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Letter from Editors

The second issue of volume 6 consists of three papers devoted to macroeconomic and financial modelling. While all three papers are focused on empirical issues, the third one and (especially) the second one deal with important methodological aspects as well.

In the first paper, Grzegorz Poniatowski examines the determinants of government risk premiums in the EU member states. The aim is to answer if the risk premium assigned by the market may give these states additional incentives for profligacy. He investigates the pattern in which fiscal deficits and GDP growth affect the yield of 10-year-maturity government bonds in the euro area and the non-euro area EU member states. It occurs that the market penalizes EU countries that do not belong to the euro area from 4 to 6 times stronger for bad economic performance and extensive deficits.

In the second paper, Anna Staszewska-Bystrova and Peter Winker analyse what quality VAR-based forecasts of corporate bond spreads would have had prior and during the crisis period; major emphasis is put on the quality of measures of forecast uncertainty. It is shown that the actual coverage of joint prediction bands is superior to the coverage of naive prediction bands constructed pointwise.

The third paper, by Katarzyna Leszkiewicz-Kędzior and Aleksander Welfe, is devoted to the verification of a hypothesis about the asymmetric pass-through of crude oil prices to the selling prices of refinery products. The error correction model with threshold cointegration is used for making an empirical analysis based on Polish data. It is found that price transmission asymmetry in the fuel market is significant and its scale varies depending on the level of fuel distribution. The analysis sheds new light on the price-setting processes in an imperfectly competitive fuel market in Poland.