Forecasting short-term liquidity is crucial to central banks' management of systemic liquidity. Accurate autonomous factors forecasts contribute to smoothly operating a monetary framework, strengthening monetary transmission, and taming interbank market volatility.

The Monetary and Capital Markets Department of the IMF has developed a new framework to help central banks to forecast liquidity drivers over short horizons. This new tool leverages the latest developments in the statistical literature and features an easy-to-use interface for daily operations. The framework entirely automates a set of forecasting models, featuring multiple model estimation, automatic fine-tuning, treatment of structural breaks, model validation, dynamic selection on out-of-sample performances, forecasts reconciliation, and interactive report generation.

The software infrastructure is based on a state-of-the-art, open-source programming language and can be installed at no cost.

This new methodology has already been deployed in a dozen central banks worldwide, including those with limited staffing and data availability.

This course will present the new framework and deliver a live demo to participants. Previous statistical or programming knowledge is not necessary.