

# Review of: "A VAR Framework of Exchange Rates, Interest Rates, and Inflation Through COVID-19 in Turkey: Empirical Evidence From Linear Cointegration and Causality Analysis"

Wilson Correa<sup>1</sup>

<sup>1</sup> Economics, Universidade Federal de Juiz de Fora, Brazil

Potential competing interests: No potential competing interests to declare.

I reviewed the text, and since I am not aware of the events that took place in Turkey and how they impact the economy, I will concentrate on the methodological issues only. Despite the interesting questions raised and the good potential for the paper, I think that the author should consider revising how the methodological approach is presented and why different methodologies are used to address the same problem. The use of two different methodologies for testing cointegration needs to be justified in the context of the problem, since all the interpretation of the results is derived from the ARDL modeling approach. The same is necessary for the unit root tests, since the author reports structural breaks but only considered the ADF and ERS tests, without reporting results for unit root tests with structural breaks. For the causality test, again it is necessary to discuss the use of the proposed test in the context of the structural breaks reported in the unit root results and also if the test is robust for the presence of unit roots. Briefly reviewing the reference, Rossi and Wang (2019), it wasn't clear to me if the causality test can be used in the presence of  $I(1)$  variables (I am assuming that in equation 6, which describes the causality test, the variables are in levels and the test was implemented with the variables in levels). Another problem concerning the causality test is the notation for equation 6. The notation does not precisely describe the causality hypothesis under testing. The author should review the notation.