TABLE 1 replicated by Xiyuan Dong

Table 1: Estimates of the Single-Factor Model

A. Estimates of the return-forecasting factor, $\bar{rx}_{t+1} = \boldsymbol{\gamma^T} f_t + \bar{\varepsilon}_{t+1}$

	γ_0	γ_1	γ_2	γ_3	γ_4	γ_5	R^2	$\chi^2(5)$
OLS estimates	-3.24	-2.14	0.81	3.00	0.80	-2.08	0.35	
	Asymptotic (Large T) distributions							
HH	(1.45)	(0.36)	(0.74)	(0.50)	(0.45)	(0.34)		811.29
NW	(1.31)	(0.34)	(0.69)	(0.55)	(0.46)	(0.41)		105.47
Simplified HH	(1.80)	(0.59)	(1.04)	(0.78)	(0.62)	(0.55)		42.41
No overlap	(1.83)	(0.84)	(1.69)	(1.69)	(1.21)	(1.06)		22.57
	Small-sample (Small T) distributions							
12 lag VAR								
Cointegrated VAR								
Exp. Hypo.								

B. Individual-bond regressions

Restricted, $rx_{t+1}^{(n)} = \boldsymbol{\gamma}^T f_t + \varepsilon_{t+1}^{(n)}$ Unrestricted, $rx_{t+1}^{(n)} = \boldsymbol{\beta}_n f_t + \varepsilon_{t+1}^{(n)}$

n	b_n	Large T	Small T	R^2	Small T	R^2	EH	Level R^2	$\chi^2(5)$
2	0.47			0.31		0.32		0.36	121.82
3	0.87			0.34		0.34		0.36	113.80
4	1.24			0.37		0.37		0.39	115.72
5	1.43			0.34		0.35		0.36	88.16

1