

ECONOMETRIC THEORY



$(\hat{A}^+ - A)F = [A_T - B_T C_T] D_T^{-1} F' F$ *Editor:*
Peter C.B. Phillips
Yale University

$$\beta' y_t = U_{1t} = \underbrace{\beta' \varepsilon_t}_{u_{1t}} + \underbrace{(-G(F - I)y_{2t-1})}_{\tilde{u}_{1t}}$$

$$\beta' \Delta y_t = \Delta U_{1t} = \underbrace{\beta' \Delta \varepsilon_t}_{\Delta u_{1t}} + \underbrace{(-G(F - I)^2 y_{2t-2} - G(F - I)\varepsilon_{2t-1})}_{\Delta \tilde{u}_{1t}}$$

$$T^{-1} \sum_{t=1}^T \varepsilon_t y_{2t-1}' (I + G'G) \Rightarrow \begin{pmatrix} \Sigma_{11}^{1/2} & \int_0^1 dW_1 J_C' \Sigma_{22}^{1/2} \\ \Sigma_{22}^{1/2} & \int_0^1 dW_2 J_C' \Sigma_{22}^{1/2} \end{pmatrix} (I + G'G)$$

CAMBRIDGE
UNIVERSITY PRESS

ECONOMETRIC THEORY

Editor

Peter C.B. Phillips

Cowles Foundation for Research in Economics
Yale University

Co-Editors

G. Cavaliere (*University of Bologna*), I. Fernandez-Val (*Boston University*), P. Guggenberger (*Pennsylvania State University*), M. Jansson (*University of California, Berkeley*), D. Kristensen (*University College London*), G. Kuersteiner (*University of Maryland*), S. Lee (*Columbia University*), A. Lewbel (*Boston College*), A. Mikusheva (*Massachusetts Institute of Technology*), B.M. Pötscher (*University of Vienna*), E. Renault (*Brown University*), P. Saikkonen (*University of Helsinki*), L. Su (*Singapore Management University*), A.M.R. Taylor (*University of Essex*), V. Todorov (*Northwestern University*), Y.-J. Whang (*Seoul National University*)

Advisory Board

M. Deistler (*Technische Universität Wien*), P.M. Robinson (*London School of Economics*), R.J. Smith (*University of Cambridge*)

Associate Editors

K. Abadir (*Imperial College London*), F. Bandi (*Johns Hopkins University*), A. Belloni (*Duke University*), M. Carrasco (*Université de Montréal*), M. Cattaneo (*University of Michigan*), X. Cheng (*University of Pennsylvania*), D. Chetverikov (*University of California, Los Angeles*), V. Corradi (*University of Surrey*), X. D'Haultfoeuille (*CREST*), J.C. Escanciano (*Indiana University*), G. Elliott (*University of California, San Diego*), J. Gao (*Monash University*), L. Giraitis (*Queen Mary, University of London*), E. Guerre (*Queen Mary, University of London*), C. Han (*Korea University*), P. Hansen (*European University Institute*), S. Hoderlein (*Boston College*), R. Ibragimov (*Imperial College London*), R. Klein (*Rutgers University*), R. Koehler (*University of Illinois*), I. Komunjer (*University of California, San Diego*), Z. Liao (*University of California, Los Angeles*), O. Lieberman (*Bar-Ilan University*), T. Magdalinos (*University of Southampton*), P. Marsh (*University of Nottingham*), H.R. Moon (*University of Southern California*), M. Nielsen (*Queen's University*), J. Pinkse (*Pennsylvania State University*), I.R. Prucha (*University of Maryland*), A. Rahbek (*University of Copenhagen*), O. Scaillet (*Université de Genève and Swiss Finance Institute*), S. Schennach (*Brown University*), X. Shi (*University of Wisconsin, Madison*), Y. Sun (*University of California, San Diego*), G. Tripathi (*University of Luxembourg*), C. Velasco (*Universidad Carlos III de Madrid*), T. Vogelsang (*Michigan State University*), Z. Xiao (*Boston College*), J. Yu (*Singapore Management University*), J.-M. Zakoian (*CREST*)

ET E-mail: econometric.theory@yale.edu

ET Yale Website: <http://koroara.econ.yale.edu/et/>

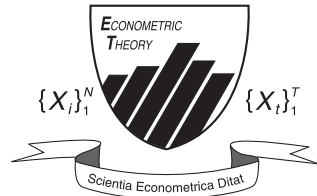
Subscriptions: *Econometric Theory* (ISSN 0266-4666) is published bimonthly by Cambridge University Press, One Liberty Plaza, Floor 20, New York, NY 10006 / Cambridge University Press, The Edinburgh Building, Shaftesbury Road, Cambridge CB2 2RU, UK.

Rates for 2017: Institutions, print plus online, US \$1383.00 in the US, Canada, and Mexico; UK £822.00 + VAT elsewhere. Institutions, online only: US \$1121.00 in the US, Canada, and Mexico; UK £663.00 + VAT elsewhere. Individuals, print plus online: US \$367.00 in the US, Canada, and Mexico; UK £215.00 + VAT elsewhere (prepayment by personal check or credit card only). Single parts: US \$236.00 (£144.00 + VAT). Prices include postage and insurance; air mail or registered mail extra. Back volume prices upon request.

Institutional orders may be sent to a bookseller, subscription agent, or directly to Cambridge University Press, One Liberty Plaza, Floor 20, New York, NY 10006 or outside the U.S.A., Canada, and Mexico to Cambridge University Press, The Edinburgh Building, Shaftesbury Road, Cambridge CB2 2RU, England. Claims for missing issues should be made immediately after receipt of the next issue.

Special student rate: \$106.00 (£64.00). Proof of student status must accompany your order.

This journal is part of the Cambridge Journals Online service. Access to online tables of contents and article abstracts is available to all researchers at no cost. Institutional subscribers: Access to full-text articles online is currently included with the cost of the print



subscription. Subscriptions must be activated; see <http://www.cambridge.org/ect> for details.

Copyright: © Cambridge University Press 2018. All rights reserved. No part of this publication may be reproduced, in any form or by any means, electronic, photocopy, or otherwise, without permission in writing from Cambridge University Press. For further information see <http://us.cambridge.org/information/rights/> or <http://www.cambridge.org/uk/information/rights/>

Copying: Photocopying information for users in the USA: The Item-Fee Code for this publication indicates that copying for internal or personal use beyond that permitted by Sec. 107 or 108 of the US Copyright Law is authorized for users duly registered with the Copyright Clearance Center (CCC), provided that the appropriate remittance of \$15.00 per article is paid directly to: CCC, 222 Rosewood Drive, Danvers, MA 01923. Specific written permission must be obtained for all other copying: Contact your nearest Cambridge University Press office. *The Item-Fee Code* for this journal is: 0266-4666/15 \$15.00.

ISI Tearsheet Service, 3501 Market Street, Philadelphia, PA 19104, U.S.A., is authorized to supply single copies of separate articles for private use only.

Article Reprints are available from the authors. For orders of 50 or more reprints, contact the Production Office.

Advertising: Inquiries about advertising should be sent to the Journals Promotion Department of the New York or Cambridge offices of Cambridge University Press. UK: ad_sales@cambridge.org. US: USAdSales@cambridge.org.

Instructions for Contributors are provided at the back of the journal.

Econometric Theory is indexed in Social Sciences Citation Index; Current Contents/Social & Behavioral Sciences; *Journal of Economic Literature*; Index of Economic Articles; Economic Literature Index; *Statistical Theory and Method Abstracts*; and *Zentralblatt für Mathematik*.

Periodicals postage paid New York, NY and additional mailing offices. *Postmaster:* send address changes in the USA, Canada, and Mexico to: *Econometric Theory*, Journals Department, Cambridge University Press, One Liberty Plaza, Floor 20, New York, NY 10006.