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**Readme for “Secular Stagnation and Low Interest Rates under the Fear of a Government Debt Crisis,” forthcoming in Journal of Money, Credit and Banking**

To run codes, you need Matlab (we used version R2017b).

* Figure 1
  + Run Figure1&11\OECDdataread.m
* Figure 2
  + See Figure2\Anxiety\_cabinetofffice.xlsx
* Figure 3 and regression in Section 2.1
  + Left: See Figure3&4\NikkeiTelecon\NikkeiKeywords.xlsx
  + Right: See Figure3&4\CDS\CDS.xlsx;

To draw the figure, run Figure3&4\dataJapan\_drawgraph.m; and

To estimate the CDS equation, run Figure3&4\CDS\CDS\_by.m

* Figure 4
  + Run Figure3&4\dataJapan\_drawgraph.m
  + Also see Figure3&4\interest.xlsx
* Figure 5 and regression in Section 4.2.2
  + Run Figure5\regression.m
* Figure 6-10
  + Run Figure6to10\code\programrunfinal.m
  + For details, see the next page.
* Figure 11
  + See Figure1&11\OECD\_economicoutlook\FDI\_4thedition.xlsx

Codes for simulation (Figures 6 to 10 and Tables 2 and 3)

This code is based on Gourio’s (2013).

For simulation, run prograrunfinal.m, which calculates the model solution and

computes some simulations.

* parameters\_EZbenchmarkBKBTFPRAND.m and listparam\_tables\_final.m define various parameter setting.
* drawgraph.m draws figures.
* summary\_SS.txt shows results on key moments and welfare.
  + summary\_SS.xls summarizes the results, which are used for Tables 2 and 3.