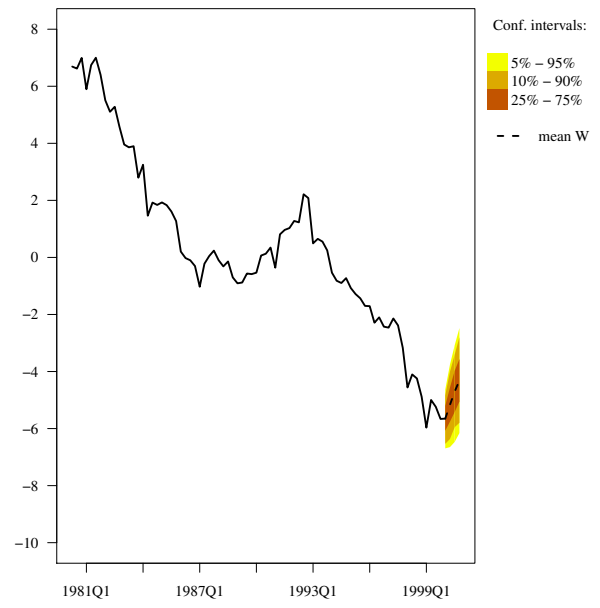


Figure 36: Forecast for:  $W$

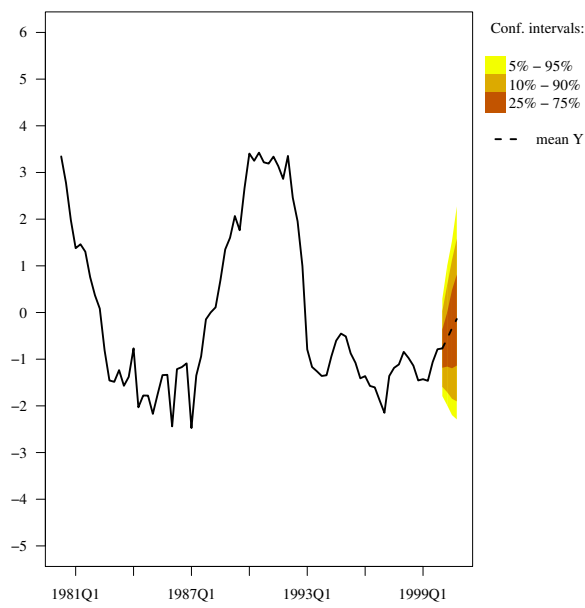


Figure 37: Forecast for:  $Y$

## 8 Shock decompositions

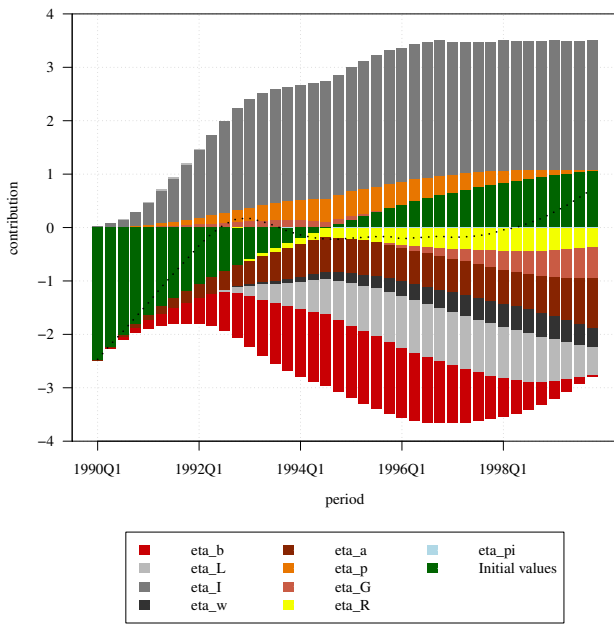


Figure 38: Shock decomposition for:  $K$

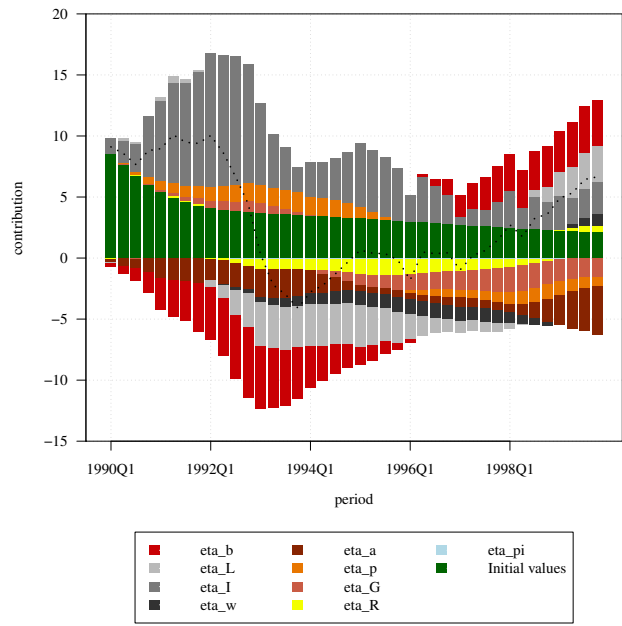


Figure 39: Shock decomposition for:  $I$

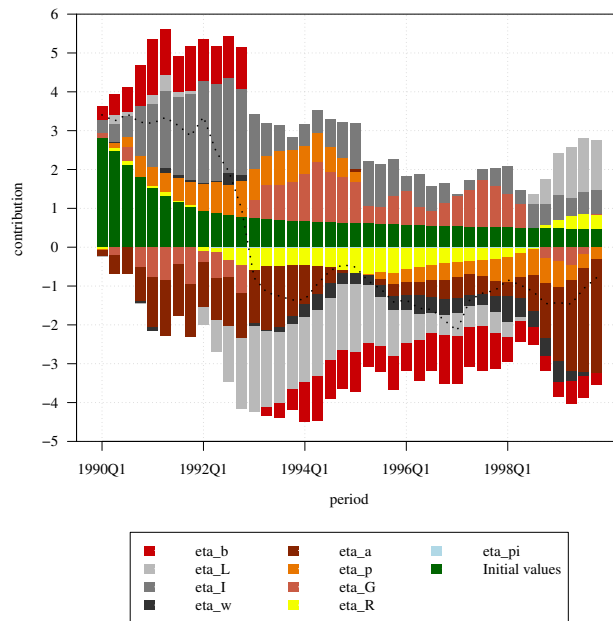


Figure 40: Shock decomposition for:  $Y$