\((\hat{\Lambda}^* - A) F = [A_T - B_T C_T] D_T^{-1} F' F\)

**Editor:**

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\[ \beta' y_t = U_{1t} = \underbrace{\beta' \epsilon_t}_{u_{1t}} + \underbrace{(-G(F - I) y_{2t-1})}_{\bar{u}_{1t}} \]

\[ \beta' \Delta y_t = \Delta U_{1t} = \underbrace{\beta' \Delta \epsilon_t}_{\Delta u_{1t}} + \underbrace{(-G(F - I)^2 y_{2t-2} - G(F - I) \epsilon_{2t-1})}_{\Delta \bar{u}_{1t}} \]

\[ T^{-1} \sum_{t=1}^{T} \epsilon_t y'_{2t-1}(I + G'G) \Rightarrow \left( \Sigma_{11}^{1/2} \int_{0}^{1} dW_1 J'_C \Sigma_{22}^{1/2} \right) (I + G'G) \]

\[ \left( \Sigma_{22}^{1/2} \int_{0}^{1} dW_2 J'_C \Sigma_{22}^{1/2} \right) \]