

Replication Instructions for “A Divisia Measure of the Money Supply for Mexico”

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Codes

The software used for the VAR analysis in the paper was MATLAB R2020a. The software used for Granger Cause Tests and correlation analysis was STATA/MP 17

Figure 3a—Figure 12: Ensure the following supporting folders: *Datos* and *Equipo* are downloaded into the same folder where the *Figuresxx.mat* files are downloaded. Open Matlab and change directory to

... JMCB-MSS20-153 Replication Files

and then type **Figurexx.m** in the MATLAB command window, where **xx** designates whichever Figure is desired from **3a** to **12**. If supporting folders were downloaded elsewhere in your machine, ensure they are added to the current path.

Table 2a: Open the **Correlation Coeff 2001-2022.do** file in STATA. Locate row 6 in the do file and change the path to point to where the **Datos** folder was downloaded in your machine to point to the following data file:

...\JMCB-MSS20-153 Replication Files \Datos\Correlation Coeff and GCT 2001-2022.dta and run the code.

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Table 2b: Open the **Correlation Coeff 2015-2022.do** file in STATA. Locate row 6 in the do file and change the path to point to where the **Datos** folder was downloaded in your machine to point to the following data file:

...\JM CB-MSS20-153 Replication Files \Datos\Correlation Coeff and GCT 2015-2022.dta and run the code.

Table 3a: Open the **Granger Cause Tests 2001-2022.do** file in STATA. Locate row 6 in the do file and change the path to point to where the **Datos** folder was downloaded in your machine to point to the following data file:

...\JM CB-MSS20-153 Replication Files \Datos\Correlation Coeff and GCT 2001-2022.dta and run the code.

Table 3b: Open the **Granger Cause Tests 2015-2022.do** file in STATA. Locate row 6 in the do file and change the path to point to where the **Datos** folder was downloaded in your machine to point to the following data file:

...\JM CB-MSS20-153 Replication Files \Datos\Correlation Coeff and GCT 2015-2022.dta and run the code.

Data

The supporting folder: ***Datos*** contains the data employed in the empirical portion of the paper. Our constructed Divisia indices are also included in the folder and are provided in the following file:

DIVISIA_INDEX_MEXICO_APR_2022.xlsx. The sample encompasses monthly data from December 2000 to April 2022.

Divisia M1. The **DM1** contains the Divisia M1 index in column R. Column Z shows the implied interest rate for the aggregate. Column AB contains the real user cost of Divisia M1. Columns B—P show each of the components of the aggregate obtained from Bank of Mexico along with their respective own-rate and real user costs constructed by us. Column Q shows the aggregate Simple-Sum M1 measure from Bank of Mexico in bn Pesos. Column S normalizes our index to a peso measure.

Divisia M2. The **DM2** contains the Divisia M2 index in column P. Column X shows the implied interest rate for the aggregate. Column Z contains the real user cost of Divisia M2. Columns B—N show each of the components of the aggregate obtained from Bank of Mexico along with their respective own-rate and real user costs constructed by us. Column O shows the aggregate Simple-Sum M2 measure from Bank of Mexico in bn Pesos. Column Q normalizes our index to a peso measure.

Divisia M3. The **DM3** contains the Divisia M3 index in column M. Column U shows the implied interest rate for the aggregate. Column W contains the real user cost of Divisia M3. Columns B—J show each of the components of the aggregate obtained from Bank of Mexico along with their respective own-rate and real user costs constructed by us. Column L shows the aggregate Simple-Sum M3 measure from Bank of Mexico in bn Pesos. Column N normalizes our index to a peso measure.

Divisia M4. The **DM4** contains the Divisia M4 index in column S. Column AA shows the implied interest rate for the aggregate. Column AC contains the real user cost of Divisia M4. Columns B—P show each of the components of the aggregate obtained from Bank of Mexico along with their respective own-rate and real user costs constructed by us. Column R shows the aggregate Simple-Sum M4 measure from Bank of Mexico in bn Pesos. Column

T normalizes our index to a peso measure.

These data are also available separately in the ***Datos*** folder as .txt files. These files are:

DIVISIA_INDEX_MEXICO_APR_2022_DM1.txt

DIVISIA_INDEX_MEXICO_APR_2022_DM2.txt

DIVISIA_INDEX_MEXICO_APR_2022_DM3.txt

DIVISIA_INDEX_MEXICO_APR_2022_DM4.txt