Lingnan University 嶺南大學

Department of Economics

Seminar

"Noisy News in Business Cycles"

(in English)

Dr. Luca Gambetti

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Universitat Autonoma de Barcelona (UAB), Spain

Date: 1 December 2015 (Tuesday)

Time: 2pm – 3:30pm

Venue: WYL314, Dorothy Y. L. Wong Building

Abstract:

We investigate the role of "noise" shocks as a source of business cycle fluctuations. To do so we set up a simple model of imperfect information and derive restrictions for identifying the noise shock in a VAR model. The novelty of our approach is that identification is reached by means of dynamic rotations of the reduced form residuals. We find that noise shocks generate hump-shaped responses of GDP, consumption and investment and account for quite a sizable fraction of their prediction error variance at business cycle horizons.

Biography:

Luca Gambetti is Associate Professor of Economics at the UAB and Barcelona GSE. Luca's research focuses on macroeconometrics and applied time series analysis. His research has been published among others in the Journal of Monetary Economics, the Economic Journal, the Journal of Applied Econometrics and the American Economic Journal: Macro. Luca is deputy director of the Phd program at UAB.

All Are Welcome

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