VECM 01.sas: Simulation and estimation of the cointegrated model used in section 10.2.
m(t) = m(t-1) + u(t)
*p(1,t) = m(t) + c * q(t)*
p(2,t) = m(t-1)
Run A (high c, high sdu)
Simulating 10000 observations with c=1 and std.dev. of u=1
Initial data points:

Obs	m	t	p1	p2
1	1.42151	1	2.42151	.
2	2.82180	2	3.82180	1.42151
3	3.61264	3	2.61264	2.82180
4	5.43961	4	4.43961	3.61264
5	4.49728	5	3.49728	5.43961
6	3.55960	6	2.55960	4.49728
7	3.10048	7	2.10048	3.55960
8	3.14379	8	4.14379	3.10048
9	1.12207	9	2.12207	3.14379
10	2.21072	10	1.21072	1.12207

VECM 01.sas: Simulation and estimation of the cointegrated model used in section 10.2.
m(t) = m(t-1) + u(t)
*p(1,t) = m(t) + c * q(t)*
p(2,t) = m(t-1)
Run A (high c, high sdu)
Simulating 10000 observations with c=1 and std.dev. of u=1
Initial data points:

The VARMAX Procedure

Number of Observations	9999
Number of Pairwise Missing	1

Simple Summary Statistics						
Variable	Type	N	Mean	Standard Deviation	Min	Max
p1	Dependent	10000	-4.14127	60.86625	-145.93010	100.85431
p2	Dependent	9999	-4.12181	60.86628	-145.62152	99.85431

VECM 01.sas: Simulation and estimation of the cointegrated model used in section 10.2.
m(t) = m(t-1) + u(t)
*p(1,t) = m(t) + c * q(t)*
p(2,t) = m(t-1)
Run A (high c, high sdu)
Simulating 10000 observations with c=1 and std.dev. of u=1
Initial data points:

The VARMAX Procedure

Type of Model	VECM(1)
	with a Restriction on the Deterministic Term
Estimation Method	Maximum Likelihood Estimation
Cointegrated Rank	1

Long-Run Parameter Beta Estimates When RANK=1	
Variable	1
p1	1.00000
p2	-0.99972
1	0.00988

Adjustment Coefficient Alpha Estimates When RANK=1	
Variable	1
p1	-0.47370
p2	0.50547

Parameter Alpha * Beta' Estimates			
Variable	p1	p2	1
p1	-0.47370	0.47357	-0.00468
p2	0.50547	-0.50533	0.00499

VECM 01.sas: Simulation and estimation of the cointegrated model used in section 10.2.
m(t) = m(t-1) + u(t)
*p(1,t) = m(t) + c * q(t)*
p(2,t) = m(t-1)
Run A (high c, high sdu)
Simulating 10000 observations with c=1 and std.dev. of u=1
Initial data points:

The VARMAX Procedure

Schematic Representation of Parameter Estimates		
Variable/Lag	C	AR1
p1	*	**
p2	*	**
+ is > 2*std error, -is < -2*stderror, . is between, * is N/A		

Model Parameter Estimates						
Equation	Parameter	Estimate	Standard Error	t Value	Pr > |t|	Variable
D_p1	CONST1	-0.00468	0.00011			1, EC
	AR1_1_1	-0.47370	0.01125			p1(t-1)
	AR1_1_2	0.47357	0.01125			p2(t-1)
D_p2	CONST2	0.00499	0.00005			1, EC
	AR1_2_1	0.50547	0.00499			p1(t-1)
	AR1_2_2	-0.50533	0.00499			p2(t-1)

Covariances of Innovations		
Variable	p1	p2
p1	2.56290	0.52173
p2	0.52173	0.50436

Information Criteria	
AICC	0.021017
HQC	0.021993
AIC	0.021017
SBC	0.023902
FPEC	1.021239

VECM 01.sas: Simulation and estimation of the cointegrated model used in section 10.2.

m(t) = m(t-1) + u(t)

*p(1,t) = m(t) + c * q(t)*

p(2,t) = m(t-1)

Run A (high c, high sdu)

Simulating 10000 observations with c=1 and std.dev. of u=1

Initial data points:

The VARMAX Procedure

Cross Covariances of Residuals			
Lag	Variable	p1	p2
0	p1	2.56264	0.52164
	p2	0.52164	0.50433

Cross Correlations of Residuals			
Lag	Variable	p1	p2
0	p1	1.00000	0.45885
	p2	0.45885	1.00000

Schematic Representation of Cross Correlations of Residuals	
Variable/Lag	0
p1	++
p2	++
+ is > 2*std error, -is < -2*stderror, . is between	

Univariate Model ANOVA Diagnostics				
Variable	R-Square	Standard Deviation	F Value	Pr > F
p1	0.1507	1.60090	886.48	<.0001
p2	0.5064	0.71018	5126.48	<.0001

VECM 01.sas: Simulation and estimation of the cointegrated model used in section 10.2.
m(t) = m(t-1) + u(t)
*p(1,t) = m(t) + c * q(t)*
p(2,t) = m(t-1)
Run A (high c, high sdu)
Simulating 10000 observations with c=1 and std.dev. of u=1
Initial data points:

The VARMAX Procedure

Univariate Model White Noise Diagnostics					
		Normality		ARCH	
Variable	Durbin Watson	Chi-Square	Pr > ChiSq	F Value	Pr > F
p1	1.98840	56.13	<.0001	26.86	<.0001
p2	1.99558	101.17	<.0001	0.03	0.8651

Univariate Model AR Diagnostics								
	AR1		AR2		AR3		AR4	
Variable	F Value	Pr > F	F Value	Pr > F	F Value	Pr > F	F Value	Pr > F
p1	0.33	0.5638	1.03	0.3562	0.69	0.5567	0.62	0.6478
p2	0.05	0.8257	1.19	0.3037	0.79	0.5013	0.70	0.5888

Simple Impulse Response			
Lag	Variable	p1	p2
1	p1	0.52630	0.47357
	p2	0.50547	0.49467
2	p1	0.51637	0.48350
	p2	0.51607	0.48407
3	p1	0.51616	0.48371
	p2	0.51629	0.48385
4	p1	0.51615	0.48371
	p2	0.51630	0.48385
5	p1	0.51615	0.48371
	p2	0.51630	0.48385
6	p1	0.51615	0.48371
	p2	0.51630	0.48385
7	p1	0.51615	0.48371
	p2	0.51630	0.48385

VECM 01.sas: Simulation and estimation of the cointegrated model used in section 10.2.
m(t) = m(t-1) + u(t)
*p(1,t) = m(t) + c * q(t)*
p(2,t) = m(t-1)
Run A (high c, high sdu)
Simulating 10000 observations with c=1 and std.dev. of u=1
Initial data points:

The VARMAX Procedure

Simple Impulse Response			
Lag	Variable	p1	p2
8	p1	0.51615	0.48371
	p2	0.51630	0.48385
9	p1	0.51615	0.48371
	p2	0.51630	0.48385
10	p1	0.51615	0.48371
	p2	0.51630	0.48385
11	p1	0.51615	0.48371
	p2	0.51630	0.48385
12	p1	0.51615	0.48371
	p2	0.51630	0.48385
13	p1	0.51615	0.48371
	p2	0.51630	0.48385
14	p1	0.51615	0.48371
	p2	0.51630	0.48385
15	p1	0.51615	0.48371
	p2	0.51630	0.48385

VECM 01.sas Long-run coefficients

Obs	Variable	p1	p2
1	p1	0.51615	0.48371
2	p2	0.51630	0.48385

Note: When all variables in the system refer to the price for the same security, all rows should be equal. If they aren't, try setting nImpulse to a higher value.

Variance Decomposition

Coefficient matrix		
	p1	p2
p1	0.5161528	0.483713
p2	0.516296	0.4838472

Covariance matrix		
	p1	p2
p1	2.5628966	0.5217257
p2	0.5217257	0.5043591

Correlation matrix		
	p1	p2
p1	1.000	0.459
p2	0.459	1.000

Purmutation used in decomposition / ordering of variables:	
p1	p2

Permuted coefficients		
	p1	p2
p1	0.5161528	0.483713
p2	0.516296	0.4838472

Permuted covariance matrix		
	p1	p2
p1	2.5628966	0.5217257
p2	0.5217257	0.5043591

Cholesky factor of permuted covariance matrix		
	p1	p2
p1	1.6009049	0
p2	0.3258942	0.6309929

Variance Decomposition

Variance contributions (ordered)		
	p1	p2
p1	0.9681592	0.0931589
p2	0.9686965	0.0932106

Total variance	
p1	1.0613182
p2	1.0619071

Proportional contributions		
	p1	p2
p1	0.912	0.088
p2	0.912	0.088

Variance Decomposition

Coefficient matrix		
	p1	p2
p1	0.5161528	0.483713
p2	0.516296	0.4838472

Covariance matrix		
	p1	p2
p1	2.5628966	0.5217257
p2	0.5217257	0.5043591

Correlation matrix		
	p1	p2
p1	1.000	0.459
p2	0.459	1.000

Purmutation used in decomposition / ordering of variables:	
p2	p1

Permuted coefficients		
	p2	p1
p1	0.483713	0.5161528
p2	0.4838472	0.516296

Permuted covariance matrix		
	p2	p1
p2	0.5043591	0.5217257
p1	0.5217257	2.5628966

Cholesky factor of permuted covariance matrix		
	p2	p1
p1	0.7101825	0
p2	0.7346362	1.4223946

Variance Decomposition

Variance contributions (ordered)		
	p2	p1
p1	0.5223083	0.5390099
p2	0.5225981	0.539309

Total variance	
p1	1.0613182
p2	1.0619071

Proportional contributions		
	p2	p1
p1	0.492	0.508
p2	0.492	0.508

VECM 01.sas: Simulation and estimation of the cointegrated model used in section 10.2.
m(t) = m(t-1) + u(t)
*p(1,t) = m(t) + c * q(t)*
p(2,t) = m(t-1)
Run B (low c, high sdu: p1 becomes a better signal of the efficient price)
Simulating 10000 observations with c=.1 and std.dev. of u=1
Initial data points:

Obs	m	t	p1	p2
1	1.42151	1	1.52151	.
2	2.82180	2	2.92180	1.42151
3	3.61264	3	3.51264	2.82180
4	5.43961	4	5.33961	3.61264
5	4.49728	5	4.39728	5.43961
6	3.55960	6	3.45960	4.49728
7	3.10048	7	3.00048	3.55960
8	3.14379	8	3.24379	3.10048
9	1.12207	9	1.22207	3.14379
10	2.21072	10	2.11072	1.12207

VECM 01.sas: Simulation and estimation of the cointegrated model used in section 10.2.
m(t) = m(t-1) + u(t)
*p(1,t) = m(t) + c * q(t)*
p(2,t) = m(t-1)
Run B (low c, high sdu: p1 becomes a better signal of the efficient price)
Simulating 10000 observations with c=.1 and std.dev. of u=1
Initial data points:

The VARMAX Procedure

Number of Observations	9999
Number of Pairwise Missing	1

Simple Summary Statistics						
Variable	Type	N	Mean	Standard Deviation	Min	Max
p1	Dependent	10000	-4.13326	60.87291	-145.52152	99.95431
p2	Dependent	9999	-4.12181	60.86628	-145.62152	99.85431

VECM 01.sas: Simulation and estimation of the cointegrated model used in section 10.2.
m(t) = m(t-1) + u(t)
*p(1,t) = m(t) + c * q(t)*
p(2,t) = m(t-1)
Run B (low c, high sdu: p1 becomes a better signal of the efficient price)
Simulating 10000 observations with c=.1 and std.dev. of u=1
Initial data points:

The VARMAX Procedure

Type of Model	VECM(1)
	with a Restriction on the Deterministic Term
Estimation Method	Maximum Likelihood Estimation
Cointegrated Rank	1

Long-Run Parameter Beta Estimates When RANK=1	
Variable	1
p1	1.00000
p2	-0.99997
1	0.00099

Adjustment Coefficient Alpha Estimates When RANK=1	
Variable	1
p1	0.00784
p2	0.99013

Parameter Alpha * Beta' Estimates			
Variable	p1	p2	1
p1	0.00784	-0.00784	0.00001
p2	0.99013	-0.99011	0.00098

VECM 01.sas: Simulation and estimation of the cointegrated model used in section 10.2.
m(t) = m(t-1) + u(t)
*p(1,t) = m(t) + c * q(t)*
p(2,t) = m(t-1)
Run B (low c, high sdu: p1 becomes a better signal of the efficient price)
Simulating 10000 observations with c=.1 and std.dev. of u=1
Initial data points:

The VARMAX Procedure

Schematic Representation of Parameter Estimates		
Variable/Lag	C	AR1
p1	*	**
p2	*	**
+ is > 2*std error, -is < -2*stderror, . is between, * is N/A		

Model Parameter Estimates						
Equation	Parameter	Estimate	Standard Error	t Value	Pr > |t|	Variable
D_p1	CONST1	0.00001	0.00001			1, EC
	AR1_1_1	0.00784	0.01005			p1(t-1)
	AR1_1_2	-0.00784	0.01005			p2(t-1)
D_p2	CONST2	0.00098	0.00000			1, EC
	AR1_2_1	0.99013	0.00098			p1(t-1)
	AR1_2_2	-0.99011	0.00098			p2(t-1)

Covariances of Innovations		
Variable	p1	p2
p1	1.04248	0.01038
p2	0.01038	0.00990

Information Criteria	
AICC	-4.58372
HQC	-4.58275
AIC	-4.58373
SBC	-4.58084
FPEC	0.010217

VECM 01.sas: Simulation and estimation of the cointegrated model used in section 10.2.
m(t) = m(t-1) + u(t)
*p(1,t) = m(t) + c * q(t)*
p(2,t) = m(t-1)
Run B (low c, high sdu: p1 becomes a better signal of the efficient price)
Simulating 10000 observations with c=.1 and std.dev. of u=1
Initial data points:

The VARMAX Procedure

Cross Covariances of Residuals			
Lag	Variable	p1	p2
0	p1	1.04236	0.01038
	p2	0.01038	0.00990

Cross Correlations of Residuals			
Lag	Variable	p1	p2
0	p1	1.00000	0.10217
	p2	0.10217	1.00000

Schematic Representation of Cross Correlations of Residuals	
Variable/Lag	0
p1	++
p2	++
+ is > 2*std error, -is < -2*stderror, . is between	

Univariate Model ANOVA Diagnostics				
Variable	R-Square	Standard Deviation	F Value	Pr > F
p1	0.0001	1.02102	0.30	0.7443
p2	0.9903	0.09948	510955	<.0001

VECM 01.sas: Simulation and estimation of the cointegrated model used in section 10.2.
m(t) = m(t-1) + u(t)
*p(1,t) = m(t) + c * q(t)*
p(2,t) = m(t-1)
Run B (low c, high sdu: p1 becomes a better signal of the efficient price)
Simulating 10000 observations with c=.1 and std.dev. of u=1
Initial data points:

The VARMAX Procedure

Univariate Model White Noise Diagnostics					
		Normality		ARCH	
Variable	Durbin Watson	Chi-Square	Pr > ChiSq	F Value	Pr > F
p1	1.99579	1.88	0.3909	0.06	0.8116
p2	1.98871	1598.44	<.0001	0.12	0.7245

Univariate Model AR Diagnostics								
	AR1		AR2		AR3		AR4	
Variable	F Value	Pr > F	F Value	Pr > F	F Value	Pr > F	F Value	Pr > F
p1	0.04	0.8348	0.02	0.9786	0.03	0.9930	0.19	0.9442
p2	0.31	0.5779	0.17	0.8450	0.16	0.9245	0.23	0.9221

Simple Impulse Response			
Lag	Variable	p1	p2
1	p1	1.00784	-0.00784
	p2	0.99013	0.00989
2	p1	1.00797	-0.00797
	p2	1.00769	-0.00766
3	p1	1.00798	-0.00798
	p2	1.00800	-0.00797
4	p1	1.00798	-0.00798
	p2	1.00800	-0.00798
5	p1	1.00798	-0.00798
	p2	1.00800	-0.00798
6	p1	1.00798	-0.00798
	p2	1.00800	-0.00798
7	p1	1.00798	-0.00798
	p2	1.00800	-0.00798

VECM 01.sas: Simulation and estimation of the cointegrated model used in section 10.2.
$m(t) = m(t-1) + u(t)$
$p(1,t) = m(t) + c * q(t)$
$p(2,t) = m(t-1)$
Run B (low c, high sdu: p1 becomes a better signal of the efficient price)
Simulating 10000 observations with c=.1 and std.dev. of u=1
Initial data points:

The VARMAX Procedure

Simple Impulse Response			
Lag	Variable	p1	p2
8	p1	1.00798	-0.00798
	p2	1.00800	-0.00798
9	p1	1.00798	-0.00798
	p2	1.00800	-0.00798
10	p1	1.00798	-0.00798
	p2	1.00800	-0.00798
11	p1	1.00798	-0.00798
	p2	1.00800	-0.00798
12	p1	1.00798	-0.00798
	p2	1.00800	-0.00798
13	p1	1.00798	-0.00798
	p2	1.00800	-0.00798
14	p1	1.00798	-0.00798
	p2	1.00800	-0.00798
15	p1	1.00798	-0.00798
	p2	1.00800	-0.00798

VECM 01.sas Long-run coefficients

Obs	Variable	p1	p2
1	p1	1.00798	-0.00798
2	p2	1.00800	-0.00798

Note: When all variables in the system refer to the price for the same security, all rows should be equal. If they aren't, try setting nImpulse to a higher value.

Variance Decomposition

Coefficient matrix		
	p1	p2
p1	1.0079768	-0.007977
p2	1.0080044	-0.007977

Covariance matrix		
	p1	p2
p1	1.0424753	0.0103783
p2	0.0103783	0.009896

Correlation matrix		
	p1	p2
p1	1.000	0.102
p2	0.102	1.000

Purmutation used in decomposition / ordering of variables:	
p1	p2

Permuted coefficients		
	p1	p2
p1	1.0079768	-0.007977
p2	1.0080044	-0.007977

Permuted covariance matrix		
	p1	p2
p1	1.0424753	0.0103783
p2	0.0103783	0.009896

Cholesky factor of permuted covariance matrix		
	p1	p2
p1	1.0210168	0
p2	0.0101647	0.0989578

Variance Decomposition

Variance contributions (ordered)		
	p1	p2
p1	1.0590061	6.2307E-7
p2	1.0590641	6.231E-7

Total variance	
p1	1.0590067
p2	1.0590647

Proportional contributions		
	p1	p2
p1	1.000	0.000
p2	1.000	0.000

Variance Decomposition

Coefficient matrix		
	p1	p2
p1	1.0079768	-0.007977
p2	1.0080044	-0.007977

Covariance matrix		
	p1	p2
p1	1.0424753	0.0103783
p2	0.0103783	0.009896

Correlation matrix		
	p1	p2
p1	1.000	0.102
p2	0.102	1.000

Purmutation used in decomposition / ordering of variables:	
p2	p1

Permuted coefficients		
	p2	p1
p1	-0.007977	1.0079768
p2	-0.007977	1.0080044

Permuted covariance matrix		
	p2	p1
p2	0.009896	0.0103783
p1	0.0103783	1.0424753

Cholesky factor of permuted covariance matrix		
	p2	p1
p1	0.0994785	0
p2	0.1043273	1.0156728

Variance Decomposition

Variance contributions (ordered)		
	p2	p1
p1	0.0108923	1.0481145
p2	0.0108929	1.0481719

Total variance	
p1	1.0590067
p2	1.0590647

Proportional contributions		
	p2	p1
p1	0.010	0.990
p2	0.010	0.990

VECM 01.sas: Simulation and estimation of the cointegrated model used in section 10.2.
m(t) = m(t-1) + u(t)
*p(1,t) = m(t) + c * q(t)*
p(2,t) = m(t-1)
Run C (high c, low sdu: p2 becomes a better signal of the efficient price)
Simulating 10000 observations with c=1 and std.dev. of u=.1
Initial data points:

Obs	m	t	p1	p2
1	0.14215	1	1.14215	.
2	0.28218	2	1.28218	0.14215
3	0.36126	3	-0.63874	0.28218
4	0.54396	4	-0.45604	0.36126
5	0.44973	5	-0.55027	0.54396
6	0.35596	6	-0.64404	0.44973
7	0.31005	7	-0.68995	0.35596
8	0.31438	8	1.31438	0.31005
9	0.11221	9	1.11221	0.31438
10	0.22107	10	-0.77893	0.11221

VECM 01.sas: Simulation and estimation of the cointegrated model used in section 10.2.
$m(t) = m(t-1) + u(t)$
$p(1,t) = m(t) + c * q(t)$
$p(2,t) = m(t-1)$
Run C (high c, low sdu: p2 becomes a better signal of the efficient price)
Simulating 10000 observations with c=1 and std.dev. of u=.1
Initial data points:

The VARMAX Procedure

Number of Observations	9999
Number of Pairwise Missing	1

Simple Summary Statistics						
Variable	Type	N	Mean	Standard Deviation	Min	Max
p1	Dependent	10000	-0.42214	6.15280	-15.49301	10.98543
p2	Dependent	9999	-0.41218	6.08663	-14.56215	9.98543

VECM 01.sas: Simulation and estimation of the cointegrated model used in section 10.2.
m(t) = m(t-1) + u(t)
*p(1,t) = m(t) + c * q(t)*
p(2,t) = m(t-1)
Run C (high c, low sdu: p2 becomes a better signal of the efficient price)
Simulating 10000 observations with c=1 and std.dev. of u=.1
Initial data points:

The VARMAX Procedure

Type of Model	VECM(1)
	with a Restriction on the Deterministic Term
Estimation Method	Maximum Likelihood Estimation
Cointegrated Rank	1

Long-Run Parameter Beta Estimates When RANK=1	
Variable	1
p1	1.00000
p2	-0.99723
1	0.00988

Adjustment Coefficient Alpha Estimates When RANK=1	
Variable	1
p1	-0.98053
p2	0.01030

Parameter Alpha * Beta' Estimates			
Variable	p1	p2	1
p1	-0.98053	0.97781	-0.00969
p2	0.01030	-0.01027	0.00010

VECM 01.sas: Simulation and estimation of the cointegrated model used in section 10.2.
m(t) = m(t-1) + u(t)
*p(1,t) = m(t) + c * q(t)*
p(2,t) = m(t-1)
Run C (high c, low sdu: p2 becomes a better signal of the efficient price)
Simulating 10000 observations with c=1 and std.dev. of u=.1
Initial data points:

The VARMAX Procedure

Schematic Representation of Parameter Estimates		
Variable/Lag	C	AR1
p1	*	**
p2	*	**
+ is > 2*std error, -is < -2*stderror, . is between, * is N/A		

Model Parameter Estimates						
Equation	Parameter	Estimate	Standard Error	t Value	Pr > |t|	Variable
D_p1	CONST1	-0.00969	0.00010			1, EC
	AR1_1_1	-0.98053	0.01007			p1(t-1)
	AR1_1_2	0.97781	0.01005			p2(t-1)
D_p2	CONST2	0.00010	0.00001			1, EC
	AR1_2_1	0.01030	0.00100			p1(t-1)
	AR1_2_2	-0.01027	0.00100			p2(t-1)

Covariances of Innovations		
Variable	p1	p2
p1	1.02483	0.01241
p2	0.01241	0.01011

Information Criteria	
AICC	-4.58382
HQC	-4.58284
AIC	-4.58382
SBC	-4.58093
FPEC	0.010216

VECM 01.sas: Simulation and estimation of the cointegrated model used in section 10.2.
m(t) = m(t-1) + u(t)
*p(1,t) = m(t) + c * q(t)*
p(2,t) = m(t-1)
Run C (high c, low sdu: p2 becomes a better signal of the efficient price)
Simulating 10000 observations with c=1 and std.dev. of u=.1
Initial data points:

The VARMAX Procedure

Cross Covariances of Residuals			
Lag	Variable	p1	p2
0	p1	1.02482	0.01241
	p2	0.01241	0.01011

Cross Correlations of Residuals			
Lag	Variable	p1	p2
0	p1	1.00000	0.12194
	p2	0.12194	1.00000

Schematic Representation of Cross Correlations of Residuals	
Variable/Lag	0
p1	++
p2	++
+ is > 2*std error, -is < -2*stderror, . is between	

Univariate Model ANOVA Diagnostics				
Variable	R-Square	Standard Deviation	F Value	Pr > F
p1	0.4866	1.01234	4736.41	<.0001
p2	0.0105	0.10055	52.97	<.0001

VECM 01.sas: Simulation and estimation of the cointegrated model used in section 10.2.
m(t) = m(t-1) + u(t)
*p(1,t) = m(t) + c * q(t)*
p(2,t) = m(t-1)
Run C (high c, low sdu: p2 becomes a better signal of the efficient price)
Simulating 10000 observations with c=1 and std.dev. of u=.1
Initial data points:

The VARMAX Procedure

Univariate Model White Noise Diagnostics					
		Normality		ARCH	
Variable	Durbin Watson	Chi-Square	Pr > ChiSq	F Value	Pr > F
p1	1.99984	1533.31	<.0001	3.62	0.0573
p2	1.97205	1.52	0.4673	0.11	0.7449

Univariate Model AR Diagnostics								
	AR1		AR2		AR3		AR4	
Variable	F Value	Pr > F	F Value	Pr > F	F Value	Pr > F	F Value	Pr > F
p1	0.00	0.9999	0.14	0.8693	0.17	0.9145	0.16	0.9607
p2	1.93	0.1651	1.28	0.2773	0.84	0.4726	0.71	0.5874

Simple Impulse Response			
Lag	Variable	p1	p2
1	p1	0.01947	0.97781
	p2	0.01030	0.98973
2	p1	0.01045	0.98681
	p2	0.01040	0.98963
3	p1	0.01037	0.98689
	p2	0.01040	0.98963
4	p1	0.01037	0.98689
	p2	0.01040	0.98963
5	p1	0.01037	0.98689
	p2	0.01040	0.98963
6	p1	0.01037	0.98689
	p2	0.01040	0.98963
7	p1	0.01037	0.98689
	p2	0.01040	0.98963

VECM 01.sas: Simulation and estimation of the cointegrated model used in section 10.2.
m(t) = m(t-1) + u(t)
*p(1,t) = m(t) + c * q(t)*
p(2,t) = m(t-1)
Run C (high c, low sdu: p2 becomes a better signal of the efficient price)
Simulating 10000 observations with c=1 and std.dev. of u=.1
Initial data points:

The VARMAX Procedure

Simple Impulse Response			
Lag	Variable	p1	p2
8	p1	0.01037	0.98689
	p2	0.01040	0.98963
9	p1	0.01037	0.98689
	p2	0.01040	0.98963
10	p1	0.01037	0.98689
	p2	0.01040	0.98963
11	p1	0.01037	0.98689
	p2	0.01040	0.98963
12	p1	0.01037	0.98689
	p2	0.01040	0.98963
13	p1	0.01037	0.98689
	p2	0.01040	0.98963
14	p1	0.01037	0.98689
	p2	0.01040	0.98963
15	p1	0.01037	0.98689
	p2	0.01040	0.98963

VECM 01.sas Long-run coefficients

Obs	Variable	p1	p2
1	p1	0.01037	0.98689
2	p2	0.01040	0.98963

Note: When all variables in the system refer to the price for the same security, all rows should be equal. If they aren't, try setting nImpulse to a higher value.

Variance Decomposition

Coefficient matrix		
	p1	p2
p1	0.0103673	0.9868897
p2	0.0103961	0.9896327

Covariance matrix		
	p1	p2
p1	1.0248288	0.0124141
p2	0.0124141	0.0101107

Correlation matrix		
	p1	p2
p1	1.000	0.122
p2	0.122	1.000

Purmutation used in decomposition / ordering of variables:	
p1	p2

Permuted coefficients		
	p1	p2
p1	0.0103673	0.9868897
p2	0.0103961	0.9896327

Permuted covariance matrix		
	p1	p2
p1	1.0248288	0.0124141
p2	0.0124141	0.0101107

Cholesky factor of permuted covariance matrix		
	p1	p2
p1	1.0123383	0
p2	0.0122628	0.0998016

Variance Decomposition

Variance contributions (ordered)		
	p1	p2
p1	0.0005106	0.0097009
p2	0.0005135	0.0097549

Total variance	
p1	0.0102115
p2	0.0102684

Proportional contributions		
	p1	p2
p1	0.050	0.950
p2	0.050	0.950

Variance Decomposition

Coefficient matrix		
	p1	p2
p1	0.0103673	0.9868897
p2	0.0103961	0.9896327

Covariance matrix		
	p1	p2
p1	1.0248288	0.0124141
p2	0.0124141	0.0101107

Correlation matrix		
	p1	p2
p1	1.000	0.122
p2	0.122	1.000

Purmutation used in decomposition / ordering of variables:	
p2	p1

Permuted coefficients		
	p2	p1
p1	0.9868897	0.0103673
p2	0.9896327	0.0103961

Permuted covariance matrix		
	p2	p1
p2	0.0101107	0.0124141
p1	0.0124141	1.0248288

Cholesky factor of permuted covariance matrix		
	p2	p1
p1	0.1005522	0
p2	0.123459	1.0047819

Variance Decomposition

Variance contributions (ordered)		
	p2	p1
p1	0.010103	0.0001085
p2	0.0101593	0.0001091

Total variance	
p1	0.0102115
p2	0.0102684

Proportional contributions		
	p2	p1
p1	0.989	0.011
p2	0.989	0.011