Advanced Bayesian Econometrics:
Bayesian Multivariate Models and Forecasting in Economics and Finance

Università Ca' Foscari, Venice, 29 August – 2 September, 2022

Preliminary readings/Reference textbook for the course

Aastveit, K.A., J. Mitchell, F. Ravazzolo and H.K. van Dijk, (2018). The Evolution of Forecast Density Combinations in Economics, *Oxford Research Encyclopedia of Economics and Finance*.

Agudze, K. M., M. Billio, R. Casarin and F. Ravazzolo, (2021). "Markov Switching Panel with Network Interaction Effects". *Journal of Econometrics*, forthcoming.

Ahelegbey D. F., Billio, M. and Casarin, R., (2016), Bayesian Graphical Models for Structural Vector Autoregressive Processes, *Journal of Applied Econometrics*, 31(2), 357-386.

Adrian, Tobias, Nina Boyarchenko, and Domenico Giannone (2019). Vulnerable growth. *American Economic Review* 109(4), pp. 1263–89.

Arellano-Valle, RB, H Bolfarine, and VH Lachos (2007). Bayesian inference for skew-normal linear mixed models. *Journal of Applied Statistics* 34(6), pp. 663–682.

Arias, Jonas E. & Rubio-Ramírez, Juan F. & Waggoner, Daniel F., (2014). Inference Based on SVARs Identified with Sign and Zero Restrictions: Theory and Applications, *Dynare Working Papers 30, CEPREMAP*.

Bassetti, F, R. Casarin and F. Ravazzolo, (2020). Density Forecasting. In Fuleky, P. (eds) *Macroeconomic Forecasting in the Era of Big Data*, Springer.

Bassetti, F., Casarin, R., Ravazzolo, F. (2018). Bayesian Nonparametric Calibration and Combination of Predictive Distributions, *Journal of the American Statistical Association*, 113(522), 675-685.

Bassetti, F., Casarin, R. and Leisen, F. (2014),. Beta-product Dependent Pitman-Yor Process Prior for Bayesian Inference, *Journal of Econometrics*, 180, 49-72.

Bianchi, D., Billio, M., Casarin, R., Guidolin, M. (2019). Modeling Systemic Risk with Markov Switching Graphical SUR Models, *Journal of Econometrics*, 210(1), 58-74.

Billio, Casarin, Ravazzolo and van Dijk, (2013). Time-varying Combinations of Predictive Densities using Nonlinear Filtering, *Journal of Econometrics*, 177(2), 213–232.

Billio, M., Casarin, R., Rossini, L. (2019). Bayesian Nonparametric Sparse VAR Models, *Journal of Econometrics*, 212(1), 97-115.

Billio, M., Casarin, R., Ravazzolo, F. and van Dijk, H.K. (2016). Interconnections between Eurozone and US booms and busts using a Bayesian Panel Markov-Switching VAR model, *Journal of Applied Econometrics*, 31(7), 1352-1370.

Casarin, R., Iacopini, M., German, M., Ter Horst, E., Espinasa, R., Sucre, C. and Rigobon, R. (2020). Multilayer network analysis of oil linkages, *Econometrics Journal*, 23(2), 269-296.

Canova and Ciccarelli, 2013. Panel Vector Autoregressive Models: A Survey. *Advances in Econometrics*, eds. T. Fomby, L. Kilian and A. Murphy, Volume 32, 2013.

Canova and Ciccarelli, 2012. ClubMed? Cyclical fluctuations in the Mediterranean basin. *Journal of International Economics*, 88: 162-175.

Casarin, R., Sartore, D. and Tronzano, M. (2018). A Bayesian Markov-switching correlation model for contagion analysis on exchange rate markets, *Journal of Business and Economic Statistics*, 36(1), 101-114.

Casarin, Grassi, Ravazzolo and van Dijk, (2015). Parallel Sequential Monte Carlo for Efficient Density Combination: The Deco Matlab Toolbox, *Journal of Statistical Software*, 68(3).

Catania, L., S. Grassi and F. Ravazzolo, (2019). Forecasting Cryptocurrencies under Model and Parameter Instability. *International Journal of Forecasting*, 39(2), 485-501.

Catania L., Grassi S., Ravazzolo F., (2018). Predicting the Volatility of Cryptocurrency Time-Series. In: Corazza M., Durbán M., Grané A., Perna C., Sibillo M. (eds) *Mathematical and Statistical Methods for Actuarial Sciences and Finance*. Springer.

Clark and Ravazzolo, (2015). The Macroeconomic Forecasting Performance of Autoregressive Models with Alternative Specifications of Time-Varying Volatility, *Journal of Applied Econometrics*, 30(4), 551-575.

Ciccarelli, Ortega and Valderrama (2015), Heterogeneity and cross-country spillovers in macroeconomic-financial linkages, The B.E. *Journal of Macroeconomics*, 16: 231-276

Ciccarelli, Maddaloni and Peydró, (2015) Trusting the bankers: a new look at the credit channel of monetary policy transmission, *Review of Economic Dynamics*, 18:979-1002.

Delle Monache, Davide, Andrea De Polis, and Ivan Petrella (2021). Modeling and forecasting macroeconomic downside risk. Bank of Italy, Temi di Discussione (Working Paper) No 1324.

Del Negro, M. and Schorfheide, F. (2010). *Bayesian Macroeconometrics*, Handbook of Bayesian Econometrics.

Gianfreda, A., F. Ravazzolo and L. Rossini (2020). "Comparing the Forecasting Performances of Linear Models for Electricity Prices with High RES Penetration". *International Journal of Forecasting*, 36(3), 974-986.

Lerch, S., T. Thorarinsdottir, F. Ravazzolo and T. Gneiting, (2017). Forecaster's Dilemma: Extreme Events and Forecast Evaluation. *Statistical Science*, 32(1), 106-127.

Litterman, R. B., (1986). Forecasting with Bayesian vector autoregressions five years of experience. *Journal of Business and Economic Statistics*, (4):25-38.

Montes Galdon, Carlos and Eva Ortega (2022): "Skewed SVARs: Tracking the structural sources of macroeconomic tail risks", forthcoming in *Advances in Econometrics*

Kilian, L. F. (2011). *Structural Vector Autoregression*, Mimeo.

Kim, C.J. and C.R. Nelson, (1999). *State-Space Models with Regime Switching*, MIT Press, Cambridge.

Koop, G. (2003). *Bayesian Econometrics*, J. Wiley.

Korobilis, Dimitris (2020). A new algorithm for sign restrictions in vector autoregressions. Available at SSRN 3557911

West, M., and J. Harrison, (1997). *Bayesian Forecasting and Dynamic Models*, 2nd Ed., Springer, 1997

Handouts, readings and further material will be provided before the beginning of and during the lectures.