How to use the HP-filter in Microsoft Excel 2007

This is a short guide for installing and using the Hodrick Prescott filter in Microsoft Excel 2007. The HP filter is installed as follows.

- Download the Hodrick Prescott filter Add-In zip file from http://www.web-reg.de/hp_addin.html/.
- 2. Extract content to some folder. The zip file contains the Add-In and an example file with an introduction.
- 3. Open Microsoft Excel 2007 and click on the button in the upper left corner (figure 1).
- 4. Choose Excel optionen, then Add-Ins, then Gehe zu..., then locate the Add-Inn with durchsuchen.
- 5. Select the file HPFilter.xla. After pressing Ok the filter has been installed and can be used in Microsoft Excel 2007.

The HP filter can now be used as follows.

- 1. Open the dataset with Microsoft Excel 2007.
- 2. Select the cells where the filter should write the trend component in. Note that it is important that you selecct as many cells as the original time series consists of.
- 3. Type =HP(B2:B148;1600, where B2:B148 are the cells that contain the original time series and 1600 is the value of λ for quartely data. Do not press Enter (figure 2).
- 4. Press Shift, Ctrl, and Enter.



Figure 1: Press the button of the upper left corner.

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A	В	C	0	E	F	0	G	Н	1	J	K	L	M	N	0	P
1	Y C	0.1110	0.4005 04	10.4000												
2 1970/Q1	0,4471	0,4449	0,4995 1814	48;1600												
4 1970/02	0,45364	0,4515	0.5175													
5 1970/04	0,4677	0,4501	0.5252													
6 1971/01	0.4654	0.4679	0.5299	-												
7 1971/02	0 4732	0 4758	0.5395													
8 1971/03	0.4809	0 4807	0.5412													
9 1971/Q4	0.483	0 4857	0 5489	-												
10 1972/Q1	0.4891	0.4937	0.5552	-												
11 1972/Q2	0,494	0,4968	0,5609													
12 1972/Q3	0,5018	0,5064	0,5738													
13 1972/Q4	0,5098	0.5119	0,5888													
14 1973/Q1	0,5177	0.5198	0.5982													
15 1973/Q2	0,525	0,5274	0,5967													
16 1973/Q3	0,5316	0,5299	0,6047													
17 1973/Q4	0,539	0,5355	0,6033	1												
18 1974/Q1	0,5437	0,535	0,6015	1												
19 1974/Q2	0,5453	0,5392	0,5867													
20 1974/Q3	0,5462	0,5414	0,585													
21 1974/Q4	0,5403	0,5394	0,5709													
22 1975/Q1	0,5373	0,5443	0,5677													
23 1975/Q2	0,5364	0,5472	0,5518													
24 1975/Q3	0,5402	0,5544	0,5553													
25 1975/Q4	0,5493	0,5635	0,5663													
26 1976/01	0,5562	0,5697	0,5635													
27 1976/Q2	0,5638	0,5748	0,5664													
20 1976/03	0,5692	0,5002	0,5045													
29 19/0/04	0.5777	0,5000	0,5170													
24 1977/02	0.5015	0.5505	0,5005													
32 1977/03	0,5825	0.000	0.581													
33 1977/04	0.5893	0.6056	0.5892													
34 1978/01	0.5943	0.6079	0.5919	-												
35 1978/02	0 5991	0.6127	0 5928	-												
36 1978/Q3	0.603	0.6201	0.6012													
37 1978/Q4	0.6114	0.6262	0.6074													
38 1979/Q1	0,6132	0,629	0,5932	1												
39 1979/Q2	0,6236	0,6409	0,6225	1												
40 1979/Q3	0,6262	0,6398	0,6269													
41 1979/Q4	0,6334	0,6452	0,6355													
42 1980/Q1	0,6385	0,6511	0,6394													
43 1980/Q2	0,6367	0,6506	0,6322													
44 1980/Q3	0,635	0,6542	0,6257													
45 1980/Q4	0.638	0.6543	0.6236			_	_									
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Figure 2: Type =HP(B2:B148;1600.