



## RATS Training Session:

### “Getting the Most Out of Version 6”

When: Thursday Nov 20, 2003, Friday Nov 21, 2003

Where: Doubletree Hotel, Skokie, IL

We are pleased to announce a RATS training session entitled “Getting the Most Out of Version 6” to be held this November, in Skokie, Illinois, just outside Chicago. As the title suggests, the sessions will (roughly) coincide with the release of Version 6 of RATS, and will focus on making use of the new capabilities of Version 6. (We will also be offering this course in the U.K. at the end of November—see page 2 for details)

This is a two day workshop intended for those already familiar with RATS. We will discuss the major improvements included in RATS v6 and show you how to make the best use of them. The first day is devoted primarily to the more general programming features of RATS. This will help you write more flexible procedures and functions and improve the efficiency of repetitive calculations. The second day describes the higher level econometric and statistical instructions, focusing mainly on the new GARCH instruction and the improvements to DLM for state-space models. You can register for Day 1, Day 2 or both.

The courses will be taught by Tom Doan, the owner of Estima, and primary developer of the RATS software.

The costs for the training session are as follows:

- \$650 if you attend both days
- \$400 for a single day.

All prices are in US dollars. See the “Terms and Conditions” on our website for further information, including cancellation policies.

The training will be held at the Doubletree Hotel in Skokie, IL. Attendees staying overnight will need to make their own room reservations. We have arranged for a block of rooms at the hotel at a discounted rate of \$85/night. Refer to the group name “Estima” when making reservations:

Doubletree Hotel Chicago-North Shore  
9599 Skokie Blvd.  
Skokie, Illinois 60077  
1-800-222-8733 or  
847-679-7000

Please see our web site for complete details, or contact us if you have any questions.

## RATS Version 5.11

We will soon be releasing Version 5.11, a minor update to Version 5.10. This will include a few bug fixes, a substantial number of new functions, and several new instructions. We will also be introducing a “Professional” version of WinRATS that adds support for reading/writing FAME databases and X11 seasonal adjustment—see the story below for details.

Many of the new functions are aimed at extending the programmability of RATS, by making it easier to manipulate equations, regressor lists, instrument lists, and parameter sets. We’ve also added several functions for handling polynomials and for operations on text strings. New/improved instructions include:

- A FIXED instruction, providing an easy way to define fixed-value arrays and other variables in procedures.
- GSET for setting the values of series of arrays.
- DLM improvements allowing for diffuse initial states.
- RLS instructions for doing recursive least squares

Finally, the Windows version of RATS now allows users to shell out to a command prompt or call other programs from within RATS.

Those of you with maintenance contracts will automatically receive copies of 5.11 on CD. Other licensed 5.10 users can update via a downloadable patch file, or by ordering an update on CD for \$15. Users with 5.0 can update to 5.11 for \$40 (for a single-user license), or purchase a maintenance contract for \$150, which provides the 5.11 update now and Version 6.0 when it is released.

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## RATS-FAME Interface for Windows!

*New “Pro” version also includes X11 seasonal adjustment*

Our RATS-FAME interface, previously available only for UNIX, will now be available to Windows users as well. The FAME interface allows RATS users to exchange data seamlessly with FAME format data files (see [www.fame.com](http://www.fame.com) for more on FAME). You must have a license to run the FAME software on the same PC in order to make use of the RATS-FAME interface.

The FAME interface will be part of a new “Professional” version of RATS, which will also include the X11 seasonal adjustment routine (previously available as an add-on option).

(continued on page 2)

## Looking Ahead to Version 6

As you can see from our “Training Session” announcement, Version 6 is coming soon. We will be sending out another newsletter in about a month with full details, but here are some of the highlights you can expect in Version 6.0 of RATS:

More menu-driven “wizards” for simplifying common tasks, more new functions, and several important new instructions. Many of the new instructions simplify and extend existing capabilities of the program that currently require a significant amount of programming. The improvements include:

- GARCH instruction for univariate and multivariate GARCH models
- DDV instruction for discrete dependent variables (binary and polytomous choice), count data
- LDV instruction for limited dependent variables (various censoring and truncation estimators)
- Improvements to the panel data regression instruction PREG, including support for instrumental variables, first difference estimations, and more.
- Graphics improvements, including GCONTOUR for contour graphs
- DBOX instruction for user-defined dialog boxes

Watch our website and your mailbox for the official announcement of the release of Version 6. If you would like to be among the first to receive RATS 6, consider purchasing a maintenance contract—see our website for details.

## FAME Interface/WinRATS Pro, *continued*

WinRATS-32 Professional debuts with the release of Version 5.11 of RATS, with a list price of \$650, versus \$500 for standard WinRATS-32. Prices for upgrading to WinRATS-32 Pro from WinRATS-32 are shown below.

Current Product	Upgrade/Update Price
WinRATS-32 5.x	\$150
WinRATS-32 5.x (plus maintenance contract <sup>1</sup> )	\$300
WinRATS-32 + X11 5.10	No charge <sup>2</sup>
WinRATS-32 + X11 5.0x (maint. contract <sup>1</sup> )	\$150
WinRATS-32 + X11 5.0x (update only <sup>3</sup> )	\$40

Please contact Estima for quotes on updating older versions or for updating/purchasing multi-user licenses.

<sup>1</sup> Maintenance contract includes updates through version 6.

<sup>2</sup> Users who already have the X11 add-on do not need to pay the \$150 upgrade charge. Users with 5.10 can download a free patch update from our website, or order an update on CD for \$15. Users with older versions just need to pay the usual update or maintenance contract price. Contact us if you have any questions.

<sup>3</sup> Update to 5.11 only, no maintenance contract.

## Training Session in London

Tom Doan will also be presenting the “Getting the Most Out of RATS Version 6” training session (see page 1) in London, on November 27<sup>th</sup> and 28<sup>th</sup> of this year. The session is being organized by Timberlake Consultants—see their website: [www.timberlake.co.uk/training/coursehome.html](http://www.timberlake.co.uk/training/coursehome.html) or contact them by e-mail at [info@timberlake.co.uk](mailto:info@timberlake.co.uk) or by phone at +44 (0)20 8697 3377 for further details.

## European User’s Group Meeting

Trinity College in Dublin will be hosting a RATS User’s Group meeting on Thursday, April 22, 2004. This will be the day before the Irish Economic Association conference in Belfast (see [www.iea.ie](http://www.iea.ie) if you might be interested in that as well).

If you have an interesting, novel, or complex application of RATS in any area of economics or finance that you might like to present before a group of RATS users, please contact Brian Lucey ([blucey@tcd.ie](mailto:blucey@tcd.ie)). More details will be available in the next newsletter, and will be posted on the Estima web site as well.

## Procedures and Examples on the Web

We have recently re-organized the “Procedures and Examples” section of our web page, which we hope you will find helpful. We have also added several new procedures, as well as example programs and data for the first 12 chapters of Greene’s *Econometric Analysis*.

Recent procedure additions include:

**DMARIANO.SRC**—Diebold-Mariano forecast comparison test

**ZIVOT.SRC**—Zivot-Andrews unit root test

**STABTEST.SRC**—Hansen stability test, updated to handle missing values and interpolate *p*-values.

**DIGAMMA.SRC**—Computes DiGamma and TriGamma functions, which are the first and second derivatives of the log gamma function.

**THRESHOLD.SRC**—Hansen test for a break in a linear regression based upon a threshold variable.

**REGRECUR.SRC**—Does recursive estimates on the most recent regression, producing recursive residuals. Can also compute histories of the coefficients and the standard errors as well as a CUSUM test for structural stability.

**HJBOUNDS.SRC**—Computes the Hansen-Jagannathan bounds for a set of gross returns.

### *The RATSletter*

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