

Readme File for Hausman and Wieland (2014), “Abenomics: Preliminary Analysis and Outlook”

25 April 2014

This readme file describes what data and programs are used to produce the figures, tables, and results discussed in Hausman and Wieland (2014). Note that, as described in detail below, some results rely on Bloomberg data and Consensus Economics data that we cannot publish online.

We have organized this readme file in the order in which the results appear in the paper.

All stata programs are in Stata – > code. Stata output is placed either in the Stata – > graph folder or the Stata – > table folder. To run the programs, the user should first update the base path in paths.do and the initial path line at the top of each program. All Matlab programs are in the Matlab folder.

1. Table 1 (Macro summary statistics): recent_history_table.xlsx (in the Tables folder), first tab ('tables 08-12 average').
2. Figure 1 (Japanese actual and potential output): Panel a: japan_imf.do; panel b: japan_output_gap.do. Note, this file uses forecasts from Consensus Economics. Since we are not allowed to share this data, researchers will need to input this data by either (a) inputting data manually from Consensus Economics publications in many libraries or (b) purchase the data directly from Consensus Economics. This data needs to be inputted in the “table” sheet of annual_real_gdp.xlsx in the “consensus.2007-growth” column.
3. Figure 2 (Abenomics’ financial market effects): japan_fin_final.do. Note that this requires data from Bloomberg. Thus in order to replicate this calculation, researchers will need access to Bloomberg or to an alternative source of data. By pasting data into the appropriate columns of the Bloomberg – > bloomberg20140415.xlsx file, researchers can immediately reproduce our figures.
4. UIP-PPP (Krugman 2013) measure of inflation expectations (discussed in the text and shown in figure 2, panel b): infe_krugman.2014.do. Note that this requires data from Bloomberg.
5. Table 2 (Announcement effects): japan_fin_final.do. Note that this requires data from Bloomberg. Thus in order to replicate this calculation, researchers will need access to Bloomberg or to an alternative source of data.

6. Figure 3: panel a (Price level data): `japan_cpi_final.do`; panel b (Survey inflation forecasts): `jp_infe.do`. This uses data from Consensus Economics which we cannot distribute. The Stata datasets with consensus forecast data are produced by the programs that make appendix tables 5 and 6. See their description below for details.
7. Figure 4 (Money growth during QE / Abenomics): `japan_qe_final.do`.
8. Figure 5(a) and 5(b) (quarterly growth and contributions in 2013): `japan_quart_gdp_final.do`. Figure 5(c) (contributions to growth since 1995): `japan_na_final.do`. These files call on `jp_na_setup_final.do` which converts the national account files (excel) in the Data/NA folder into Stata format.
9. Figure 6 (Evolution of forecasts for 2012, 2013, 2014 growth): `japan_cemon_final.do`. This file imports monthly Consensus forecast data from the excel-file “japan extended.xls.” Since we are not allowed to share this data, researchers will need to input this data by either (a) inputting data manually from Consensus Economics publications in many libraries or (b) purchase the data directly from Consensus Economics. This data needs to be inputted in the “Annual” sheet of the excel file.
10. Table 3 (Growth forecasts from autoregressive and VAR models): `var_forecasts2.do`. This program documents the data sources used for the calculations. Note that the VAR models require data on the 10-year nominal interest rate which we obtained from Bloomberg. Thus in order to replicate this calculation, researchers will need access to Bloomberg or to an alternative source for data on the Japanese 10-year yield.
11. 2012 AR / VAR model forecast: `var_forecasts_2012.do`.
12. Figure 7 (Actual and forecast output and consumption): `japan_celt_final.do`. This file imports long-run Consensus forecast data from the excel-file “japan extended.xls.” Since we are not allowed to share this data, researchers will need to input this data by either (a) inputting data manually from Consensus Economics publications in many libraries or (b) purchase the data directly from Consensus Economics. This data needs to be inputted in the “GDP LT”, “Consumption LT” and “Consumer Prices LT” sheets of the excel file.
13. Campbell-Shiller regressions: `discount_final.do`.
14. Figure 8 (industrial production in the U.S. and Japan after FDR / Abe): `fdr_abe_final.do`.
15. Interest-rate elasticity in Smets-Wouters model (section 4.4): `run_zlbirf_final2.m` in the Matlab/Smets-Wouters folder. The code requires Dynare to run, which can be downloaded for free at dynare.org. We have verified that it works with Dynare 4.2.2. The code may not run with other versions since the files produced by Dynare may be different.
16. Debt calculations in section 4.6: `debt_final.m`.

17. Table 5 (Online Appendix A, quarterly forecast accuracy): `japan_cequart_accuracy_final.do`.
This file imports quarterly Consensus forecast data from the excel-file “japan extended.xls.” Since we are not allowed to share this data, researchers will need to input this data by either (a) inputting data manually from Consensus Economics publications in many libraries or (b) purchase the data directly from Consensus Economics. This data needs to be inputted in the “Consumer Prices”, “GDP Q-o-Q”, “Consumption Q-o-Q” and “Industrial Production” sheets of the excel file.
18. Table 6 (Online Appendix A, annual forecast accuracy): `japan_ceannual_accuracy_pooled_final.do`.
This file imports long-run Consensus forecast data from the excel-file “japan extended.xls.” Since we are not allowed to share this data, researchers will need to input this data by either (a) inputting data manually from Consensus Economics publications in many libraries or (b) purchase the data directly from Consensus Economics. This data needs to be inputted in the “Annual Consumer Prices”, “Annual GDP”, “Annual Consumption” and “Annual Industrial Production” sheets of the excel file.
19. Table 7 (Online Appendix B, Two regime changes): `dY_dR.xlsx` (‘dr comparison only tab’), in the Tables folder, and (for the 1933 VAR results): `annual_var_1933_final`.