Figure 1: Forecasts comparison

No 2020:M3-M6 (E2)   Full Sample (E3)   Lenza & Primiceri

GDP

Unemployment
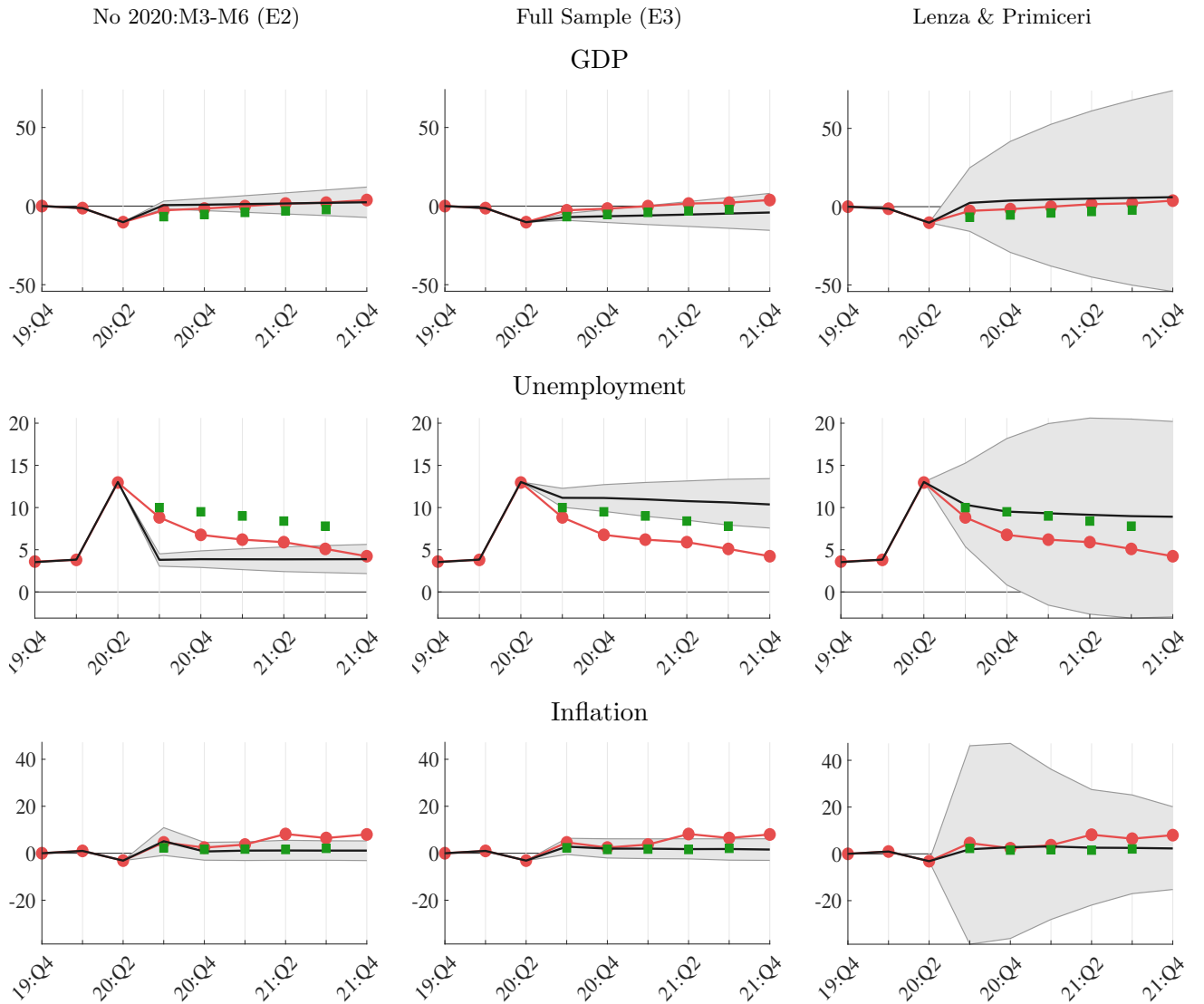
Inflation

Notes: We forecast quarterly averages. Actual values (solid red, January 2022 vintage) and forecasts: median (solid black) and 90% bands (light grey) constructed from the posterior predictive distribution. Green squares represent median forecasts from the SPF. For GDP we depict percentage change relative to December 2019. No 2020:M3-M6 (E2): we treat monthly observations from 2020:M3 to M6 and quarterly observations for 2020:Q1 and Q2 as missing. Full Sample (E3): the MF-VAR is estimated based on data available at the forecast origin. Filtering uses the vintage available at the forecast origin (F1).