Bayesian analysis of seasonal conitegration.

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The paper aims at developing and employing the Bayesian seasonal VEC model.
The prior distributions are proposed and posterior distribution are discussed. It is shown that the conditional distribution of the matrix describing the common quarterly seasonality pattern belongs to the class of Bingham - von Mises - Fisher distributions defined for matrices with orthonormal columns. Appropriate numerical methods are adopted for estimation of this type of models. The proposed models is used to examine cointegration between data coming from the Polish economy.