Title: Seasonal Properties of Selected Philippine Economic Time Series

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Abstract:

The importance of seasonality in econometric modeling of macroeconomic time series has been downplayed by analysts of business cycles. This paper seeks to determine the validity of the assumption of independence between the seasonal and cyclical component for Philippine economic time series.

Some issues relating to seasonal unit roots, changing seasonality, nonlinear and structural change in Philippine economic time series are addressed. Results from test for seasonal integration and changing seasonality are mixed. However, both graphical measures and prior observations by analysts tend to provide support to the result that most Philippine time series do not exhibit stability in their seasonal pattern. Using a modeling framework accounting for both nonlinearity and structural change it was found that most economic time series exhibiting linked seasonal and cyclical behavior tend to cater to the domestic market whereas those with independent seasonal and cyclical components may have been insulated by their greater exposure to the global economy.