**Readme for xtvar2.ado v1.0.1 Cagala & Glogowsky**
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*xtvar2 is a copy of the user-written command xtvar.*
*https://ideas.repec.org/c/boc/bocode/s457944.html*

*With StataNow 18.5, the Stata Corporation introduced a new command called "xtvar." As a result, our "xtvar" command is no longer compatible with Stata 18.5. To address this, we have uploaded a modified version of our command to the SSC archive, now labeled as "xtvar2." There are no changes to the program itself; only the name has been updated.*

*xtvar2 estimates a panel vector autoregression, using a least squares dummy variable estimator. The estimator fits a multivariate panel regression of each dependent variable on lags of itself and on lags of all the other dependent variables. The program also produces Forecast Error Variance Decompositions and Impulse Response Functions. For inference, bootstrap and Monte-Carlo methods are implemented.*

- For an application see Cagala et al. (2014): Cooperation and Trustworthiness in Repeated Interaction.
- The code comes with no support or warranties.
- You can use the tool as follows:

  1) Copy the files xtvar2.ado and xtvar2.sthlp into your local ado-file folder.
  2) Restart Stata or type adoupdate.
  3) Use the program by typing: xtvar2 `varlist'. There are a plenty of options.

- See xtvar_sample2.do for an example and the help file for more details.
- If you use the program in a paper, please cite the tool as:
  *Cagala, T. and Glogowsky, U. (2014). Panel Vector Autoregressions for Stata (xtvar2).*