A Sufficient Optimality Condition for a Constrained Infinite-Time Horizon Linear-Quadratic Game

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A problem of a constrained infinite-time horizon linear quadratic game for continuous systems is considered. Using a suitable transformation, this problem is reduced to a finite-time horizon game. The main result is a sufficient condition for the existence of a saddle point equilibrium. To illustrate this result, our approach is applied to a basic monetary policy model.

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