

This suggested (certainly not exhaustive) list of reading materials provides some of the background for the PhD workshop next week. You will receive further guidance on the relevant reading at the workshop! Enjoy!

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Bullard, J. and Mitra, K. "Determinacy, Learnability, and Monetary Policy Inertia" forthcoming in the *Journal of Money, Credit and Banking*

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Carceles-Poveda, E. and C. Giannitsarou, 2007. "Adaptive Learning in practice", *Journal of Economic Dynamics and Control*, 31, 2659-2697.

Cho, I. K., N. Williams and T. Sargent, 2002. "Escaping Nash Inflation", *Review of Economic Studies*, 69, 1 - 40.

Clarida, R., Galí, J., and Gertler, M. (1998), "Monetary rules in practice: some international evidence", *European Economic Review*, 42, 1033-67.

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Evans, G., S. Honkapohja and N. Williams, 2006. "Generalized Stochastic Gradient Learning", NBER Working Paper.

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Giannitsarou, C., 2006. "Supply-Side Reforms and Learning Dynamics", *Journal of Monetary Economics*, 53.

Giannitsarou, C., 2005. "E-stability Does Not Imply Learnability", *Macroeconomic Dynamics*, 9, 276 - 287.

Hansen, G. D., 1985. "Indivisible Labor and the Business Cycle", *Journal of Monetary Economics*, 16, 309 - 327.

Honkapohja, S. and Mitra, K., 2004. "Are Non-Fundamental Equilibria Learnable in Models of Monetary Policy?" *Journal of Monetary Economics*, 51, 1743-1770.

Ljung, L. and T. Söderström, 1986. "Theory and Practice of Recursive Identification", MIT Press, third printing.

Marcet, A. and J.-P. Nicolini, 2003. "Recurrent Hyperinflations and Learning", *American Economic Review*, 93, 1476 - 1498.

Marcet, A. and T. Sargent, 1989. "Convergence of Least Squares Mechanisms in Self-Referential Linear Stochastic Models", *Journal of Economic Theory*, 48, 337 - 368.

McCallum, B. T., 1983. "On Non uniqueness in Linear Rational Expectations Models: An Attempt at Perspective", *Journal of Monetary Economics*, 11, 134 - 168.

McCallum, B. T., 2003. "The Unique Minimum State Variable RE Solution is E-stable in All Well Formulated Linear Models. NBER Working Paper 9960.

McCallum, B. T., 2006. "E-stability vis-à-vis Determinacy Results for a Broad Class of Linear rational expectations Models." *Journal of Economic Dynamics and Control*.

McCulloch, H., 2005. "The Kalman Foundations of Adaptive Least Squares", mimeograph.

Milani, F., 2004. "Expectations, Learning and Macroeconomic Persistence", mimeograph.

Milani, F., 2005a. "Learning, Monetary Policy Rules, and Macroeconomic Stability", mimeograph.

Milani, F., 2005b. "Adaptive Learning and Inflation Persistence", mimeograph.

Mishkin, F. "International experiences with different monetary policy regimes", *Journal of Monetary Economics*, 1999.

Orphanides, A. and J. Williams, 2005a. "The Decline of Activist Stabilization Policy: Natural Rate Misperceptions, Learning and Expectations", *Journal of Economic Dynamics and Control* 29, 1927 - 1950.

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Sargent, T., 1999. "The Conquest of American Inflation", Princeton University Press.

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Williams, N., 2003. "Adaptive Learning and Business Cycles", mimeograph.

Readings for *Adaptive Learning Toolbox Part III*

Adam, K., A. Marcet and J. P. Nicolini. Learning and Stock Market Volatility. Mimeograph.

Bacon, R. W. A Note on the Properties of Products of Random Variables with Reference to Economic Applications. *Oxford Bulletin of Economics and Statistics* 42, 4, 337-44.

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Fama E. and K. French, 1988, Dividend Yields and Expected Stock Returns. *Journal of Financial Economics* 22, 3-27.

Hall, R., 1988. Intertemporal Elasticity in Consumption. *Journal of Political Economy* 98, 339-357.

Honkapohja, S. and K. Mitra, 2003. Learning with Bounded Memory in Stochastic Models. *Journal of Economic Dynamics and Control*, 27, 1437-1457.

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Jermann, U. J., 1998. Asset pricing in production economies, *Journal of Monetary Economics* 41, 2, 257-275.

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Lettau M., 2003, Inspecting the Mechanism: The Determination of Asset Prices in the Real Business Cycle Model, *The Economic Journal*, 113, 550--575.

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Shiller, R. J., 1989. *Market Volatility*. MIT Press.

Timmermann, A., 1994. How Learning in Financial Markets Generates Excess Volatility and Predictability in Stock Prices. *Quarterly Journal of Economics*, 108, 1135-1145.

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