

# Appendices

## APPENDIX A: OLS REGRESSION AT LEVEL

---

```
. regress logextdebt dollarshare treasrate finopen geopower inflarate
tradeopen
```

Source	SS	df	MS	Number of obs = 42		
Model	41.4441648	6	6.9073608	F( 6, 35) = 84.13		
Residual	2.87376658	35	.082107617	Prob > F = 0.0000		
Total	44.3179314	41	1.08092516	R <sup>2</sup> = 0.9352		
				Adj R <sup>2</sup> = 0.9240		
				Root MSE = .28654		

---

logextdebt	Coef.	Std. Err.	t	P >  t	[95% Conf. Interval]	
dollarshare	.0111177	.0062206	1.79	0.083	-.0015109	.0237463
treasrate	.0219825	.0261504	0.84	0.406	-.0311056	.0750705
finopen	.0028328	.0026712	1.06	0.296	-.0025901	.0082557
geopower	-.0060837	.0052236	-1.16	0.252	-.0166883	.0045208
inflarate	-.0450765	.0214111	-2.11	0.043	-.0885433	-.0016097
tradeopen	.1603571	.0115835	13.84	0.000	.1368412	.1838729
cons	1.498132	.4983647	3.01	0.005	.4863982	2.509867

```
. estat dwatson
```

Durbin-Watson *d*-statistic (7, 42) = .61589

---

## APPENDIX B: OLS REGRESSION AT FIRST DIFFERENCE

---

```
. regress logextdebt dollarshare d1treasrate d1inflarate d1tradeopen d1finopen
d1geopower d1logextdebt
```

Source	SS	df	MS	Number of obs = 41
Model	7.45437973	7	1.06491139	$F(7, 33) = 1.17$
Residual	29.9454682	33	.907438431	Prob > F = 0.3443
Total	37.399848	40	.934996199	$R^2 = 0.1993$
				Adj $R^2 = 0.0295$
				Root MSE = .9526

---

logextdebt	Coef.	Std. Err.	<i>t</i>	<i>P</i> >   <i>t</i>	[95% Conf. Interval]	
dollarshare	-.0001739	.018234	-0.01	0.992	-.0372712	.0369235
d1treasrate	-.216724	.163936	-1.32	0.195	-.5502542	.1168062
d1inflarate	-.0222519	.1030221	-0.22	0.830	-.231852	.1873482
d1tradeopen	.2632775	.1618739	1.63	0.113	-.0660574	.5926124
d1finopen	-.0013528	.007358	-0.18	0.855	-.0163227	.0136172
d1geopower	.0019579	.0144262	0.14	0.893	-.0273924	.0313082
d1logextdebt	-2.384711	1.008104	-2.37	0.024	-4.435713	-.3337083
cons	3.989275	1.171103	3.41	0.002	1.606648	6.371902

```
. estat dwatson
```

Durbin-Watson *d*-statistic (8, 41) = .2765672

---

## APPENDIX C: JOHANSEN TESTS FOR COINTEGRATION

Stata Command	vecrank logextdebt dollarshare treasrate inflatrate tradeopen finopen geopower, trend(constant) max				
Trend	Constant		# Obs.	40	
Sample	1972–2011		Lags	2	
Johansen Trace Tests					
Maximum Rank	Parms	LL	Eigenvalue	Trace Statistic	5% Critical Value*
0	56	−622.35963		266.2483	124.24
1	69	−551.44204	0.97116	124.4131	94.15
2	80	−521.29419	0.77851	64.1174*	68.52
3	89	−508.04489	0.48442	37.6188	47.21
4	96	−499.7326	0.34007	20.9942	29.68
5	101	−492.69631	0.29659	6.9217	15.41
6	104	−490.38609	0.10909	2.3012	3.76
7	105	−489.23548	0.05591		
Johansen Maximum Eigenvalue Tests					
0	56	−622.35963		141.8352	45.28
1	69	−551.44204	0.97116	60.2957	39.37
2	80	−521.29419	0.77851	26.4986*	33.46
3	89	−508.04489	0.48442	16.6246	27.07
4	96	−499.7326	0.34007	14.0726	20.97
5	101	−492.69631	0.29659	4.6204	14.07
6	104	−490.38609	0.10909	2.3012	3.76
7	105	−489.23548	0.05591		

\*Critical Values (MacKinnon, Haug, and Michelis, 1996) *p*-values.

## APPENDIX D: GRANGER CAUSALITY WALD TESTS (VARGRANGER STATA COMMAND)

Equation	Excluded	$\chi^2$	df	Prob > $\chi^2$
Causality Running from Key Determinants of US Dollar Global Reserve Status to US External Debt				
logextdebt	dollarshare	0.01824	1	0.893
logextdebt	treasrate	8.17470	1	0.004
logextdebt	inffarate	12.8750	1	0.000
logextdebt	tradeopen	29.8460	1	0.000
logextdebt	finopen	12.26300	1	0.000
logextdebt	geopower	14.87200	1	0.000
logextdebt	ALL	77.69800	6	0.000
Causality Running from US External Debt to Key Determinants of US Dollar Global Reserve Status				
dollarshare	logextdebt	1.3594	1	0.244
treasrate	logextdebt	2.4303	1	0.119
inffarate	logextdebt	1.8578	1	0.173
tradeopen	logextdebt	.32451	1	0.569
finopen	logextdebt	.01619	1	0.899
geopower	logextdebt	.11131	1	0.739