Correction to: Assessing the role of futures position substitutability in a monthly model of factor demand for softwood lumber

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In the original article’s Table 2, the test result of the fourth null hypothesis (in the table’s fourth column) should read “Fail to reject the null that $r \leq 3$ ”. While the original article’s Table 2 data (trace values) and text analysis of Table 2’s data are correct and consistent, and demonstrate how the trace values provide evidence that is insufficient to reject the fourth hypothesis test that $r \leq 3$, the table’s “test result” section in the fourth column for the fourth hypothesis test incorrectly stated “Reject the null that $r \leq 3$ ”.

The correct Table 2 is given below.

The original article can be found online at <https://doi.org/10.1007/s00181-017-1377-4>.

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Table 2 Nested trace test statistics and test results

Null hypothesis	Trace value	95% Fractile	Test Result
Rank or $r \leq 0$	132.0	69.10	Reject the null that $r \leq 0$
Rank or $r \leq 1$	75.9	48.20	Reject the null that $r \leq 1$
Rank or $r \leq 2$	34.63	31.13	Marginally reject the null that $r \leq 2$
Rank or $r \leq 3$	9.17	17.85	Fail to reject the null that $r \leq 3$

As recommended by Juselius (2006), CATS2-generated fractiles are increased by $3 \times 1.8 = 5.4$ to account for the three deterministic components restricted to be in the cointegration space. Following Juselius' (2006, ch. 8) procedures, and programmed by Dennis (2006), trace values are corrected with Bartlett's small sample adjustment