

Table 2. Rejection Frequencies: Under the Alternative Hypothesis

<i>Level</i>	<i>T</i>	ADF/\hat{Z}_α	ADF/MAX	ADF/TR	\hat{Z}_α/MAX	\hat{Z}_α/TR	MAX/TR
.01	250	.02/.02	.005/.02	.004/.03	.006/.03	.005/.03	.01/.01
	500	.05/.03	.02/.05	.01/.06	.02/.07	.02/.08	.02/.02
	1000	.28/.09	.12/.19	.11/.21	.13/.25	.12/.28	.10/.08
	2000	.96/.02	.80/.16	.72/.24	.81/.17	.73/.25	.70/.13
.05	250	.08/.05	.03/.10	.03/.11	.04/.12	.03/.13	.05/.04
	500	.20/.09	.08/.16	.08/.18	.09/.22	.09/.23	.09/.09
	1000	.66/.11	.39/.30	.35/.35	.41/.37	.37/.41	.33/.15
	2000	.99/.001	.96/.02	.95/.05	.97/.02	.95/.05	.94/.04
.10	250	.17/.07	.07/.17	.07/.19	.08/.20	.08/.21	.10/.07
	500	.35/.10	.17/.25	.16/.27	.18/.30	.18/.32	.18/.10
	1000	.83/.07	.58/.29	.54/.32	.59/.31	.56/.35	.51/.15
	2000	1.0/0.0	1.0/0.0	.99/.01	.99/.001	.99/.01	.98/.01

Note: These results are based on 50,000 replications under the alternative hypothesis of no cointegration with $\rho = .98$. *Level* refers to the significance level for the individual tests. The first entry is proportion of these replications in which both tests reject the null hypothesis of no cointegration at the indicated level. The second entry gives the proportion of replications in which only one of the tests is rejected at the indicated level. The critical values for the individual tests are obtained from the null hypothesis using the corresponding sample size.