

Jun Ma • Mark Wohar
Editors

Recent Advances in Estimating Nonlinear Models

With Applications in Economics and Finance

Contents

1	Stock Return and Inflation: An Analysis Based on the State-Space Framework	1
	Jared Levant, Jun Ma, and Mark E. Wohar	
2	Diffusion Index Model Specification and Estimation Using Mixed Frequency Datasets	15
	Kihwan Kim and Norman Rasmus Swanson	
3	Testing for Neglected Nonlinearity Using Regularized Artificial Neural Networks	33
	Tae-Hwy Lee, Zhou Xi, and Ru Zhang	
4	On the Use of the Flexible Fourier Form in Unit Root Tests, Endogenous Breaks, and Parameter Instability	59
	Paul M. Jones and Walter Enders	
5	Testing for a Markov-Switching Mean in Serially Correlated Data	85
	James Morley and Zohra Rabah	
6	Nonlinear Time Series Models and Model Selection	99
	Yamin Ahmad and Ming Chien Lo	
7	Nonstationarities and Markov Switching Models	123
	Marcelle Chauvet and Yanpin Su	
8	Has Wealth Effect Changed Over Time? Evidence from Four Industrial Countries	147
	Vipul Bhatt and N. Kundan Kishor	
9	A Simple Specification Procedure for the Transition Function in Persistent Nonlinear Time Series Models	169
	Hendrik Kaufmann, Robinson Kruse, and Philipp Sibbertsen	

10	Small Area Estimation with Correctly Specified Linking Models	193
	P.A.V.B. Swamy, J.S. Mehta, G.S. Tavlás, and S.G. Hall	
11	Forecasting Stock Returns: Does Switching Between Models Help?	229
	David G. McMillan	
12	The Global Joint Distribution of Income and Health	249
	Ximing Wu, Andreas Savvides, and Thanasis Stengos	
13	The Non-linear and Linear Impact of Investor Sentiment on Stock Returns: An Empirical Analysis of the US Market	281
	Bartosz Gebka	