

## Letter from Editors

The first issue of volume 7 consists of three papers - two of them focus on empirical macroeconomic modelling, and the third one is devoted to a new model for Bayesian financial econometrics.

In the first paper, Kayode Ayinde, Aliyu Bello, Opeyemi Ayinde and Damilola Adekanmbi examine the long-run relationship between revenues and the total expenditure of the Nigerian government; four revenue categories are considered, namely oil revenue, non-oil revenue, federation account and federal retained revenue. The empirical study is based on cointegration and the ECM representation.

In the second paper, Shalva Mkhatriashvili and Zviad Zedginidze present a macro-fiscal model that enables to analyse various fiscal scenarios (with the focus on impact on debt sustainability and the real sector), as well as to conduct forecasting exercises for small open economies with potentially large share of foreign currency denominated debt in the overall public debt. The model is applied to the Georgian economy.

The third paper, by Maciej Kostrzewski, is devoted to a proper modelling of news that may result in jumps in financial time series. A double exponential jump distribution is applied to model downward and upward jumps, representing possibly distinct impact of "good" and "bad" news. A Bayesian double exponential jump-diffusion model is proposed, its estimation is fully developed and possible applications and extensions are discussed.