ECONOMETRIC THEORY [X,], Scientia Econometrica Dital

$$(\hat{A}^+ - A)\mathbf{F} = [A_T - B_T C_T]D_T^{-1}\mathbf{F}'\mathbf{F}$$
Peter C.

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Yale University

$$\beta' y_t = U_{1t} = \underbrace{\beta' \varepsilon_t}_{u_{1t}} + \underbrace{\left(-G(F-I)y_{2t-1}\right)}_{\tilde{u}_{1t}}$$

$$\beta' \Delta y_t = \Delta U_{1t} = \underbrace{\beta' \Delta \varepsilon_t}_{\Delta u_{1t}} + \underbrace{\left(-G(F-I)^2 y_{2t-2} - G(F-I) \varepsilon_{2t-1}\right)}_{\Delta \tilde{u}_{1t}}$$

$$T^{-1} \sum_{t=1}^{T} \varepsilon_{t} y_{2t-1}'(I + G'G) \Rightarrow \begin{pmatrix} \sum_{11}^{1/2} & \int_{0}^{1} dW_{1} J_{C}' \sum_{22}^{1/2} \\ \sum_{22}^{1/2} & \int_{0}^{1} dW_{2} J_{C}' \sum_{22}^{1/2} \end{pmatrix} (I + G'G)$$



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