A Model results

Figure A.6: Endogenous Variables at levels

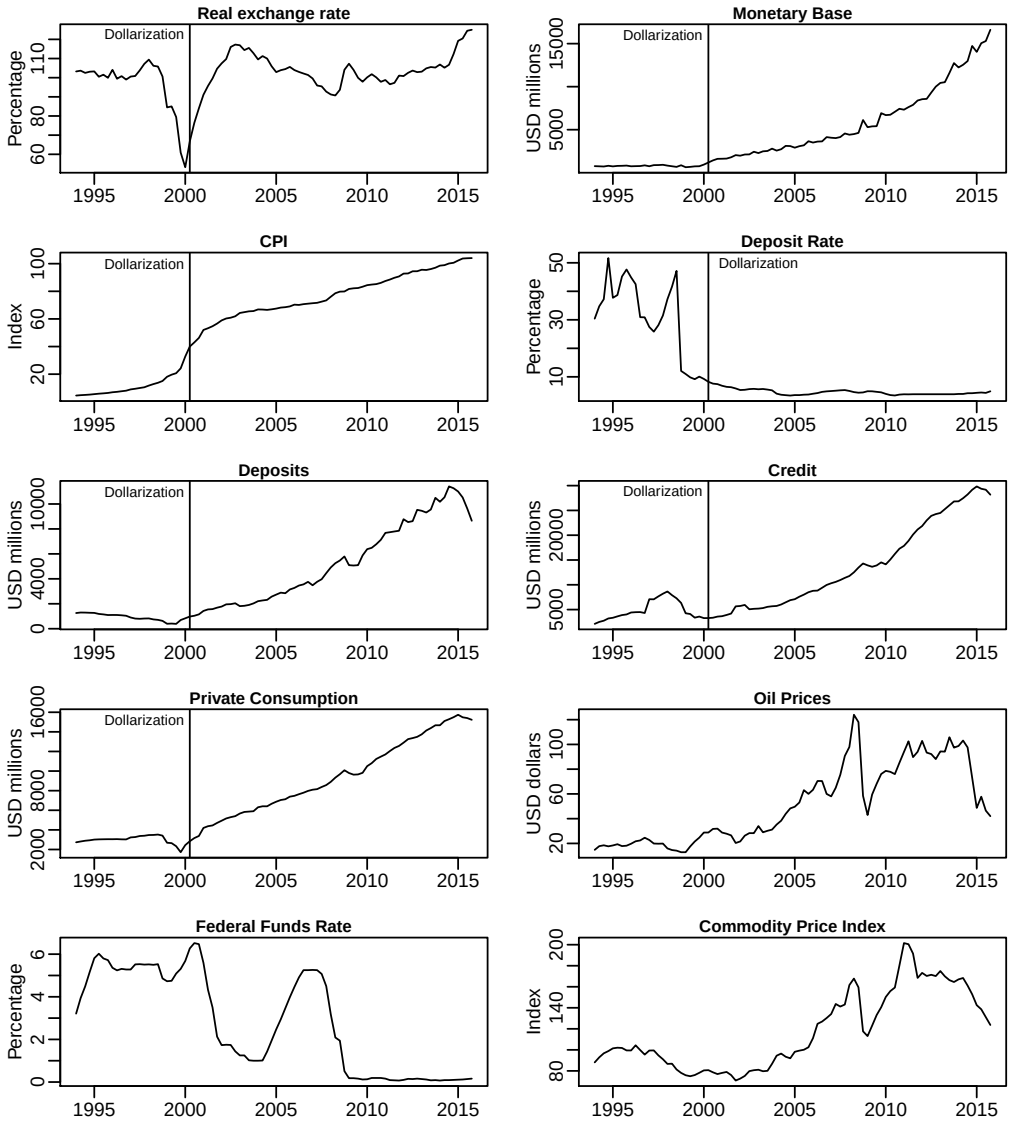

Table A.2: Descriptive Statistics in log differences

Total Sample

	median	mean	SE.mean	CI.mean	var	std.dev	coef.var
Reer	0.43	0.22	0.60	1.19	31.12	5.58	25.36
Monetary Base	3.02	3.54	0.99	1.96	85.00	9.22	2.61
CPI Inflation	1.57	3.61	0.53	1.05	24.41	4.94	1.37
Deposit Rate	0.00	-2.09	1.85	3.68	297.36	17.24	-8.25
Deposits	2.58	2.22	1.13	2.25	111.22	10.55	4.76
Credit	3.30	2.98	1.00	1.98	86.61	9.31	3.13
Consumption	1.95	1.98	0.73	1.45	46.47	6.82	3.45
Oil prices	3.17	1.20	1.62	3.21	227.52	15.08	12.58
Federal Rates	0.00	-3.45	2.71	5.39	638.50	25.27	-7.33
Commodity Prices	0.65	0.39	0.62	1.24	33.90	5.82	14.93

Before Dollarization

	median	mean	SE.mean	CI.mean	var	std.dev	coef.var
Reer	0.16	-1.75	1.73	3.56	74.43	8.63	-4.94
Monetary Base	2.12	1.77	2.53	5.21	159.40	12.63	7.14
CPI Inflation	6.04	8.72	1.25	2.59	39.25	6.27	0.72
Deposit Rate	-0.13	-5.21	6.20	12.79	960.13	30.99	-5.94
Deposits	-2.33	-1.01	3.37	6.96	284.29	16.86	-16.61
Credit	3.30	1.77	3.13	6.47	245.34	15.66	8.86
Consumption	0.72	0.16	2.32	4.78	134.07	11.58	72.78
Oil Prices	1.74	2.66	2.33	4.81	135.86	11.66	4.38
Federal Rates	0.42	2.68	1.43	2.95	51.15	7.15	2.67
Commodity Prices	0.13	-0.35	0.69	1.43	12.04	3.47	-9.93

Dollarization

	median	mean	SE.mean	CI.mean	var	std.dev	coef.var
Reer	0.71	1.01	0.45	0.89	12.37	3.52	3.47
Monetary Base	3.30	4.25	0.94	1.89	55.31	7.44	1.75
CPI Inflation	1.07	1.54	0.25	0.50	3.91	1.98	1.28
Deposit Rate	0.00	-0.83	0.76	1.52	35.86	5.99	-7.20
Deposits	3.94	3.52	0.79	1.58	38.95	6.24	1.77
Credit	3.29	3.46	0.63	1.26	24.75	4.97	1.44
Consumption	2.24	2.71	0.42	0.84	10.86	3.30	1.22
Oil Prices	3.72	0.61	2.07	4.14	266.08	16.31	26.77
Federal Rates	0.00	-5.92	3.72	7.44	858.48	29.30	-4.95
Commodity Prices	1.13	0.69	0.83	1.66	42.74	6.54	9.50

Table A.3: Augmented Dickey Fuller test

Variable	Deterministic terms	Lags	Test value	Critical Values		
				1%	5%	10%
Reer	constant, trend	1	-2.85	-4.04	-3.45	-3.15
△Reer	none	0	-5.92	-2.60	-1.95	-1.61
base	constant, trend	1	1.82	-4.04	-3.45	-3.15
△Base	none	0	-8.96	-2.60	-1.95	-1.61
CPI infl	constant, trend	1	-1.35	-4.04	-3.45	-3.15
△CPI infl	constant	1	-3.90	-3.51	-2.89	-2.58
Deposit Rate	constant, trend	1	-2.13	-4.04	-3.45	-3.15
△Deposit Rate	none	0	-10.21	-2.60	-1.95	-1.61
Deposits	constant, trend	1	-2.15	-4.04	-3.45	-3.15
△Deposits	none	0	-6.12	-2.60	-1.95	-1.61
Credit	constant, trend	2	-1.60	-4.04	-3.45	-3.15
△Credit	constant	1	-3.71	-3.51	-2.89	-2.58
Consumption	constant, trend	1	-2.28	-4.04	-3.45	-3.15
△Consumption	none	2	-2.57	-2.60	-1.95	-1.61
Oil	constant	2	-1.57	-3.51	-2.89	-2.58
△Oil	none	1	-7.82	-2.60	-1.95	-1.61
Fed rate	constant	2	-3.81	-4.04	-3.45	-3.15
△Fed rate	constant	0	-4.15	-3.51	-2.89	-2.58
Commodity Prices	constant	2	-1.24	-3.51	-2.89	-2.58
△Commodity Prices	none	0	-6.07	-2.60	-1.95	-1.61

Table A.4: Lag order selection

Model 1

Lag	LL	LR	df	p	FPE	AIC	HQIC	SBIC
4	-1461.78	202.66	49	0.000	3.9e+09	41.6243	44.281	48.246
5	-1383.85	155.87	49	0.000	2.5e+09	40.9099	44.1477	48.9801
6	-1295.5	176.71*	49	0.000	1.5e+09*	39.9382*	43.7572*	49.4569

Model 2

Lag	LL	LR	df	p	FPE	AIC	HQIC	SBIC
4	-1168.03	143.04	25	0.000	4.9e+07	31.8033	33.2266*	35.3507*
5	-1131.95	72.177	25	0.000	4.0e+07	31.5295	33.2493	35.8159
6	-1096.97	69.962*	25	0.000	3.5e+07*	31.2831*	33.2994	36.3085

Model 1: Reer, Base, CPI, Deposit rate, Deposits, Credit, Consumption.
Model 2: Reer, Base, Deposit rate, Deposits, Consumption

Table A.5: Bivariate Granger Causality test

Variables in log differences

	Lags=3		Lags=6	
Variables	F-statistic	p-value	F-statistic	p-value
Base -> Reer	8.2130327	0.0000824	4.0788045	0.0014930
CPIec -> Reer	5.8466319	0.0011877	3.8974968	0.0021026
Deprate -> Reer	5.0306196	0.0030887	19.6277751	0.0000000
Consumption -> Reer	16.0524523	0.0000000	8.8306798	0.0000004
Reer -> Base	3.6494641	0.0161651	7.2552249	0.0000052
CPIec -> Base	1.7602357	0.1618066	3.3231428	0.0062736
Deprate -> Base	1.7657087	0.1607398	5.3270703	0.0001487
Deposit -> Base	6.2071282	0.0007831	4.3747598	0.0008569
Credit -> Base	2.0202654	0.1180306	6.4988269	0.0000187
Consumption -> Base	1.3120711	0.2765749	6.0120519	0.0000438
Reer -> CPIec	12.9256179	0.0000006	7.9369338	0.0000017
Base -> CPIec	6.6626088	0.0004651	7.9529682	0.0000016
Deposit -> CPIec	11.2955858	0.0000032	12.9014014	0.0000000
Credit -> CPIec	1.6168226	0.1923400	1.3601946	0.2432930
Consumption -> CPIec	12.2550685	0.0000012	13.7715464	0.0000000
Reer -> Deprate	0.6279357	0.5991521	0.2731249	0.9476862
Base -> Deprate	1.4621595	0.2314647	1.4458471	0.2102283
CPIec -> Deprate	1.4242965	0.2421396	1.0941759	0.3748836
Deposit -> Deprate	0.4138195	0.7435469	0.8370200	0.5456580
Credit -> Deprate	2.2674642	0.0873136	1.7453906	0.1237892
Reer -> Deposit	1.4533230	0.2339154	1.7102249	0.1318959
Base -> Deposit	1.8598726	0.1434215	3.3055744	0.0064879
CPIec -> Deposit	2.9464440	0.0380619	1.5315719	0.1811536
Deprate -> Deposit	8.9572711	0.0000368	11.9269259	0.0000000
Credit -> Deposit	2.2083890	0.0938442	2.7198590	0.0199074
Consumption -> Deposit	2.2096146	0.0937039	2.4858130	0.0311091
Reer -> Credit	0.7046083	0.5521620	0.8081972	0.5671309
Base -> Credit	0.7955270	0.5000922	0.7086353	0.6437334
CPIec -> Credit	0.7410589	0.5308052	0.7617555	0.6024605
Deprate -> Credit	6.7772554	0.0004083	5.2170725	0.0001815
Deposit -> Credit	0.9555471	0.4181466	0.3294640	0.9192174
Consumption -> Credit	0.6912183	0.5601679	0.3665793	0.8976272
Reer -> Consumption	6.1858047	0.0008026	6.9210552	0.0000091
Base -> Consumption	8.9356653	0.0000376	8.4390749	0.0000008
CPIec -> Consumption	8.0456315	0.0000990	11.7526315	0.0000000
Deprate -> Consumption	4.8670656	0.0037487	25.4427269	0.0000000
Deposit -> Consumption	34.1356598	0.0000000	19.1524897	0.0000000
Credit -> Consumption	1.8133439	0.1517386	4.1633013	0.0012736

Table A.6: Multivariate Granger Causality test

Variables in log differences

	Model 1		Model 2	
Variables	F-statistic	p-value	F-statistic	p-value
Reer -> ALL	2.4831	2.361e-05	2.6749	0.0001974
Base -> ALL	3.2898	2.237e-08	3.2042	9.147e-06
ALL -> Consumption	12.163	2.2e-16	10.139	2.2e-16

Figure A.7: IRF - Model 1 all variables

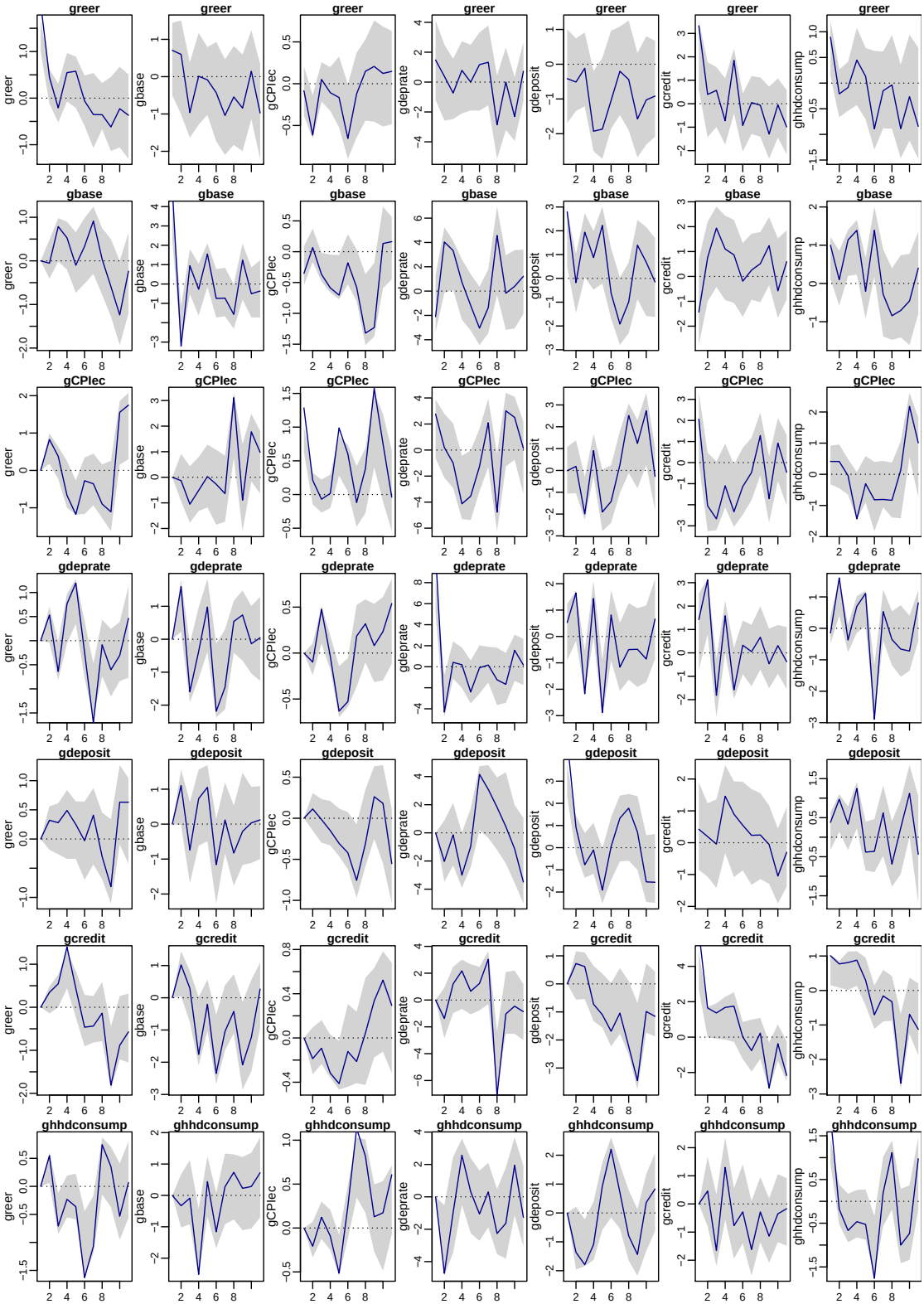

Figure A.8: IRF - Model 2 all variables

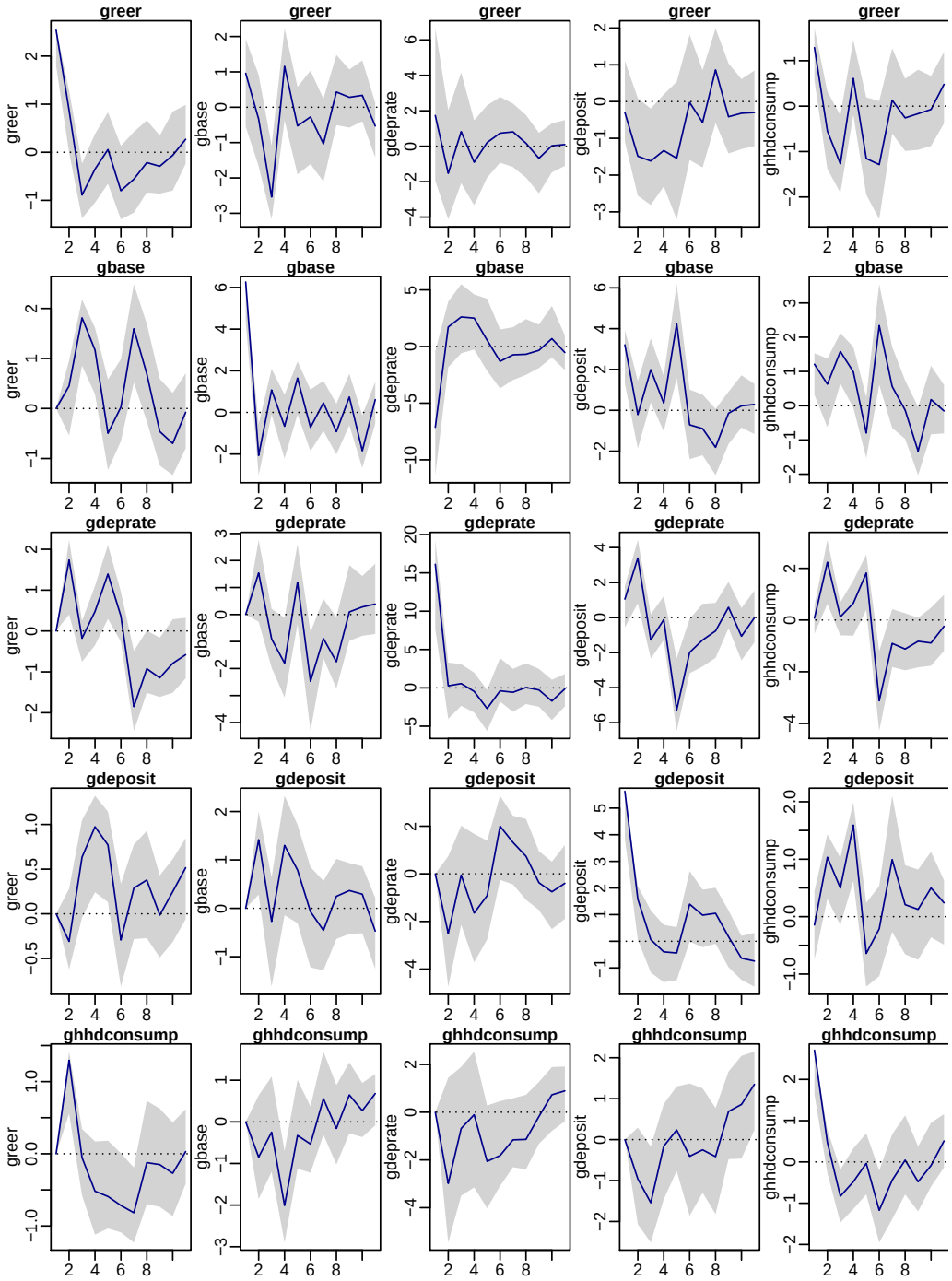

Table A.7: Forecast Variance Decomposition

Model 1

	Error	Reer	Base	CPIec	Deprate	Deposit	Credit	Consump
Decomposition for a Shock to Reer								
1	2.9	22.0	2.6	0.0	11.6	0.9	58.6	4.2
2	3.0	21.3	4.2	1.9	11.4	2.1	54.9	4.1
3	3.1	19.7	8.0	1.7	12.9	2.0	51.8	3.8
4	3.5	17.0	6.4	1.4	12.6	15.1	43.6	3.8
5	3.9	14.4	5.1	1.2	10.0	21.9	44.3	3.1
Decomposition for a Shock to Monetary Base								
1	4.2	0.0	61.4	0.3	11.1	19.6	5.2	2.5
2	5.4	0.0	51.8	0.2	30.8	11.7	3.9	1.5
3	6.2	0.7	40.2	0.3	35.9	13.1	7.2	2.6
4	6.4	1.0	38.1	0.6	34.5	13.2	8.1	4.5
5	6.7	0.9	36.7	1.1	32.5	16.7	8.0	4.1
Decomposition for a Shock to CPI								
1	2.4	0.0	0.0	12.0	55.7	0.0	31.0	1.2
2	2.9	3.6	0.1	9.0	40.7	0.2	44.7	1.8
3	3.7	2.6	3.5	5.3	26.9	12.4	48.3	1.1
4	4.8	2.4	2.6	3.1	47.6	8.9	31.0	4.4
5	5.8	3.4	1.8	3.4	49.0	10.8	28.4	3.2
Decomposition for a Shock to Deprate								
1	7.2	0.0	0.0	0.0	98.1	0.2	1.7	0.0
2	8.2	0.2	1.6	0.0	87.1	1.9	7.5	1.7
3	8.5	0.4	3.0	0.1	81.2	4.6	9.0	1.6
4	8.7	0.7	3.0	0.1	78.5	5.6	10.1	1.9
5	9.2	1.4	3.2	0.3	73.2	9.3	10.3	2.3
Decomposition for a Shock to Deposit								
1	3.2	0.0	0.0	0.0	0.0	98.7	0.7	0.6
2	3.7	0.3	3.9	0.0	13.1	78.6	0.7	3.5
3	3.8	0.6	5.4	0.0	12.6	77.1	0.7	3.7
4	4.5	0.9	5.0	0.1	28.4	54.6	5.1	6.0
5	4.8	0.9	6.4	0.2	26.5	54.5	5.9	5.5
Decomposition for a Shock to Credit								
1	4.0	0.0	0.0	0.0	0.0	0.0	97.3	2.7
2	4.4	0.3	2.4	0.1	4.3	1.2	88.1	3.7
3	4.6	0.9	2.3	0.1	6.9	1.9	83.3	4.7
4	5.2	3.8	6.7	0.2	12.9	2.3	69.2	4.9
5	5.4	3.8	6.3	0.5	12.5	3.9	68.4	4.6
Decomposition for a Shock to Consumption								
1	1.3	0.0	0.0	0.0	0.0	0.0	0.0	100.0
2	3.5	1.0	0.4	0.1	77.7	6.5	0.7	13.5
3	4.0	2.2	0.3	0.2	63.6	13.8	8.1	11.8
4	4.8	1.6	12.2	0.1	56.7	11.9	8.8	8.6
5	4.9	1.8	12.0	0.6	54.4	12.9	9.5	8.8

Model 2

Step	Error	Reer	Base	Deprate	Deposits	Consumpt
Decomposition for a Shock to Reer						
1	2.9	53.2	7.6	24.8	0.7	13.7
2	3.6	40.4	5.8	30.0	12.9	11.0
3	4.6	26.7	24.9	20.1	16.4	11.9
4	4.9	23.6	25.6	19.9	19.4	11.5
5	5.2	21.1	23.7	17.9	23.6	13.7
Decomposition for a Shock to Monetary Base						
1	8.5	0.0	38.5	49.9	10.1	1.4
2	8.8	0.2	39.7	49.0	9.4	1.7
3	9.5	2.7	35.1	47.6	11.2	3.4
4	9.9	3.6	33.0	49.0	10.6	3.9
5	10.6	3.2	30.2	42.4	20.4	3.8
Decomposition for a Shock to Deposit Rate						
1	13.6	0.0	0.0	99.6	0.4	0.0
2	14.2	1.1	0.8	91.9	4.5	1.8
3	14.3	1.1	1.1	91.1	5.0	1.8
4	14.4	1.1	2.2	89.8	4.9	1.9
5	15.4	1.6	2.4	80.7	12.7	2.6
Decomposition for a Shock to Deposit						
1	4.7	0.0	0.0	0.0	99.9	0.1
2	5.6	0.2	4.6	14.3	78.3	2.5
3	5.6	1.1	4.7	14.1	77.1	3.0
4	6.1	2.8	7.2	17.1	65.5	7.4
5	6.3	3.7	8.0	17.8	62.7	7.8
Decomposition for a Shock to Consumption						
1	2.3	0.0	0.0	0.0	0.0	100.0
2	3.8	8.5	3.6	45.0	4.7	38.2
3	4.1	7.2	3.3	40.1	14.1	35.3
4	4.5	7.0	17.2	33.6	11.9	30.3
5	4.8	7.0	15.1	41.7	10.3	25.9

Table A.8: Prior Hyperparameter Selection

Model 1

Model	$\lambda 0$	$\lambda 1$	$\lambda 3$	$\lambda 4$	$\lambda 5$	$\mu 5$	$\mu 6$	RMSE	MAE	LLF	logMDD
1	1.00	0.10	1.00	0.10	0.50	0.00	0.00	4.55	3.13	-66.73	205.24
2	0.90	0.10	1.00	0.10	0.50	0.00	0.00	4.51	3.07	-13.87	195.25
3	1.00	0.20	1.00	0.10	0.50	0.00	0.00	4.66	3.29	22.26	256.62
4	0.90	0.20	1.00	0.10	0.50	0.00	0.00	4.63	3.28	71.35	252.55
5	1.00	0.10	2.00	0.10	0.50	0.00	0.00	4.67	3.20	-77.87	178.75
6	0.90	0.10	2.00	0.10	0.50	0.00	0.00	4.59	3.13	-23.34	172.06
7	1.00	0.20	2.00	0.10	0.50	0.00	0.00	4.88	3.48	-4.40	203.58
8	0.90	0.20	2.00	0.10	0.50	0.00	0.00	4.83	3.42	47.68	203.53
9	1.00	0.10	1.00	0.25	0.50	0.00	0.00	4.87	3.38	-68.48	205.82
10	0.90	0.10	1.00	0.25	0.50	0.00	0.00	4.81	3.31	-15.56	195.87
11	1.00	0.20	1.00	0.25	0.50	0.00	0.00	4.92	3.50	22.17	259.19
12	0.90	0.20	1.00	0.25	0.50	0.00	0.00	4.89	3.48	71.19	254.91
13	1.00	0.10	2.00	0.25	0.50	0.00	0.00	5.08	3.55	-79.56	179.32
14	0.90	0.10	2.00	0.25	0.50	0.00	0.00	4.99	3.44	-24.99	172.82
15	1.00	0.20	2.00	0.25	0.50	0.00	0.00	5.30	3.94	-4.39	204.27
16	0.90	0.20	2.00	0.25	0.50	0.00	0.00	5.24	3.86	47.70	204.51

Model 2

Model	$\lambda 0$	$\lambda 1$	$\lambda 3$	$\lambda 4$	$\lambda 5$	$\mu 5$	$\mu 6$	RMSE	MAE	LLF	logMDD
1	1.00	0.10	1.00	0.10	0.50	0.00	0.00	5.25	3.65	-41.88	159.15
2	0.90	0.10	1.00	0.10	0.50	0.00	0.00	5.17	3.59	-4.38	152.28
3	1.00	0.20	1.00	0.10	0.50	0.00	0.00	5.45	3.99	26.12	189.30
4	0.90	0.20	1.00	0.10	0.50	0.00	0.00	5.42	3.95	60.59	188.12
5	1.00	0.10	2.00	0.10	0.50	0.00	0.00	5.32	3.69	-48.37	144.79
6	0.90	0.10	2.00	0.10	0.50	0.00	0.00	5.23	3.63	-9.87	139.75
7	1.00	0.20	2.00	0.10	0.50	0.00	0.00	5.64	4.17	9.95	164.20
8	0.90	0.20	2.00	0.10	0.50	0.00	0.00	5.59	4.09	46.20	163.92
9	1.00	0.10	1.00	0.25	0.50	0.00	0.00	5.48	3.79	-43.84	159.44
10	0.90	0.10	1.00	0.25	0.50	0.00	0.00	5.41	3.71	-6.26	152.60
11	1.00	0.20	1.00	0.25	0.50	0.00	0.00	5.70	4.19	25.56	190.41
12	0.90	0.20	1.00	0.25	0.50	0.00	0.00	5.67	4.14	60.02	189.29
13	1.00	0.10	2.00	0.25	0.50	0.00	0.00	5.60	3.83	-50.20	145.30
14	0.90	0.10	2.00	0.25	0.50	0.00	0.00	5.50	3.75	-11.66	140.32
15	1.00	0.20	2.00	0.25	0.50	0.00	0.00	6.00	4.48	9.76	165.00
16	0.90	0.20	2.00	0.25	0.50	0.00	0.00	5.93	4.39	46.00	165.01

Figure A.9: Bayesian IRF - Model 1

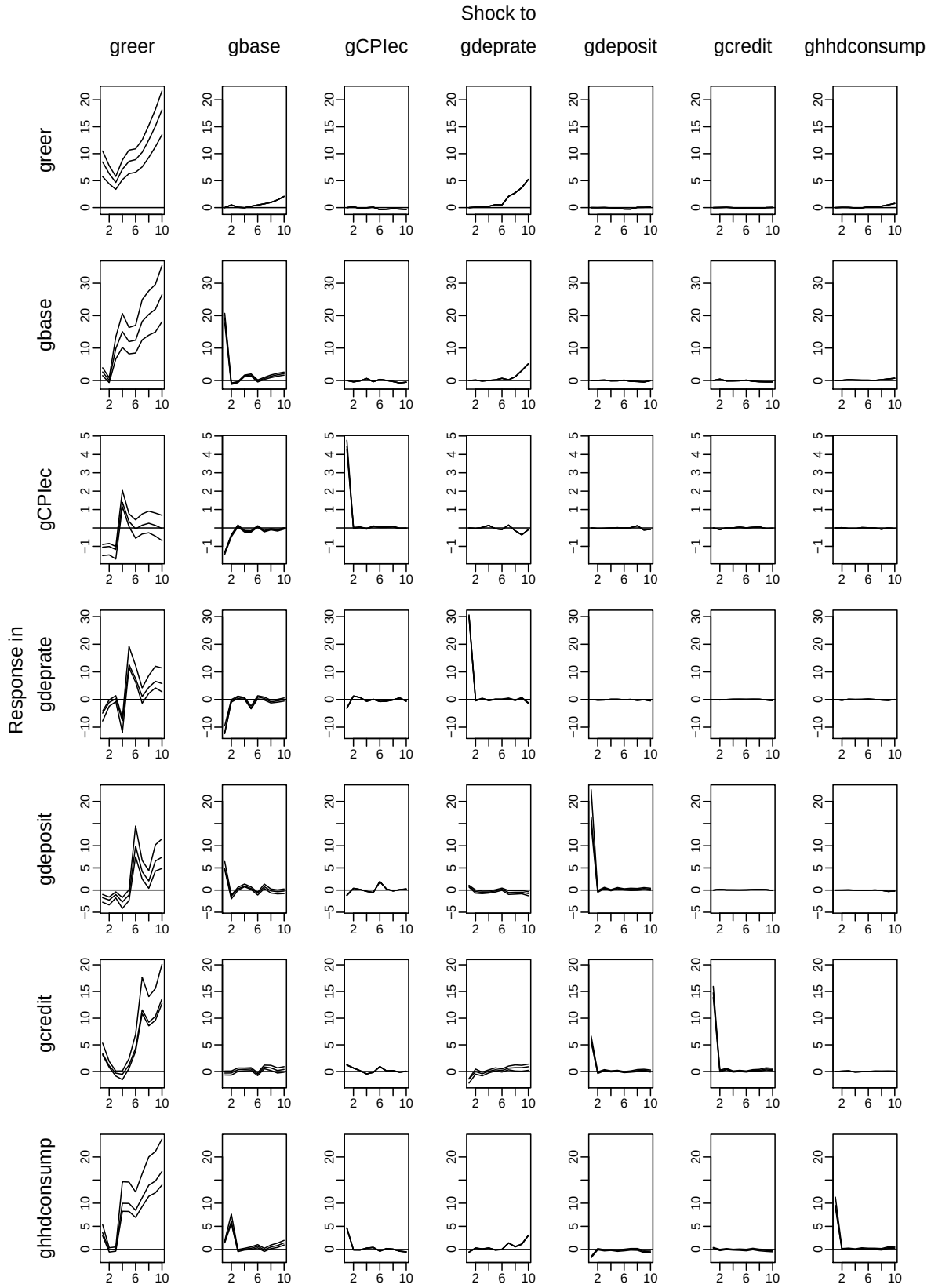

Figure A.10: Bayesian IRF - Model 2