

SUPPLEMENT B
(Additional Results)

For

Exploring the International Linkages of the Euro Area: a Global VAR
Analysis

By

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Part I: Tables of results for all the 25 countries and the euro area.
Part II. Impulse responses of global shocks to real equity prices and real
output.

PART I.

Table B1: Trade Weights Based on Direction of Trade Statistics

	U.S.	E.A.	China	Japan	U.K.	Sweden	Switz.	Norway	Argentina	Brazil	Chile	Mexico	Peru	Australia	Canada	N. Zeal.	Indon.	Korea	Malaysia	Philip.	Singap.	Thail.	India	S. Africa	S. Arabia	Turkey
U.S.	0.000	0.155	0.073	0.124	0.052	0.008	0.012	0.004	0.005	0.018	0.004	0.141	0.002	0.011	0.241	0.003	0.008	0.038	0.021	0.013	0.022	0.014	0.009	0.004	0.012	0.004
E.A.	0.227	0.000	0.056	0.072	0.238	0.057	0.090	0.028	0.008	0.023	0.005	0.013	0.001	0.012	0.019	0.002	0.009	0.021	0.013	0.007	0.016	0.011	0.014	0.014	0.014	0.028
China	0.236	0.164	0.000	0.248	0.029	0.010	0.007	0.003	0.005	0.008	0.006	0.006	0.002	0.025	0.021	0.003	0.019	0.099	0.023	0.009	0.032	0.019	0.009	0.006	0.009	0.003
Japan	0.319	0.132	0.128	0.000	0.032	0.007	0.009	0.003	0.002	0.008	0.005	0.010	0.001	0.035	0.024	0.005	0.033	0.071	0.039	0.024	0.037	0.035	0.007	0.007	0.024	0.002
U.K.	0.180	0.537	0.020	0.042	0.000	0.027	0.028	0.023	0.002	0.006	0.002	0.004	0.001	0.013	0.021	0.003	0.005	0.014	0.010	0.005	0.013	0.007	0.011	0.012	0.008	0.009
Sweden	0.104	0.517	0.025	0.035	0.115	0.000	0.017	0.099	0.002	0.008	0.003	0.007	0.000	0.008	0.010	0.001	0.003	0.007	0.006	0.001	0.005	0.005	0.004	0.003	0.006	0.010
Switzerland	0.113	0.670	0.015	0.039	0.066	0.015	0.000	0.004	0.002	0.008	0.001	0.005	0.000	0.005	0.008	0.001	0.002	0.006	0.003	0.002	0.008	0.006	0.005	0.005	0.005	0.007
Norway	0.090	0.449	0.020	0.030	0.181	0.132	0.008	0.000	0.001	0.006	0.001	0.002	0.001	0.003	0.047	0.000	0.001	0.011	0.002	0.001	0.005	0.002	0.002	0.001	0.001	0.004
Argentina	0.182	0.216	0.046	0.034	0.018	0.007	0.007	0.001	0.000	0.295	0.074	0.021	0.008	0.003	0.012	0.001	0.004	0.018	0.010	0.002	0.003	0.009	0.014	0.010	0.001	0.003
Brazil	0.291	0.266	0.027	0.058	0.031	0.015	0.016	0.005	0.135	0.000	0.023	0.025	0.006	0.006	0.018	0.001	0.005	0.023	0.006	0.002	0.006	0.004	0.009	0.006	0.014	0.003
Chile	0.220	0.188	0.057	0.103	0.046	0.012	0.009	0.003	0.114	0.073	0.000	0.046	0.023	0.005	0.023	0.001	0.006	0.041	0.005	0.003	0.002	0.004	0.006	0.003	0.004	0.003
Mexico	0.827	0.055	0.011	0.025	0.007	0.003	0.004	0.000	0.002	0.007	0.004	0.000	0.001	0.001	0.022	0.001	0.001	0.013	0.005	0.002	0.004	0.002	0.001	0.000	0.001	0.000
Peru	0.346	0.183	0.042	0.057	0.066	0.006	0.049	0.003	0.022	0.044	0.067	0.030	0.000	0.005	0.024	0.004	0.004	0.028	0.002	0.003	0.001	0.006	0.006	0.002	0.000	0.001
Australia	0.181	0.126	0.080	0.191	0.057	0.010	0.009	0.002	0.001	0.005	0.001	0.004	0.001	0.000	0.018	0.060	0.031	0.066	0.033	0.010	0.049	0.024	0.014	0.010	0.015	0.002
Canada	0.803	0.046	0.021	0.035	0.023	0.003	0.003	0.006	0.001	0.003	0.001	0.019	0.001	0.004	0.000	0.001	0.002	0.010	0.004	0.002	0.002	0.003	0.002	0.001	0.001	0.001
New Zealand	0.181	0.118	0.055	0.141	0.054	0.008	0.006	0.002	0.002	0.003	0.002	0.009	0.002	0.248	0.018	0.000	0.014	0.037	0.027	0.009	0.020	0.016	0.007	0.004	0.015	0.002
Indonesia	0.149	0.126	0.055	0.233	0.026	0.004	0.004	0.001	0.002	0.006	0.002	0.003	0.001	0.045	0.012	0.004	0.000	0.078	0.036	0.012	0.121	0.027	0.020	0.004	0.024	0.003
Korea	0.253	0.104	0.123	0.195	0.030	0.004	0.008	0.004	0.003	0.011	0.006	0.011	0.001	0.034	0.017	0.004	0.033	0.000	0.032	0.020	0.034	0.014	0.010	0.006	0.039	0.004
Malaysia	0.221	0.103	0.043	0.188	0.032	0.006	0.008	0.001	0.002	0.003	0.001	0.005	0.000	0.026	0.007	0.004	0.026	0.044	0.000	0.023	0.183	0.043	0.018	0.003	0.006	0.002
Philippines	0.297	0.126	0.029	0.205	0.032	0.003	0.004	0.000	0.001	0.002	0.001	0.004	0.001	0.018	0.010	0.004	0.015	0.064	0.043	0.000	0.083	0.036	0.004	0.001	0.017	0.000
Singapore	0.199	0.108	0.056	0.139	0.030	0.003	0.012	0.002	0.001	0.003	0.001	0.006	0.000	0.025	0.004	0.003	0.042	0.042	0.202	0.029	0.000	0.052	0.018	0.003	0.021	0.001
Thailand	0.211	0.126	0.059	0.239	0.032	0.006	0.013	0.001	0.004	0.004	0.001	0.005	0.001	0.027	0.011	0.004	0.025	0.032	0.057	0.021	0.088	0.000	0.011	0.006	0.014	0.002
India	0.206	0.246	0.042	0.067	0.084	0.008	0.040	0.002	0.008	0.009	0.003	0.006	0.001	0.027	0.017	0.002	0.023	0.032	0.037	0.004	0.047	0.015	0.000	0.028	0.042	0.006
S. Africa	0.152	0.354	0.042	0.095	0.125	0.008	0.014	0.002	0.008	0.013	0.002	0.000	0.000	0.025	0.011	0.002	0.007	0.031	0.010	0.002	0.013	0.012	0.036	0.000	0.030	0.006
Saudi Arabia	0.215	0.193	0.036	0.172	0.044	0.009	0.012	0.001	0.001	0.016	0.001	0.003	0.000	0.019	0.009	0.004	0.020	0.102	0.010	0.011	0.047	0.016	0.030	0.017	0.000	0.013
Turkey	0.124	0.578	0.023	0.031	0.084	0.026	0.024	0.006	0.002	0.006	0.002	0.002	0.000	0.006	0.007	0.001	0.005	0.020	0.005	0.001	0.005	0.004	0.009	0.006	0.023	0.000

Note: Trade weights are computed as shares of exports and imports, displayed in rows by region (such that a row, but not a column, sum to 1).

Source: Direction of Trade Statistics, 1999-2001, IMF.

Table B2: Weighted Symmetric ADF Unit Root Test Statistics for Domestic Variables (Based on AIC Order Selection)

Variable	U.S.	EA	China	Japan	U.K.	Sweden	Switz	Norway	Argentina	Brazil	Chile	Mexico	Peru	Australia	Canada	N.Zeal	Indon	Korea	Malaysia	Philipp	Singap	Thail	India	S.Africa	S.Arabia	Turkey
y	-2.76	-2.44	-3.75	-1.35	-3.64	-2.83	-2.36	-2.60	-2.89	-2.53	-2.51	-2.75	-2.48	-2.12	-2.41	-1.56	-1.38	-1.60	-2.34	-2.66	-1.88	-1.92	-5.32	-2.39	-1.35	-2.11
Δy	-6.93	-4.60	-3.34	-3.46	-3.21	-14.51	-6.77	-5.43	-5.01	-6.87	-3.78	-5.77	-8.38	-6.60	-4.49	-8.21	-9.33	-5.07	-4.54	-3.13	-7.25	-2.57	-8.23	-5.53	-2.95	-6.88
$\Delta^2 y$	-6.99	-8.12	-9.90	-14.30	-11.98	-8.90	-7.32	-8.02	-6.97	-7.89	-12.04	-8.44	-9.11	-7.30	-10.54	-7.60	-7.43	-6.93	-7.30	-10.56	-7.88	-8.92	-7.70	-7.21	-14.40	-8.22
p	-0.11	-2.01	-1.96	-0.60	-0.39	-0.77	-1.48	-1.51	-1.57	-1.92	0.51	-1.12	-1.61	-0.40	0.79	0.05	-1.91	-2.70	-2.53	-0.85	-1.30	-2.32	-1.01	0.73	-1.82	-2.33
Δp	-0.07	0.28	-2.75	-0.54	-0.61	-1.18	-1.81	-1.38	-2.45	-2.35	-2.53	-2.79	-2.92	-2.01	-1.31	-2.25	-4.79	-1.52	-2.27	-4.11	-2.62	-1.35	-3.66	-2.14	-8.14	-2.19
$\Delta^2 p$	-13.91	-11.15	-5.99	-13.45	-6.44	-12.20	-12.77	-12.98	-11.06	-8.35	-8.97	-5.15	-13.28	-11.57	-9.20	-15.22	-7.90	-13.98	-11.72	-15.72	-8.05	-6.22	-13.99	-11.60	-8.40	-10.72
q	-2.07	-3.05	-	-1.46	-1.47	-2.50	-1.23	-3.06	-4.21	-	-2.10	-	-	-2.89	-3.50	-2.52	-	-2.07	-2.41	-2.20	-3.13	-2.02	-2.39	-4.40	-	-
Δq	-7.52	-4.26	-	-6.79	-8.46	-7.14	-9.39	-5.53	-6.30	-	-7.44	-	-	-9.36	-6.23	-9.29	-	-7.01	-10.42	-5.11	-9.81	-3.46	-5.83	-7.31	-	-
$\Delta^2 q$	-8.68	-12.43	-	-6.83	-7.46	-11.15	-7.96	-7.10	-7.28	-	-6.90	-	-	-8.21	-6.89	-9.46	-	-10.48	-13.55	-7.36	-10.39	-13.07	-7.30	-7.80	-	-
e	-	-2.45	-0.88	-2.43	-2.40	-2.80	-2.73	-2.10	-1.34	-1.29	-0.69	-1.63	-1.15	-2.53	-2.67	-1.57	-2.58	-2.52	-2.81	-2.17	-1.23	-2.38	-1.49	-3.50	-0.74	-1.79
Δe	-	-7.17	-9.08	-4.25	-7.96	-3.87	-7.92	-7.60	-3.15	-2.77	-5.54	-3.01	-4.92	-7.44	-2.35	-4.79	-6.56	-4.96	-6.75	-6.54	-9.33	-7.01	-6.84	-3.79	-4.11	-7.99
$\Delta^2 e$	-	-8.90	-8.46	-9.09	-8.38	-7.01	-7.70	-7.26	-12.00	-8.38	-8.73	-11.00	-7.80	-7.82	-14.41	-7.84	-8.07	-7.17	-8.03	-6.54	-9.03	-7.29	-7.77	-14.21	-6.85	-8.61
ρ^s	-1.17	-1.26	-1.20	-1.61	-1.76	-1.95	-1.77	-1.77	-2.16	-3.43	-1.09	-1.70	-3.02	-2.30	-1.36	-2.10	-3.96	-1.40	-3.16	-2.77	-1.12	-1.99	-3.54	-3.09	-	-1.52
$\Delta \rho^s$	-3.63	-5.51	-7.68	-5.65	-10.95	-10.16	-5.14	-10.73	-14.28	-8.26	-8.69	-5.64	-4.02	-8.00	-13.50	-7.53	-5.75	-8.26	-5.62	-8.65	-6.04	-9.57	-5.05	-4.75	-	-8.20
$\Delta^2 \rho^s$	-10.40	-9.34	-7.17	-7.79	-7.60	-8.40	-7.71	-7.64	-11.59	-10.19	-7.64	-9.81	-8.02	-10.21	-7.82	-8.57	-10.80	-8.51	-8.68	-8.75	-8.97	-7.05	-9.40	-16.61	-	-8.12
ρ^L	-3.84	-2.71	-	-1.95	-3.59	-3.18	-2.41	-0.98	-	-	-	-	-	-1.65	-3.36	-1.42	-	-2.75	-	-	-	-	-	-1.27	-	-
$\Delta \rho^L$	-7.75	-4.58	-	-8.87	-7.74	-6.34	-6.22	-6.73	-	-	-	-	-	-8.38	-5.30	-6.34	-	-8.25	-	-	-	-	-	-8.32	-	-
$\Delta^2 \rho^L$	-7.05	-7.59	-	-9.88	-8.11	-7.07	-7.51	-7.28	-	-	-	-	-	-8.02	-7.79	-7.83	-	-8.36	-	-	-	-	-	-7.54	-	-
ρ^o	-2.86	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
$\Delta \rho^o$	-5.61	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
$\Delta^2 \rho^o$	-8.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
$e-p$	-	-2.09	-1.76	-2.09	-2.61	-2.58	-2.18	-2.20	-1.95	-2.23	-2.26	-3.68	-1.44	-2.78	-1.91	-2.52	-2.83	-2.21	-2.49	-1.91	-0.98	-1.94	-1.70	-2.95	-1.62	-1.80
$\Delta(e-p)$	-	-7.48	-8.41	-8.11	-7.90	-3.89	-7.95	-7.70	-9.77	-8.91	-5.94	-8.73	-8.08	-7.51	-2.19	-4.77	-7.11	-4.95	-6.72	-7.74	-8.27	-6.53	-7.47	-3.97	-7.18	-7.68
$\Delta^2(e-p)$	-	-8.96	-8.13	-9.60	-8.40	-12.03	-12.47	-7.11	-8.29	-8.07	-9.24	-12.60	-7.72	-7.93	-14.45	-7.80	-8.62	-7.15	-8.19	-6.72	-8.60	-7.32	-7.78	-9.43	-8.09	-9.47

Note: The WS statistics for all level variables are based on regressions including a linear trend, except for the interest rate variables. The 95% critical value of the WS statistics for regressions with trend is -3.24, and for regressions without trend -2.55.

Table B3: Weighted Symmetric ADF Unit Root Test Statistics for Foreign Variables (Based on AIC Order Selection)

Variable	U.S.	EA	China	Japan	U.K.	Sweden	Switz	Norway	Argentina	Brazil	Chile	Mexico	Peru	Australia	Canada	N.Zeal	Indon	Korea	Malaysia	Philipp	Singap	Thail	India	S. Africa	S. Arabia	Turkey
y^*	-3.53	-3.08	-1.67	-2.48	-2.49	-2.61	-2.43	-2.95	-2.27	-2.74	-2.85	-2.83	-2.57	-1.94	-2.82	-2.40	-1.66	-2.32	-1.68	-1.88	-2.10	-1.88	-2.61	-2.16	-1.67	-2.53
Δy^*	-5.76	-6.31	-5.84	-5.53	-4.87	-4.89	-4.65	-5.42	-5.63	-5.24	-5.41	-6.61	-5.76	-5.45	-6.63	-5.56	-5.50	-5.17	-5.55	-5.31	-5.26	-5.43	-5.20	-5.62	-5.98	-4.65
$\Delta^2 y^*$	-7.21	-6.71	-13.30	-6.47	-6.51	-6.31	-6.13	-6.77	-7.46	-6.88	-6.78	-6.99	-6.67	-12.38	-7.03	-7.96	-6.77	-6.52	-6.79	-6.43	-6.98	-6.77	-6.83	-6.17	-7.09	-6.34
p^*	-0.98	-0.95	-0.60	-0.75	-0.75	-0.91	-0.82	-1.11	-1.86	-1.36	-1.53	-0.38	-0.86	-0.50	0.01	-0.36	-0.83	-1.02	-0.44	-0.87	-0.35	-0.55	-0.82	-0.87	-0.94	-0.91
Δp^*	-1.26	-1.51	-0.53	-0.83	-0.22	-0.10	-0.51	-0.45	-2.28	-2.20	-2.70	-0.40	-2.05	-0.40	-0.01	-0.29	-0.67	-0.93	-0.44	0.35	-0.72	-0.46	-0.81	-1.08	-0.92	-0.44
$\Delta^2 p^*$	-5.68	-5.28	-11.54	-10.98	-13.92	-5.94	-13.32	-5.55	-8.24	-10.97	-16.08	-12.65	-12.74	-11.50	-14.10	-12.20	-11.13	-11.08	-11.17	-9.00	-10.94	-11.82	-11.54	-10.52	-11.27	-13.16
q^*	-	-2.32	-2.12	-2.38	-2.94	-2.80	-2.86	-2.71	-2.12	-2.60	-2.37	-2.16	-2.26	-2.30	-2.14	-2.33	-2.35	-2.29	-2.44	-2.37	-2.10	-2.45	-2.75	-2.53	-2.18	-2.84
Δq^*	-	-6.98	-6.55	-7.28	-4.47	-4.53	-4.39	-7.18	-7.33	-5.45	-5.54	-7.42	-7.00	-6.68	-7.42	-7.52	-5.27	-6.67	-6.50	-6.30	-8.13	-5.26	-6.61	-7.05	-6.64	-4.42
$\Delta^2 q^*$	-	-11.18	-10.92	-11.00	-12.11	-12.31	-12.25	-11.94	-8.85	-7.21	-7.29	-8.56	-11.16	-11.00	-8.65	-11.14	-10.94	-10.90	-11.07	-11.00	-11.39	-10.83	-11.63	-11.91	-11.07	-12.22
e^*	1.18	-0.87	-2.16	-1.26	-2.50	-1.86	-2.50	-2.53	-0.71	-1.12	-1.16	-0.66	-0.07	-2.18	-0.19	-1.81	-2.24	-1.88	-2.16	-2.10	-2.48	-2.27	-1.66	-1.74	-2.03	-1.89
Δe^*	-2.38	-6.86	-7.29	-7.20	-7.21	-7.33	-7.21	-7.21	-3.97	-3.21	-2.58	-6.12	-5.31	-7.31	-7.59	-6.95	-7.42	-7.53	-7.72	-7.61	-7.23	-7.69	-7.35	-7.10	-7.11	-7.24
$\Delta^2 e^*$	-10.71	-7.16	-9.34	-7.77	-9.07	-9.09	-9.07	-8.87	-8.24	-12.46	-11.02	-8.67	-8.55	-9.33	-10.48	-8.80	-9.36	-9.54	-9.41	-9.52	-8.98	-9.59	-9.50	-9.23	-9.27	-9.06
ρ^{*s}	-	-1.38	-1.26	-1.01	-0.77	-0.93	-0.98	-0.98	-3.32	-1.85	-2.22	-1.21	-1.65	-0.65	-0.94	-1.53	-1.25	-0.86	-1.01	-0.90	-0.98	-1.52	-1.42	-1.37	-1.13	-0.81
$\Delta \rho^{*s}$	-	-9.63	-4.65	-5.34	-7.46	-8.10	-7.91	-9.81	-8.17	-13.88	-5.68	-8.20	-10.09	-9.18	-3.52	-4.10	-4.63	-8.96	-4.53	-4.51	-8.07	-3.93	-4.81	-5.33	-9.48	-9.09
$\Delta^2 \rho^{*s}$	-	-9.60	-8.82	-8.62	-8.81	-9.12	-9.22	-8.45	-10.18	-11.34	-9.18	-9.80	-9.40	-9.43	-10.09	-15.05	-8.61	-9.57	-15.15	-8.06	-12.46	-17.09	-8.47	-9.05	-9.94	-8.53
ρ^{*L}	-	-3.88	-2.79	-3.17	-2.24	-2.26	-2.30	-2.46	-2.62	-2.72	-2.72	-3.90	-3.01	-2.80	-3.89	-2.23	-2.77	-3.28	-2.80	-2.88	-2.77	-2.69	-2.63	-2.47	-2.76	-2.33
$\Delta \rho^{*L}$	-	-5.50	-4.93	-5.56	-5.05	-5.06	-4.92	-5.25	-5.19	-5.17	-5.23	-7.52	-5.18	-5.15	-7.52	-5.00	-4.67	-4.71	-4.92	-5.03	-5.08	-4.69	-5.24	-5.18	-5.19	-5.10
$\Delta^2 \rho^{*L}$	-	-7.83	-7.33	-7.57	-7.13	-7.46	-7.09	-7.58	-7.46	-7.52	-7.54	-7.15	-7.55	-7.68	-7.17	-7.38	-7.29	-7.68	-7.38	-7.32	-7.42	-7.43	-7.62	-7.61	-7.50	-7.22
ρ^o	-	-2.86	-2.86	-2.86	-2.86	-2.86	-2.86	-2.86	-2.86	-2.86	-2.86	-2.86	-2.86	-2.86	-2.86	-2.86	-2.86	-2.86	-2.86	-2.86	-2.86	-2.86	-2.86	-2.86	-2.86	-2.86
$\Delta \rho^o$	-	-5.61	-5.61	-5.61	-5.61	-5.61	-5.61	-5.61	-5.61	-5.61	-5.61	-5.61	-5.61	-5.61	-5.61	-5.61	-5.61	-5.61	-5.61	-5.61	-5.61	-5.61	-5.61	-5.61	-5.61	-5.61
$\Delta^2 \rho^o$	-	-8.00	-8.00	-8.00	-8.00	-8.00	-8.00	-8.00	-8.00	-8.00	-8.00	-8.00	-8.00	-8.00	-8.00	-8.00	-8.00	-8.00	-8.00	-8.00	-8.00	-8.00	-8.00	-8.00	-8.00	-8.00
$e^* - p^*$	-2.38	-1.99	-1.61	-1.92	-1.95	-2.05	-2.03	-2.02	-2.40	-1.87	-1.67	-0.35	-1.77	-1.87	0.51	-1.89	-1.70	-1.93	-1.56	-1.52	-1.93	-1.71	-1.84	-2.00	-1.74	-2.03
$\Delta(e^* - p^*)$	-8.21	-7.31	-7.55	-6.70	-7.46	-7.55	-7.49	-7.43	-8.72	-8.05	-7.98	-1.68	-6.84	-7.39	-2.19	-6.99	-7.56	-7.66	-7.73	-7.72	-7.21	-7.85	-7.49	-7.43	-7.33	-7.50
$\Delta^2(e^* - p^*)$	-10.61	-7.49	-9.47	-7.80	-9.07	-9.04	-9.06	-8.82	-8.90	-8.07	-8.10	-11.24	-9.16	-7.06	-8.65	-8.89	-9.49	-7.07	-9.50	-9.53	-7.14	-9.69	-9.38	-9.20	-9.40	-9.02

Note: The WS statistics for all level variables are based on regressions including a linear trend, except for the interest rate variables. The 95% critical value of the WS statistics for regressions with trend is -3.24, and for regressions without trend -2.55.

Table B4: Cointegration Rank Statistics for Countries with 6 Exogenous Variables

H^0	H^1	E.A.	Japan	U.K.	Sweden	Switz.	Norway	Australia	Canada	N. Zealand	Korea	S. Africa	Critical Values	
													95%	90%
Maximum Eigenvalue Statistics														
$r = 0$	$r = 1$	79.87	201.21	139.33	76.48	98.31	109.21	87.52	109.29	97.14	90.56	60.36	63.52	60.13
$r < 1$	$r = 2$	56.03	87.29	73.26	68.52	81.84	66.76	70.28	100.09	63.7	67.31	57.07	57.13	53.86
$r \leq 2$	$r = 3$	39.86	44.41	52.63	38.61	62.84	45.73	52.81	60.04	50.57	55.91	45.71	50.64	47.46
$r \leq 3$	$r = 4$	32.25	37.64	37.96	34.27	32.38	28.33	44.83	51.14	34.35	51.08	26.41	43.94	40.89
$r \leq 4$	$r = 5$	23.45	34.82	27.46	28.61	17.9	20.59	33.12	34.63	18.49	27.09	15.87	36.84	33.91
$r \leq 5$	$r = 6$	16.92	19.94	17.15	18.96	16.73	12.13	17.06	19.57	16.91	22.21	7.49	28.81	25.98
Trace Statistics														
$r = 0$	$r > 1$	248.38	425.31	347.78	265.44	310	282.75	305.63	374.76	281.16	314.16	212.91	197.7	190.81
$r < 1$	$r \geq 2$	168.51	224.1	208.46	188.96	211.69	173.54	218.1	265.47	184.02	223.6	152.55	156.44	150.23
$r \leq 2$	$r \geq 3$	112.48	136.81	135.2	120.44	129.85	106.78	147.83	165.38	120.32	156.29	95.48	119.03	113.57
$r \leq 3$	$r \geq 4$	72.62	92.41	82.57	81.84	67.01	61.05	95.01	105.34	69.75	100.38	49.77	85.44	80.74
$r \leq 4$	$r \geq 5$	40.37	54.77	44.61	47.57	34.64	32.72	50.18	54.2	35.4	49.3	23.36	55.5	51.66
$r \leq 5$	$r \geq 6$	16.92	19.94	17.15	18.96	16.73	12.13	17.06	19.57	16.91	22.21	7.49	28.81	25.98

Table B5: Cointegration Rank Statistics for Countries with 5 Exogenous Variables

H^0	H^1	Argentina	Chile	Malaysia	Philippines	Singapore	Thailand	India	Critical Values	
									95%	90%
Maximum Eigenvalue Statistics										
$r = 0$	$r = 1$	64.89	76.01	61.79	99.19	82.49	106.32	98.31	57.13	53.86
$r < 1$	$r = 2$	44.89	54.33	51.27	54.71	68.47	75.77	49.85	50.64	47.46
$r \leq 2$	$r = 3$	40.71	34.99	30.73	32.74	51.91	57.69	38.01	43.94	40.89
$r \leq 3$	$r = 4$	26.45	27.57	18.9	27.89	32.7	31.32	21.03	36.84	33.91
$r \leq 4$	$r = 5$	10.23	16.54	9.63	14.65	8.95	21.17	12.97	28.81	25.98
Trace Statistics										
$r = 0$	$r > 1$	187.18	209.45	172.31	229.18	244.53	292.28	220.18	156.44	150.23
$r < 1$	$r \geq 2$	122.28	133.43	110.53	129.99	162.04	185.96	121.87	119.03	113.57
$r \leq 2$	$r \geq 3$	77.39	79.1	59.26	75.28	93.57	110.18	72.02	85.44	80.74
$r \leq 3$	$r \geq 4$	36.68	44.11	28.53	42.54	41.65	52.49	34	55.5	51.66
$r \leq 4$	$r \geq 5$	10.23	16.54	9.63	14.65	8.95	21.17	12.97	28.81	25.98

Table B6: Cointegration Rank Statistics for Countries with 4 Exogenous Variables

H^0	H^1	China	Brazil	Mexico	Peru	Indonesia	Turkey	Critical Values	
								95%	90%
Maximum Eigenvalue Statistics									
$r = 0$	$r = 1$	54.19	67.94	79.61	63.39	64.71	74.79	50.64	47.46
$r < 1$	$r = 2$	27.21	40.44	38.83	55.75	47.16	33.66	43.94	40.89
$r \leq 2$	$r = 3$	25.49	22.47	35.46	41.57	43.58	26.06	36.84	33.91
$r \leq 3$	$r = 4$	17.13	15.39	24.57	20.11	18.45	14.11	28.81	25.98
Trace Statistics									
$r = 0$	$r > 1$	124.02	146.25	178.48	180.83	173.9	148.62	119.03	113.57
$r < 1$	$r \geq 2$	69.83	78.31	98.86	117.43	109.19	73.82	85.44	80.74
$r \leq 2$	$r \geq 3$	42.62	37.86	60.03	61.68	62.02	40.16	55.5	51.66
$r \leq 3$	$r \geq 4$	17.13	15.39	24.57	20.11	18.45	14.11	28.81	25.98

Table B7: Cointegration Rank Statistics for the Saudi Arabian Model

H^0	H^1	Saudi Arabia	Critical Values	
			95%	90%
Maximum Eigenvalue Statistics				
$r = 0$	$r = 1$	64.46	43.94	40.89
$r < 1$	$r = 2$	30.42	36.84	33.91
$r \leq 2$	$r = 3$	22.19	28.81	25.98
Trace Statistics				
$r = 0$	$r > 1$	117.07	85.44	80.74
$r < 1$	$r \geq 2$	52.61	55.5	51.66
$r \leq 2$	$r \geq 3$	22.19	28.81	25.98

Table B8: Cointegration Rank Statistics for the US model

H^0	H^1	U.S.	Critical Values	
			95%	90%
Maximum Eigenvalue Statistics				
$r = 0$	$r = 1$	91.28	54.24	51.08
$r < 1$	$r = 2$	51.09	47.99	44.96
$r \leq 2$	$r = 3$	35.48	41.66	38.76
$r \leq 3$	$r = 4$	21.01	35.19	32.43
$r \leq 4$	$r = 5$	16.3	28.43	25.83
$r \leq 5$	$r = 6$	6.31	20.98	18.56
Trace Statistics				
$r = 0$	$r > 1$	221.46	158.01	151.94
$r < 1$	$r \geq 2$	130.18	122.96	117.56
$r \leq 2$	$r \geq 3$	79.09	91.81	87.09
$r \leq 3$	$r \geq 4$	43.62	64.54	60.53
$r \leq 4$	$r \geq 5$	22.6	41.03	37.76
$r \leq 5$	$r \geq 6$	6.31	20.98	18.56

Table B9: VARX* Order and Number of Cointegrating Relationships

Country	VARX*(p_i, q_i)		# Cointegrating Relationships
	p_i	q_i	
U.S.	2	2	2
E.A.	2	2	2
China	2	1	1
Japan	1	1	4
U.K.	2	1	3
Sweden	2	1	3
Switzerland	1	1	3
Norway	2	1	2
Argentina	2	1	2
Brazil	2	1	1
Chile	2	1	2
Mexico	1	1	3
Peru	2	1	3
Australia	1	1	4
Canada	1	1	4
New Zealand	2	1	3
Indonesia	2	1	3
Korea	2	1	4
Malaysia	2	1	1
Philippines	2	1	2
Singapore	2	1	3
Thailand	1	1	3
India	2	1	2
S. Africa	2	1	1
Saudi Arabia	2	1	1
Turkey	2	1	1

Table B10: F Statistics for Testing the Weak Exogeneity of the Country-Specific Foreign Variables and Oil prices

Country		Foreign Variables						
		y^*	Δp^*	q^*	ρ^{*S}	ρ^{*L}	p^o	e^*-p^*
U.S.	F(2,75)	0.30	1.89	-	-	-	-	1.83
E.A.	F(2,67)	0.06	0.00	2.25	0.20	1.98	2.04	-
China	F(1,72)	1.66	0.48	1.30	1.00	1.30	0.19	-
Japan	F(4,71)	1.36	1.38	0.32	0.46	0.73	1.68	-
U.K.	F(3,66)	2.98 [†]	0.63	0.07	1.11	1.34	0.57	-
Sweden	F(3,66)	2.52	0.81	0.16	0.40	0.40	0.90	-
Switzerland	F(3,72)	0.40	0.27	0.42	0.90	0.04	0.36	-
Norway	F(2,67)	0.95	0.57	0.41	0.14	0.87	0.28	-
Argentina	F(2,69)	1.40	0.23	0.41	2.12	0.10	0.59	-
Brazil	F(1,72)	0.37	1.55	1.31	0.96	0.22	0.37	-
Chile	F(2,69)	2.15	0.67	0.27	0.37	1.37	1.24	-
Mexico	F(3,74)	0.57	1.05	1.41	1.26	0.10	0.37	-
Peru	F(3,70)	0.58	0.55	0.29	0.57	1.13	2.09	-
Australia	F(4,71)	1.07	0.49	0.43	0.62	1.33	0.44	-
Canada	F(4,71)	0.32	0.31	1.80	1.59	0.66	0.76	-
New Zealand	F(3,66)	0.68	0.37	1.70	0.35	0.55	0.10	-
Indonesia	F(3,70)	0.69	1.41	0.48	0.54	0.84	0.30	-
Korea	F(4,65)	1.71	0.79	0.30	1.74	1.24	2.50	-
Malaysia	F(1,70)	0.31	3.20	0.32	0.00	0.65	0.85	-
Philippines	F(2,69)	0.21	1.76	0.62	1.61	0.97	5.21 [†]	-
Singapore	F(3,68)	0.91	0.54	0.23	0.56	2.61	3.61 [†]	-
Thailand	F(3,73)	2.02	1.33	0.45	0.81	1.15	3.19 [†]	-
India	F(2,69)	0.40	0.77	2.35	0.40	0.69	3.06	-
S. Africa	F(1,68)	0.87	0.01	0.00	0.72	0.04	0.13	-
Saudi Arabia	F(1,74)	0.03	0.44	0.23	0.06	0.13	0.03	-
Turkey	F(1,72)	5.69 [†]	0.10	0.21	1.34	0.74	1.09	-

Note: † denotes statistical significance at the 5% level.

Table B11: Contemporaneous Effects of Foreign Variables on Their Domestic Counterparts

Country	y	Δp	q	ρ^s	ρ^L
U.S.	0.54 [3.12]	0.06 [0.87]	-	-	-
E.A.	0.53 [4.03]	0.25 [3.31]	1.15 [8.90]	0.09 [3.84]	0.63 [7.86]
China	-0.10 [-0.66]	0.61 [2.30]	-	0.12 [2.27]	-
Japan	0.50 [3.47]	-0.04 [-0.38]	0.67 [5.53]	-0.05 [-0.89]	0.48 [4.84]
U.K.	0.33 [2.33]	-0.15 [-0.64]	0.84 [13.28]	0.27 [1.48]	0.67 [4.85]
Sweden	1.19 [3.38]	1.23 [6.19]	1.15 [11.60]	1.25 [3.56]	0.96 [5.75]
Switzerland	0.47 [3.81]	0.52 [3.68]	0.70 [2.17]	0.16 [3.10]	0.41 [5.88]
Norway	0.80 [2.05]	1.11 [6.84]	1.03 [8.62]	0.15 [0.85]	0.56 [3.43]
Argentina	0.26 [1.08]	-1.54 [-0.87]	1.31 [2.88]	3.31 [1.99]	-
Brazil	0.57 [1.52]	0.82 [1.06]	-	1.43 [0.93]	-
Chile	0.41 [1.24]	-0.01 [-0.30]	0.44 [2.74]	0.04 [1.67]	-
Mexico	0.47 [2.28]	1.12 [1.79]	-	-0.05 [-0.06]	-
Peru	-0.06 [-0.11]	1.73 [0.59]	-	-0.97 [-0.70]	-
Australia	0.52 [2.70]	0.51 [3.10]	0.94 [4.93]	0.42 [3.16]	0.86 [5.33]
Canada	0.44 [3.63]	0.73 [4.89]	1.13 [13.70]	0.53 [3.43]	0.98 [15.67]
New Zealand	0.62 [2.43]	0.23 [0.89]	1.06 [6.28]	0.40 [1.16]	0.24 [1.18]
Indonesia	0.44 [1.05]	-0.41 [-0.74]	-	1.09 [1.73]	-
Korea	0.53 [1.32]	0.95 [3.05]	0.80 [3.50]	-0.16 [-1.42]	0.06 [0.18]
Malaysia	1.48 [4.84]	0.43 [1.97]	1.20 [2.66]	0.08 [0.50]	-
Philippines	-0.04 [-0.11]	-0.91 [-2.02]	1.76 [5.66]	1.14 [2.58]	-
Singapore	0.98 [4.17]	0.39 [2.69]	0.16 [0.93]	0.52 [2.96]	-
Thailand	-0.07 [-0.27]	1.11 [4.34]	0.98 [6.69]	0.89 [2.14]	-
India	0.74 [2.35]	-0.29 [-0.66]	0.74 [4.38]	-0.30 [-1.07]	-
S. Africa	0.15 [0.88]	0.22 [0.74]	1.00 [7.54]	0.06 [0.64]	0.32 [1.22]
Saudi Arabia	0.74 [1.50]	0.23 [1.23]	-	-	-
Turkey	0.87 [1.38]	8.60 [8.13]	-	1.80 [1.57]	-

Note: White's heteroskedastic robust t-ratios are given in square brackets, [].

Table B12: F Statistics for Tests of Residual Serial Correlation for Country-Specific VARX* Models

Country		y	Δp	q	$e-p$	ρ^s	ρ^L	p^o
U.S.	F(4,70)	0.55	2.45	1.14	-	2.81 [†]	0.56	2.33
E.A.	F(4,61)	0.65	5.32 [†]	0.75	0.94	1.39	1.03	-
China	F(4,71)	1.39	4.63 [†]	-	0.49	5.18 [†]	-	-
Japan	F(4,73)	3.63 [†]	1.49	2.44	1.61	3.69 [†]	0.51	-
U.K.	F(4,67)	1.04	3.26 [†]	0.83	1.31	0.18	1.18	-
Sweden	F(4,67)	1.49	0.17	3.08 [†]	0.28	0.96	2.13	-
Switzerland	F(4,73)	0.50	3.40 [†]	6.47 [†]	0.87	1.76	6.39 [†]	-
Norway	F(4,67)	3.30 [†]	3.63 [†]	1.39	0.92	1.54	2.19	-
Argentina	F(4,69)	1.59	0.49	2.94 [†]	2.26	0.29	-	-
Brazil	F(4,71)	4.41 [†]	0.48	-	0.72	0.27	-	-
Chile	F(4,69)	5.04 [†]	2.66 [†]	0.70	2.22	1.52	-	-
Mexico	F(4,75)	2.17	1.18	-	0.55	1.04	-	-
Peru	F(4,71)	1.96	3.44 [†]	-	1.61	4.79 [†]	-	-
Australia	F(4,73)	2.25	0.15	1.25	2.01	1.77	0.94	-
Canada	F(4,73)	0.88	1.91	1.77	1.86	3.58 [†]	0.74	-
New Zealand	F(4,67)	1.88	0.89	1.30	4.39 [†]	1.26	5.01 [†]	-
Indonesia	F(4,71)	3.67 [†]	3.70 [†]	-	3.64 [†]	1.40	-	-
Korea	F(4,67)	1.94	1.89	1.13	3.80 [†]	1.33	1.27	-
Malaysia	F(4,69)	1.83	2.17	0.70	1.28	1.07	-	-
Philippines	F(4,69)	0.97	4.54 [†]	3.10 [†]	0.37	3.33 [†]	-	-
Singapore	F(4,69)	1.90	5.24 [†]	2.23	1.20	2.32	-	-
Thailand	F(4,74)	5.01 [†]	2.21	1.37	4.20 [†]	0.61	-	-
India	F(4,69)	1.35	0.71	0.68	1.37	0.27	-	-
S. Africa	F(4,67)	3.07	0.73	0.24	1.90	3.88 [†]	1.38	-
Saudi Arabia	F(4,73)	13.98 [†]	0.96	-	0.53	-	-	-
Turkey	F(4,71)	2.50	2.84 [†]	-	1.64	2.92 [†]	-	-

Note: [†] denotes statistical significance at the 5% level.

PART II.

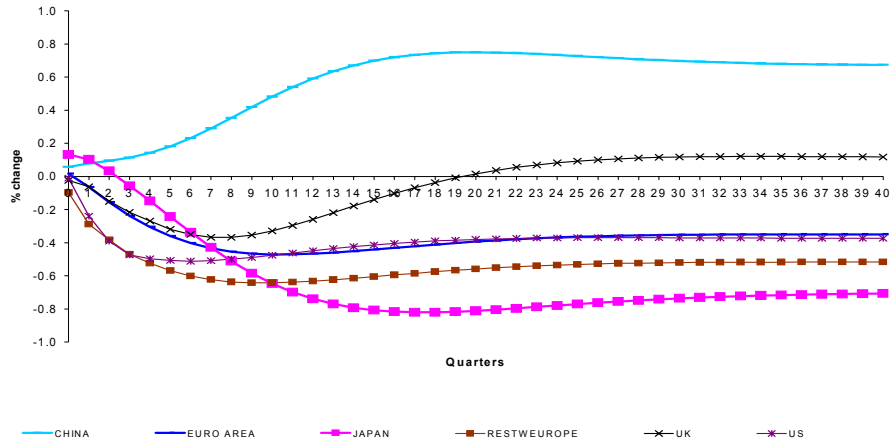


Figure B1: Generalized Impulse Responses of a Negative (-1 s.e.) Global Shock to Real Equity Prices on Real Output Across Regions

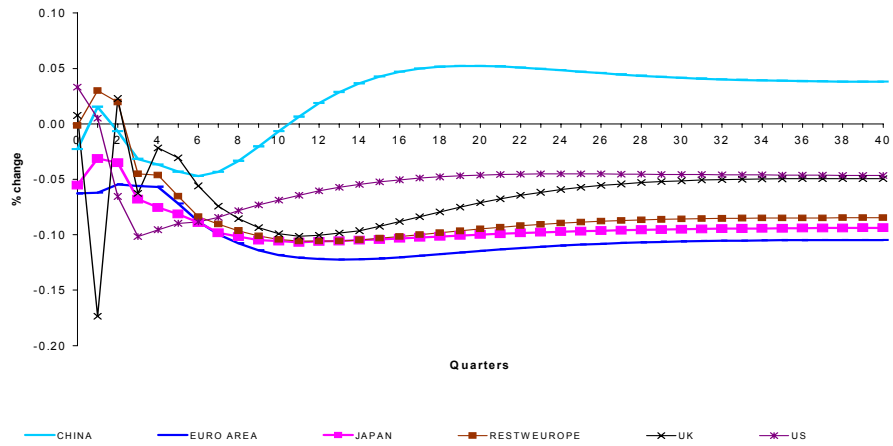


Figure B2: Generalized Impulse Responses of a Negative (-1 s.e.) Global Shock to Real Equity Prices on Inflation Across Regions

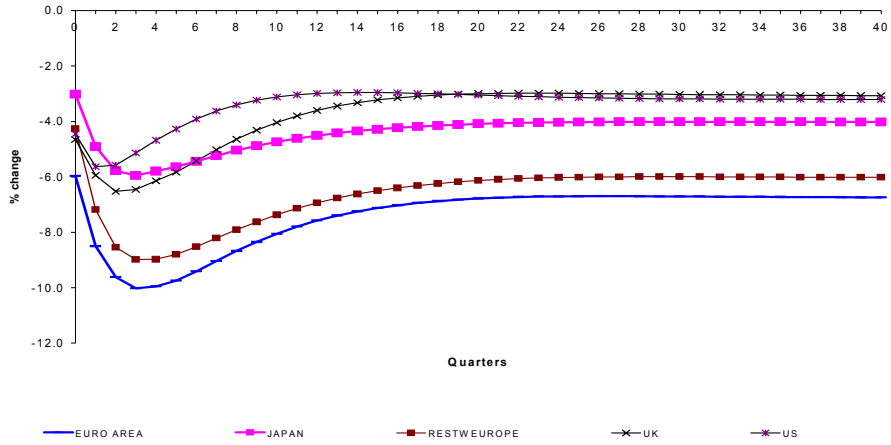


Figure B3: Generalized Impulse Responses of a Negative (-1 s.e.) Global Shock to Real Equity Prices on Real Equity Across Regions

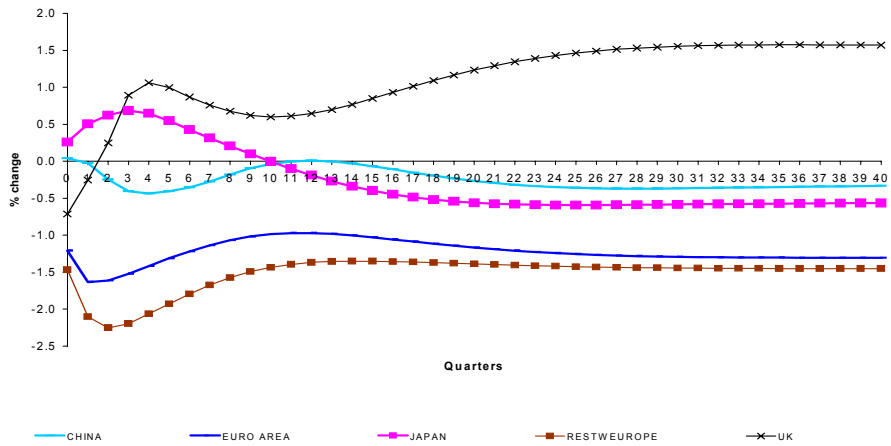


Figure B4: Generalized Impulse Responses of a Negative (-1 s.e.) Global Shock to Real Equity Prices on Real Exchange Rates Across Regions

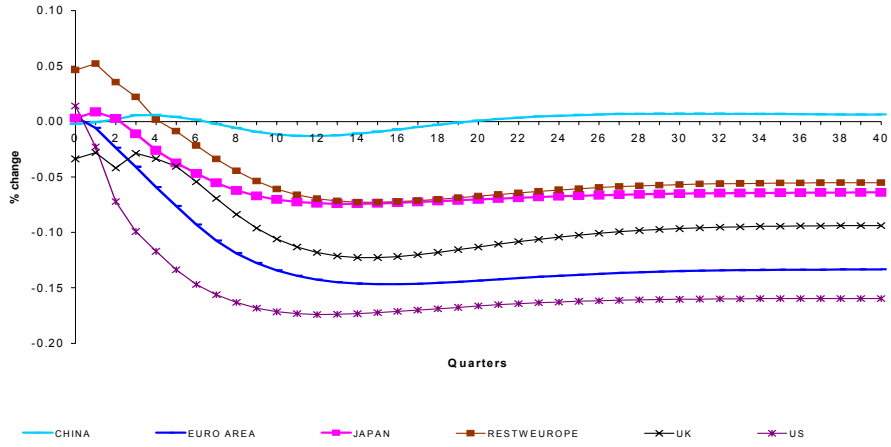


Figure B5: Generalized Impulse Responses of a Negative (-1 s.e.) Global Shock to Real Equity Prices on Short-Term Interest Rates Across Regions

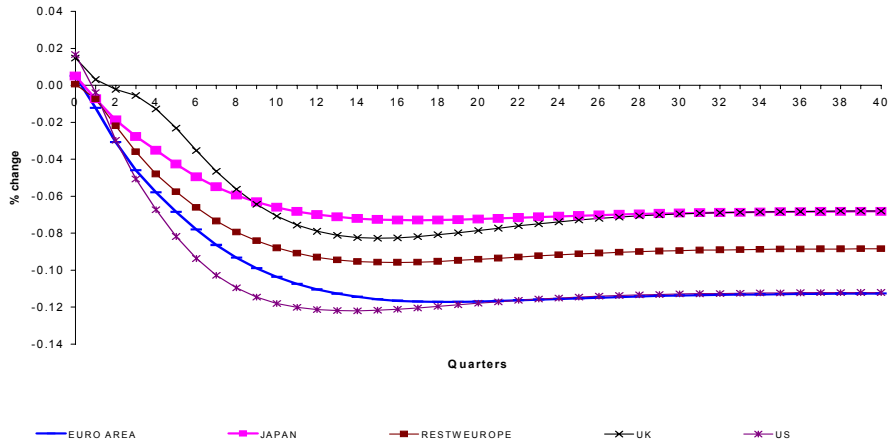


Figure B6: Generalized Impulse Responses of a Negative (-1 s.e.) Global Shock to Real Equity Prices on Long-Term Interest Rates Across Regions

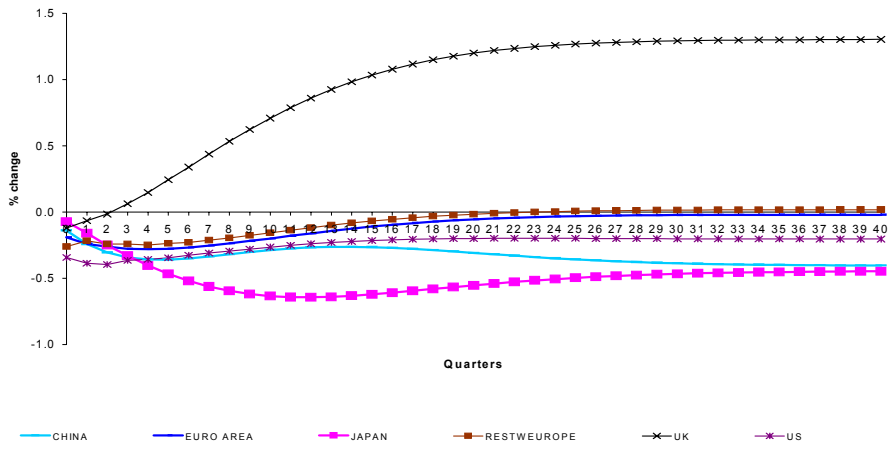


Figure B7: Generalized Impulse Responses of a Negative (-1 s.e.) Global Shock to Real Output on Real Output Across Regions

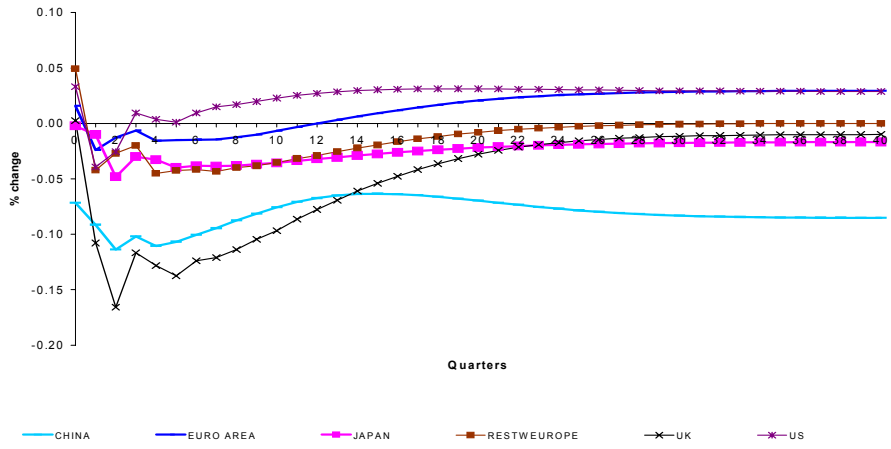


Figure B8: Generalized Impulse Responses of a Negative (-1 s.e.) Global Shock to Real Output on Inflation Across Regions

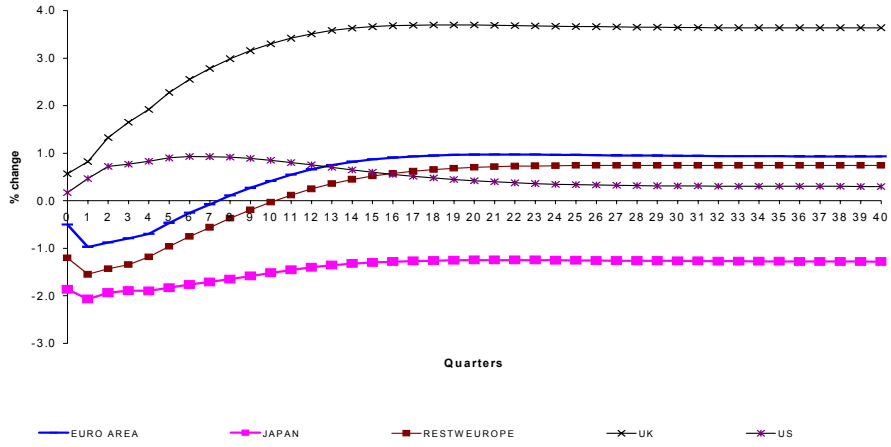


Figure B9: Generalized Impulse Responses of a Negative (-1 s.e.) Global Shock to Real Output on Real Equity Across Regions

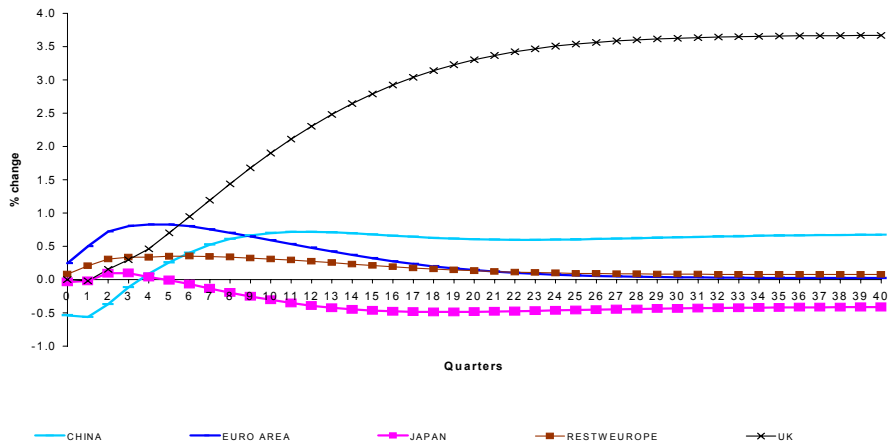


Figure B10: Generalized Impulse Responses of a Negative (-1 s.e.) Global Shock to Real Output on Real Exchange Rates Across Regions

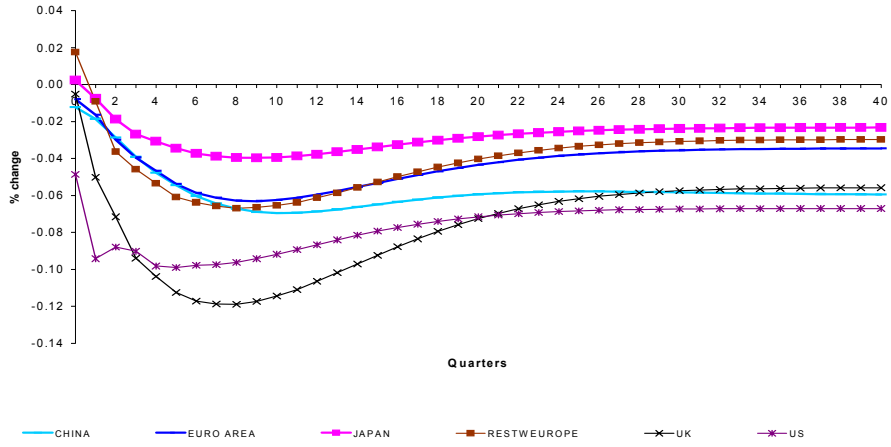


Figure B11: Generalized Impulse Responses of a Negative (-1 s.e.) Global Shock to Real Output on Short-Term Interest Rates Across Regions

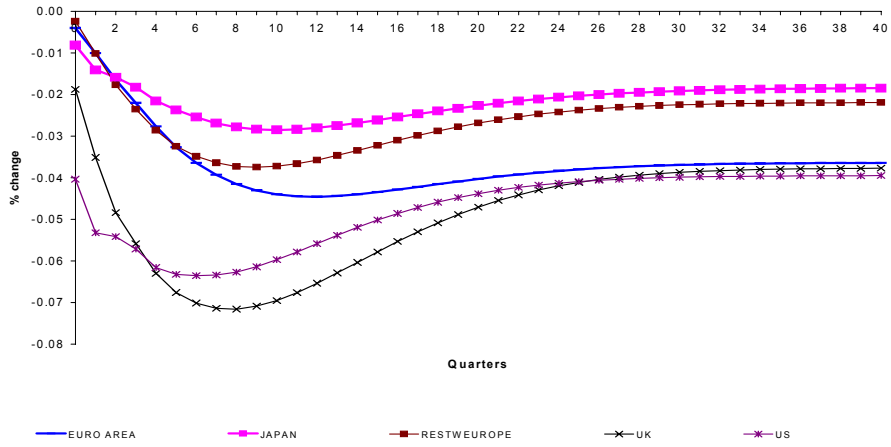


Figure B12: Generalized Impulse Responses of a Negative (-1 s.e.) Global Shock to Real Output on Long-Term Interest Rates Across Regions