

# Some Forecasts

Paul Gaggl

August 10, 2010

Figure 1 replicates Figure 4 in Jordà & Marcellino (2008). The forecasts for the US are constructed using local projections with 6 lags (chosen according to the  $AIC_c$  information criterion) and data from 1954:Q4 to 2010:Q2. The out of sample forecast path is therefore based on the vector  $y_0 = (y_{2010:Q2}, \dots, y_{2009:Q1})$ . Following Jordà & Marcellino (2008) the four economic indicators included in the forecasts are quarterly GDP growth,  $\Delta Y$ , annualized quarterly PCE inflation,  $\pi_{PCE}$ , the federal funds rate,  $FF$ , and 10 year T-Bill rates,  $r_{10}$ .

## References

Jordà, Òscar. & Marcellino, M. (2008), 'Path forecast evaluation', forthcoming in *Journal of Applied Econometrics* .

Figure 1: Forecasts of the Four US Variables  $\Delta Y$ ,  $\pi_{PCE}$ ,  $FF$ ,  $r_{10}$  based on  $y_0 = (y_{2010:Q2}, \dots, y_{2009:Q1})$

