The RATS letter

Estima

Volume 35, No. 1 January 2026

RATS Version 11.1

RATS Version 11.1 is now available for all three platforms (Windows, Mac and UNIX/Linux). The main change with 11.1 is the incorporation of all six of the existing e-courses into the distribution.

We have also continued to improve the "accessibility" adjustments that were initially made with 11.0 (particularly on Windows).

We also have updated the ability to download OECD data to handle their new API.

RATS for the Mac has been updated to deal with the new Mac OS Tahoe.

11.1 is available at no cost for anyone with a version 11 license. For a single user license, this should automatically give you the option to update when you run the software. If you have a multiple user license, you should check with whomever manages the software, as the network downloads aren't done automatically.

Price and order information for updating to RATS version 11 is provided in the right column.

OECD MEI Database

Since RATS 9.2, users have had the ability to download the OECD MEI (Main Economic Indicators) in RATS. (Prior to that, it had been available from us for a fee). In 2024, OECD discontinued updating the part of the database which produced the MEI in favor of a more general (but much more complicated) system of databases which spreads the MEI data across almost 20 separate databases.

With 11.1, we have been able to replace the old code to use their new setup to largely reproduce the database, with generally the same naming scheme for series that we have used in the past. However, OECD put a "throttle" on the number of accesses from a particular IP address, limited to 20 per hour. As a result, we needed to do the data in big chunks which requires a great deal of memory. (One raw data file is, by itself, over 1Gb). So the ability to download directly is only available on 64-bit Pro versions (Windows, Mac or UNIX). However, we will be posting copies in RATS format files on our web site, roughly once a quarter.

Prices and Ordering

Any single user license version 10.1 or earlier (no matter how old) can be updated to version 11 for just $150. You don't need the older software still installed in order to get an update. You **do** need to have the serial number. If you cannot find your serial number, contact us at sales@estima.com before placing your order.

If you have the standard version of RATS (a WE or MP serial number) you can upgrade to the Professional level for an additional $125. The Pro level gives you the X12 seasonal adjustment capability, as well as support for reading ODBC/SQL, FAME, and CRSP databases. Under Windows, the Pro version also includes a 64-bit executable in addition to the 32-bit; the 64-bit has almost unlimited capacity, and runs somewhat faster than the 32-bit.

If you would like to switch from Windows to Macintosh (or vice versa), there's no additional charge when you are doing a major update like this.

The prices for updating a single-user license for Windows or Macintosh are shown below. Please contact us if you have questions, or need to update multi-user or UNIX/Linux licenses.

	What you want:	
What you have:	11.0 Std	11.0 Pro
RATS Pro (10.1 or earlier)	—	$150
RATS Std (10.1 or earlier)	$150	$275

The direct link for ordering a single user update is

https://estima.com/shopcart/rats_update.shtml

RATS Code Via RePEc

We've recently updated the links to RATS example programs and procedures on the RePEc archive of economics papers, books, and software components.

For example, you can now go to

ideas.repec.org

and search by author, article title, or topic keywords. Where available, you'll find links to related examples or procedures. Pages for specific journal articles (or working papers) will also list related RATS code in the "Other Versions of this Item" section of the listing.

An example is the following (for Mariano and Murasawa JAE 2003)

ideas.repec.org/a/jae/japmet/v18y2003i4p427-443.html

E-Courses

With version 11.1, we're now including the six existing e-courses at no charge with the RATS distribution. We already put the Bayesian Econometrics e-course out on a GNU public license several years ago, and have done that with the other five:

ARCH/GARCH and Volatility Models

Panel and Grouped Data

State Space and DSGE Models

Structural Breaks and Switching Models

Vector Autoregressions

These each include a PDF workbook (typically 200 to 300 pages), and a set of programs and data. They cover the theory and practice (implemented using RATS) of the covered subjects generally from relatively simple examples to quite complex. You can click on the links above to get more information on any of these, or you can check our web site at

https://estima.com/resources_other.shtml

When installed with version 11.1, these will be in separate folders within the "Other Resources".

Updated Examples

This is a list of the existing examples and paper replications that have updated descriptions in the help.

GARCHDCCFORECAST

This shows an approximate method to forecast the out-of-sample covariance matrices from an estimated DCC GARCH model. (There is no exact analytical expression for that). The calculations are described in a 2001 working paper by Engle and Sheppard.

INCLANTIAO

This is one of the examples from Inclan-Tiao(1994) which described an algorithm for locating potential breaks in the variance of a series. Their ICSS algorithm is covered in the "ARCH/GARCH and Volatility Models" e-course.

IRFCONSTRAIN

This demonstrates the use of the **@IRFRESTRICT** procedure to build up multi-step equality restrictions on impulse responses.

WZSAMPLER

This demonstrates the use of the Waggoner-Zha sampler for efficient draws from an overidentified A type structural VAR. The WZ sampler is covered as part of the "Vector Autoregressions" e-course.

New Examples

Mariano Murasawa JAE 2003

This uses a relatively straightforward common factor state-space model to create a business conditions index, but combines monthly and quarterly observables. Since quarterly macroeconomic data is almost always a flow, the observation equation for the quarterly series (GDP growth) ends up being a non-trivial linear combination of six months of the (unobservable) monthly GDP growth.

Note that the RATS **DLM** instruction is designed to handle partially missing observables automatically. The full analysis uses four series: three monthly and one quarterly. The quarterly series has NA's except for the last month in a quarter, so **DLM** uses a reduced rank calculation using just three observables in the other two months of the quarter. The authors describe a method for "tricking" a less flexible algorithm into doing the same, but that isn't necessary with RATS.

GLOBALVAR

provides a (very) simple example of a "global VAR" as described in Pesaran, Schuermann and Weiner(2004). Note that what they describe would be the output from a team of researchers with a great deal of effort required to collect data from multiple countries and regions. What we show here is how to use RATS to deal with the technical issues of such a model.

Peersman JAE 2005

is a (near) replication of Peersman(2005) which compares results from VAR's with short- and long-run restrictions vs sign restrictions applied to U.S. and European data.

New Procedures

@ARDLM

@VARDLM

These are designed to help generate the system matrices for more complicated state-space models. **@ARDLM** does a univariate autoregression, and **@VARDLM** does a vector autoregression. They can be used either if the coefficients are known (and saved in matrices or vectors), or can be used to set up the matrices for later use. **@VARDLM** handles both full VAR's (all series enter all equation), or just diagonal VAR's (only own-lags). Both are used in, for instance, Mariano and Murasawa (above).

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