APPENDIX C

```
. corr resid fdSP500 fdOPECBasket EconomicCrises GeopoliticalEvents
(obs=214)
```

	resid	fdSP500	fdOPEC~t	Econom~s	Geopol~s
resid	1.0000				
fdSP500	0.0000	1.0000			
fdOPECBasket	0.0000	0.0534	1.0000		
EconomicCr~s	-0.0000	-0.1824	-0.0563	1.0000	
Geopolitic~s	-0.0000	-0.0076	-0.1581	0.0442	1.0000

Correlation between residual and variables
for first regression

Table 1

	resid	fdPCEB~f	fdGovI~f	fdGovE~f	fdNetE~s	WTIxEc~s	fdWTIx~t	fdWTIx~n
resid	1.0000							
fdPCEBillo~f	0.0000	1.0000						
fdGovInvBi~f	-0.0000	-0.0604	1.0000					
fdGovExpBi~f	-0.0000	-0.1547	0.4427	1.0000				
fdNetExpor~s	0.0000	-0.6557	0.1533	0.1282	1.0000			
WTIxEconom~s	0.0000	-0.2681	0.1148	-0.0425	0.2427	1.0000		
fdWTIxWari~t	0.0000	0.5351	-0.0779	0.0151	-0.5213	-0.0441	1.0000	
fdWTIxWari~n	-0.0000	0.5815	0.0069	0.0072	-0.5312	-0.0181	0.9102	1.0000

Correlation between residual and variables for second regression

Table 2

```
Breusch-Pagan / Cook-Weisberg test for heteroskedasticity
         Ho: Constant variance
         Variables: fitted values of fdWTICrudeOil

         chi2(1)      =     0.27
         Prob > chi2  =   0.6030

. estat imtest, white

White's test for Ho: homoskedasticity
         against Ha: unrestricted heteroskedasticity

         chi2(12)     =     8.22
         Prob > chi2  =   0.7681

Cameron & Trivedi's decomposition of IM-test
```

Source	chi2	df	p
Heteroskedasticity	8.22	12	0.7681
Skewness	8.05	4	0.0899
Kurtosis	1.87	1	0.1710
Total	18.14	17	0.3802

```
Breusch-Pagan / Cook-Weisberg test for heteroskedasticity
         Ho: Constant variance
         Variables: fitted values of fdUSrealGDP

         chi2(1)      =     0.08
         Prob > chi2  =   0.7810

. estat imtest, white

White's test for Ho: homoskedasticity
         against Ha: unrestricted heteroskedasticity

         chi2(33)     =    36.54
         Prob > chi2  =   0.3076

Cameron & Trivedi's decomposition of IM-test

-------------------------------------------------
             Source |       chi2     df       p
--------------------+----------------------------
 Heteroskedasticity |      36.54     33    0.3076
           Skewness |       4.10      7    0.7678
           Kurtosis |       1.77      1    0.1839
--------------------+----------------------------
              Total |      42.41     41    0.4100
-------------------------------------------------
```

Breusch-Pagan and White test for first regression (left) and for second regression (right)

Tables 3

Linear regression

Number of obs = 214
F(4, 209) = 341.59
Prob > F = 0.0000
R-squared = 0.8997
Root MSE = .02669

fdWTICrudeOil	Coef.	Robust Std. Err.	t	P>|t|	[95% Conf.	Interval]
fdOPECBasket	.9256926	.0257709	35.92	0.000	.8748885	.9764967
fdSP500	.0506267	.0412658	1.23	0.221	-.0307238	.1319771
EconomicCrises	-.0210426	.0090525	-2.32	0.021	-.0388885	-.0031967
GeopoliticalEvents	.0176481	.0067359	2.62	0.009	.004369	.0309272
_cons	-.0004298	.0020194	-0.21	0.832	-.0044107	.0035512

First regression using robust standard errors

Table 4

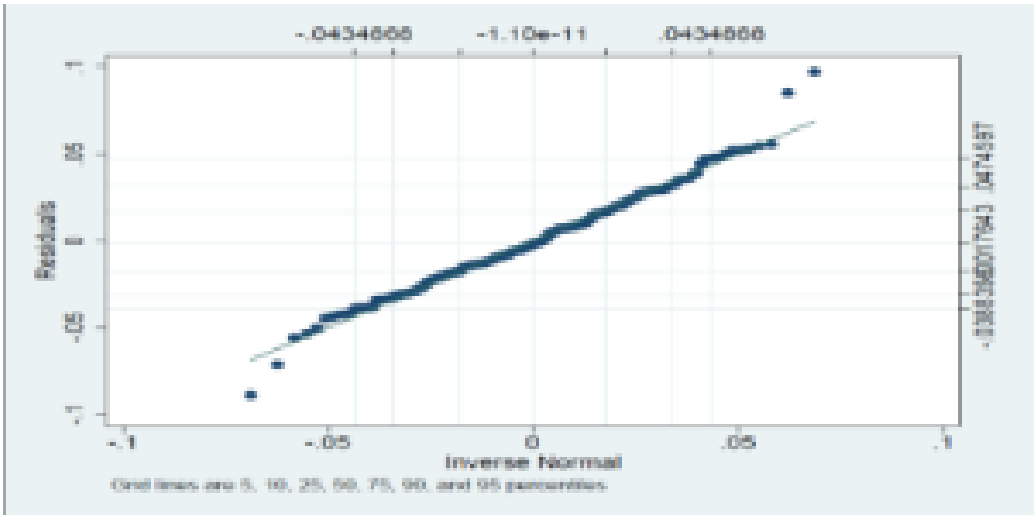
Linear regression

Number of obs = 71
F(7, 63) = 29.08
Prob > F = 0.0000
R-squared = 0.5884
Root MSE = .00452

fdUSrealGDP	Coef.	Robust Std. Err.	t	P>|t|	[95% Conf.	Interval]
fdPCEBillonsof	.6115288	.1435906	4.26	0.000	.3245859	.8984718
fdGovInvBilionsof	.2772564	.0895576	3.10	0.003	.0982899	.4562229
fdGovExpBillionsof	-.1461587	.048271	-3.03	0.004	-.2426207	-.0496968
fdNetExportsBillions	.0000124	.0000188	0.66	0.512	-.0000252	.00005
WTIxEconomiccrises	-.0000705	.0000173	-4.08	0.000	-.000105	-.0000359
fdWTIxWarintheMiddleEast	.0001796	.0001206	1.49	0.141	-.0000613	.0004205
fdWTIxWarinAfghanistan	-.0001401	.000137	-1.02	0.310	-.000414	.0001337
_cons	.0001225	.0020862	0.06	0.953	-.0040465	.0042915

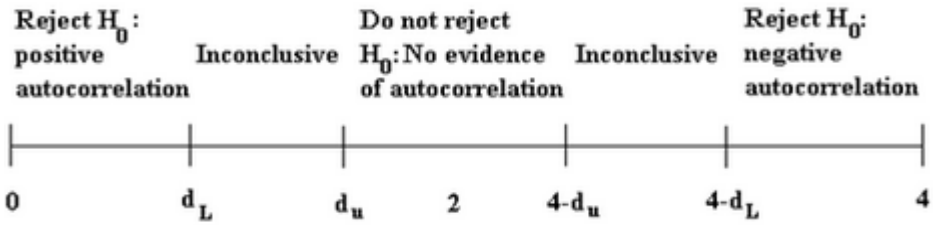
Second regression using robust standard errors

Table 5



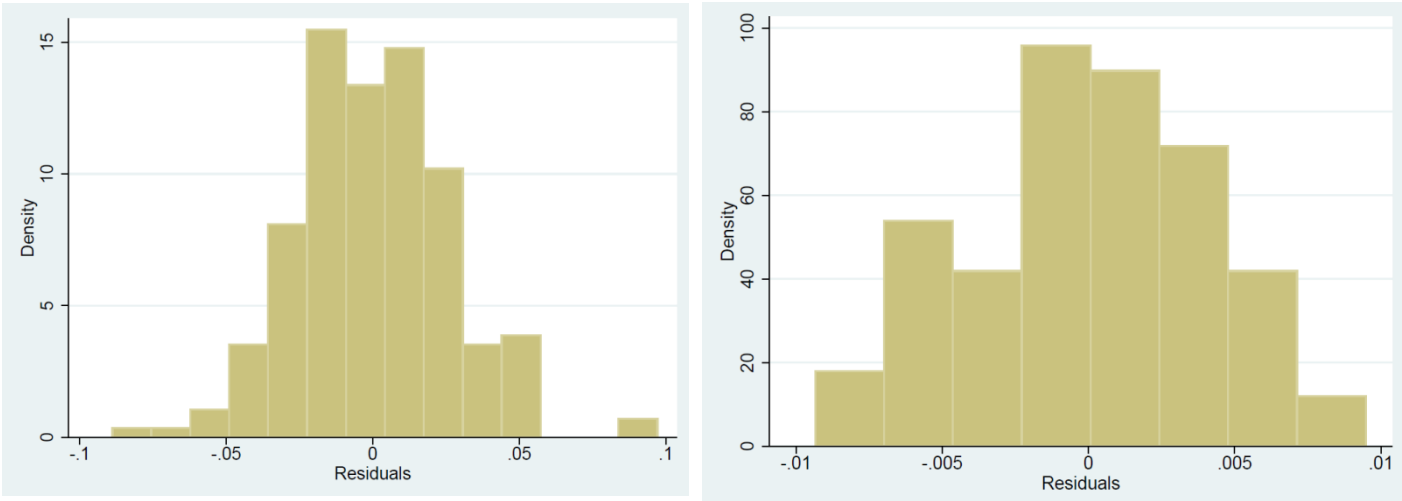
Outliers of residual of first regression

Figure 6



Durbin-Watson test

Figure 7



Normality in the error term for first regression (left) and for the second (right)

Figures 8