Readme file for: A replication of "A Quasi-Maximum Likelihood Approach for Large, Approximate Dynamic Factor Models" (Review of Economics and Statistics, 2012)

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Main replication scripts

Please note that, in order to have the scripts run correctly, you will need the `DFM` package for gretl version 0.42 at least.

1. run `tables-1-2-3.inp` to replicate Tables 1, 2 and 3. As it is, the script file replicates Table 1. Uncomment line 17 and set the `TABLE` number to either 2 or 3 to replicate the corresponding tables. With 5000 runs, the simulation experiment can be time consuming. Use instead 100 in line 26 to just evaluate the script's operational performance. Upon completion, a txt file is created to the working directory under the name `table_1.txt` or `table_2.txt` or `table_3.txt`

2. run `table-4.inp` to replicate table 4. It writes a txt file to the working directory named `table_4.txt`. It contains the six sub-panels incorporated in Table 4 of the paper.

Supporting scripts

1. The file `simfuncs.inp` contains functions that are specific to the paper's simulation exercise (for example the data generation process).