

This directory contains the replication code for
"The Effects of Foreign Shocks When Interest Rates Are at Zero"
by Martin Bodenstein, Christopher J. Erceg, and Luca Guerrieri, 2015,
Mimeo Federal Reserve Board.

This code was developed using Matlab 7.14.0.739 and Dynare 4.4.2
(which needs to be installed separately)

This code also makes use of the OccBin toolbox developed by Luca
Guerrieri and Matteo Iacoviello,
see "OccBin: A Toolbox for Solving Models with Occasionally Binding
Constraints Easily,"
Journal of Monetary Economics 2015. The OccBin toolbox is included
with this replication code.

PRELIMINARIES

Before running any of the programs, the file setpathdynare4.m needs to
be updated to point
to the local installation of Dynare.

FIGURES

Figure 1: runsim_motivation_figure.m
Figure 2: runsim_eggtrade_potential_baseline.m
Figure 3: runsim_eggtrade_potential.m
Figure 4: runsim_eggtrade_potential_baseline_japan.m
Figure 5: runsim_eggtrade_potential_baseline_trade_elast.m
Figure 6: runsim_eggtrade_potential_baseline_trade_share.m
Figure 7: runsim_eggtrade_potential_tech_shock.m