MATLAB Code Documentation for
"Forecasting Stock Returns"
(Documentation Version: July 3, 2012)

- If you have questions, please contact Dave Rapach at rapachde@slu.edu.

- All data are available in the Excel spreadsheet **Returns_handbook_data.xls**.

- Output is written to the Excel spreadsheet **Returns_handbook_results.xls**. (The MATLAB commands to write to the spreadsheet are commented out.)

- The MATLAB programs utilize functions from Jim LeSage's Econometrics Toolbox.

- The monthly log equity premium forecasts and corresponding R^2_{OS} statistics and *MSFE-adjusted* p-values reported in Tables 1 and 2 are generated by **Forecasts_monthly_log.m**.

- The monthly equity premium forecasts and corresponding average utility gains reported in Tables 1 and 2 are generated by **Forecasts_monthly.m**. The program calls the function **Perform_asset_allocation.m**.

- The quarterly log equity premium forecasts and corresponding R^2_{OS} statistics and *MSFE-adjusted* p-values reported in Tables 3 and 4 are generated by **Forecasts_quarterly_log.m**.

- The quarterly equity premium forecasts and corresponding average utility gains reported in Tables 3 and 4 are generated by **Forecasts_quarterly.m**. The program calls the function **Perform_asset_allocation.m**.

- The annual log equity premium forecasts and corresponding R^2_{OS} statistics and *MSFE-adjusted* p-values reported in Table 5 are generated by **Forecasts_annual_log.m**.

- The annual equity premium forecasts and corresponding average utility gains reported in Table 5 are generated by **Forecasts_annual.m**. The program calls the function **Perform_asset_allocation.m**.