

INTERNATIONAL MONETARY FUND
IMF Institute for Capacity Development
Macro-econometric Forecasting and Analysis

READING LIST

Session	Reading
U-1	<p>Structural VARs and their application I: short-run restrictions</p> <p>Sims, C. (1992). “Interpreting the Macroeconomic Time Series Facts: the Effects of Monetary Policy,” <i>European Economic Review</i>, pp. 975-1000.¹ https://ideas.repec.org/p/cwl/cwldpp/1011.html</p> <p>Bernanke, B. and I. Mihov (1995). “Measuring Monetary Policy,” NBER, WP/5145. http://www.nber.org/papers/w5145.pdf</p> <p>Blanchard, O. and R. Perotti (2002), “An Empirical Characterization of the Dynamic Effects of Changes in Government Spending and Taxes on Output,” <i>The Quarterly Journal of Economics</i>, pp. 1329-68. http://qje.oxfordjournals.org/content/117/4/1329.full.pdf+html?sid=8e0d3cb9-9a31-4b41-b67c-1e2b30c7ca4f</p> <p>Canova, F. (2007): <i>Methods for Applied Macroeconomic Research</i>, Princeton University Press. http://down.cenet.org.cn/upfile/8/2007322203253154.pdf</p>
U-2	<p>Modeling of non-stationary variables, forecasting with VECMs</p> <p>Johansen, S., 1988, “Statistical Analysis of Cointegration Vectors,” <i>Journal of Economic Dynamics and Control</i>, Vol. 12, No. 2–3, pp. 231–254. http://nhjy.hzau.edu.cn/kech/hgjx/Article/UploadFiles/tese/xuexiziyuan/jdwxxd/lwl/12.pdf</p> <p>Hamilton, J. D., 1994, “TS Analysis,” Princeton University Press, Chapters 15–19, pp. 435–629.</p> <p>Martin, V. L., A. S. Hurn and D. Harris (2013), “Econometric Modeling with Time Series: Specification, Estimation and Testing,” Chapters 16–18, pp. 612–749.</p> <p>Ghysels, E., and M. Marcellino, 2016, “<i>Applied Economic Forecasting Using Time Series Methods</i>,” <i>Oxford University Press, forthcoming</i>, Chapter 7.</p> <p>Shamloo, Maral (2011), “Inflation Dynamics in FYR Macedonia,” IMF Working Paper 11/287. https://www.imf.org/external/pubs/ft/wp/2011/wp11287.pdf</p>

¹ Highlighted references are strongly recommended; the others comprise optional readings.

<p>U-3</p>	<p>Structural VARs and their application II: long-run and other restrictions</p> <p>Blanchard, O. and D. Quah (1989). “The Dynamic Effects of Aggregate Demand and Supply Disturbances,” <i>American Economic Review</i>, pp. 655-73. http://www.jstor.org/stable/1827924?seq=5#page_scan_tab_contents</p> <p>Fry, R. and A. Pagan (2011). “Sign Restrictions in Structural Vector Autoregressions: A Critical Review,” <i>Journal of Economic Literature</i>, 49, pp. 938-60. http://pubs.aeaweb.org/doi/pdfplus/10.1257/jel.49.4.938</p> <p>Ouliaris, S. <i>et al</i> (2015). “Quantitative Macroeconomic Modeling with SVARs”, <i>Ch.6-7</i>.</p>
<p>U-4</p>	<p>Conditional forecasting with VARs in small open economies</p> <p>Waggoner D.F., and T. Zha, 1999, “Conditional forecasts in dynamic multivariate models,” <i>The Review of Economics and Statistics</i>, 81:4, pp. 639-651.</p> <p>Anderle M., Garsia-Saltos R. and G. Ho, 2013, “The Role of Domestic and External Shocks in Poland: Results from an Agnostic Estimation Procedure,” IMF Working Paper 13/220.</p>
<p>U-6</p>	<p>State-Space Models and the Kalman Filter</p> <p>Aruoba, S.B., Diebold, F.X. and C. Scotti, 2009, “Real-Time Measurement of Business Conditions,” <i>Journal of Business and Economic Statistics</i>, 27:4, pp. 417–27. https://www.philadelphiafed.org/-/media/research-and-data/real-time-center/business-conditions-index/real-time-measurement-of-business-conditions14.pdf?la=en</p> <p>Diebold, F. X. and C. Li, 2006, “Forecasting the Term Structure of Government Bond Yields,” <i>Journal of Econometrics</i>, 130, pp. 337–364. http://www.ssc.upenn.edu/~fdiebold/papers/paper49/Diebold-Li.pdf</p> <p>Laubach, T., and J. C. Williams, 2003, “Measuring the Natural Rate of Interest,” <i>Review of Economics and Statistics</i>, vol. 85, no. 4, pp. 1063–1070. https://www.federalreserve.gov/pubs/feds/2001/200156/200156pap.pdf</p> <p>Ghysels, E., and M. Marcellino, 2016, “<i>Applied Economic Forecasting Using Time Series Methods</i>,” <i>Oxford University Press</i>, forthcoming, Chapter 12.</p>
<p>U-5</p>	<p>Estimation of and forecasting with Bayesian VARs</p> <p>Andrea Carriero, A., T. Clark and M. Marcellino, 2011, “Bayesian VARs: specification choices and forecast accuracy,” <i>Journal of Applied Econometrics</i>, 30: pp46–73. https://ideas.repec.org/p/fip/fedcwp/1112.html</p> <p>Litterman, R. B., 1986, “Forecasting with Bayesian Vector Autoregressions—Five Years of Experience,” <i>Journal of Business & Economic Statistics</i>, 4, 1, pp. 25–38. https://www.minneapolisfed.org/research/wp/wp274.pdf</p> <p>Del Negro, M., and F. Schorfheide, 2004, “Priors from General Equilibrium Models for VARs,” <i>International Economic Review</i>, 45, 2, pp. 643–73. http://onlinelibrary.wiley.com/doi/10.1111/j.1468-2354.2004.00139.x/abstract;jsessionid=BCEDF2158E5E5C6D56682D9A00CFBDF.f01t01</p>

	<p>Del Negro, M., and F. Schorfheide, 2007, "Bayesian Macroeconometrics," prepared for the Handbook of Bayesian Econometrics. http://sites.sas.upenn.edu/schorf/files/bayesian_macro.pdf</p> <p>Giannone, D., Lenza, M. and G. Primiceri, 2015, "Prior Selection for Vector Autoregressions," <i>The Review of Economics and Statistics</i>, 97(2), pp. 436-451. http://www.mitpressjournals.org/doi/pdf/10.1162/REST_a_00483</p>
U-7	<p>Factor Models and Factor-Augmented VARS (FAVARs)</p> <p>Bai, J., and S. Ng (2008), "Large Dimensional Factor Analysis," <i>Foundations and Trends in Econometrics</i>, 3(2): 89-163.</p> <p>Stock, J.H., and M.W. Watson (2006), "Forecasting with Many Predictors," ch. 6 in <i>Handbook of Economic Forecasting</i>, ed. by Graham Elliott, Clive W.J. Granger, and Allan Timmermann, Elsevier, 515-554.</p> <p>Stock, J. H. and Watson, M. W. (2011), <i>Dynamic Factor Models</i>, in Clements, M.P. and Hendry, D.F. (eds), <i>Oxford Handbook of Forecasting</i>, Oxford: Oxford University Press.</p>
U-8	<p>Mixed Frequency Models (MIDAS, UMIDAS, 3PRF)</p> <p>Clements, M.P., Galvao, A., 2009, "Forecasting US output growth using Leading Indicators: An appraisal using MIDAS models", <i>Journal of Applied Econometrics</i> 24, 1187-1206.</p> <p>Froni, C., Marcellino, M., Schumacher, C., 2015, Unrestricted mixed data sampling (MIDAS): MIDAS regressions with unrestricted lag polynomials. <i>Journal of the Royal Statistical Society A</i>, 178(1):57-82.</p> <p>Froni, C., Marcellino, M., 2014, "A comparison of mixed frequency approaches for nowcasting Euro area macroeconomic aggregates", <i>International Journal of Forecasting</i>, 30, 554-568.</p>
U-9	<p>Forecast Combinations</p> <p>Clemen, R., 1985, "Combining Forecasts: A Review and Annotated Bibliography," <i>International Journal of Forecasting</i>, Vol. 5, No. 4, pp. 559-583. https://faculty.fuqua.duke.edu/~clemen/bio/Published%20Papers/13.CombiningReview-Clemen-IJOF-89.pdf</p> <p>Stock, J., and M. Watson, 2004, "Combination Forecasts of Output Growth in a Seven-Country Data Set," <i>Journal of Forecasting</i>, Vol. 23, Issue 6, pp. 405-30. http://onlinelibrary.wiley.com/doi/10.1002/for.928/epdf</p> <p>Timmermann, A., 2006, "Forecast Combinations," in <i>Handbook of Economic Forecasting</i>, Volume I, ed. by G. Elliott, C. W.J. Granger, and A. Timmermann (Amsterdam: Elsevier), Chapter 4.</p>