Multistep Forecasting in the Presence of Location Shifts

Empirical Application: supplementary tables

August, 2014

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1 Median Ratios of Absolute Forecast Errors (MRAFE) ordered by variables

1.1 Windows of 25 observations

				$h=1$	2	4	8	12	1	2	4	8	12	1	2	4	8	12	1	2	4	8	12	1	2	4	8	12	1	2	4	8	12
Without Intercept Correction																																	
	$\overline{k}$	$\overline{b}$	σ	mAFE IMS (x100)					mRAFE IMS/DMS					mRAFE IMS/IMSpre					mRAFE IMS/DMSpre					mRAFE IMS/IMSpost					mRAFE IMS/DMSpost				
Inflation																																	
Canada	13.1	0.65	0.84	0.29	0.27	0.38	0.56	0.58	1.00	0.99	0.95	0.94	0.89	0.50	0.66	0.84	0.99	0.79	0.50	0.53	0.40	0.38	0.45	0.94	0.91	0.90	0.86	0.97	0.94	0.66	0.65	0.65	0.45
France	12.6	0.66	0.94	0.26	0.34	0.40	0.51	0.60	1.00	1.02	1.04	0.95	0.90	0.42	0.46	0.62	0.54	0.69	0.42	0.32	0.40	0.39	0.38	0.90	0.90	0.92	0.97	1.12	0.90	0.81	0.66	0.46	0.38
Germany	14.4	0.55	0.56	0.25	0.41	0.47	0.58	0.55	1.00	1.01	0.97	0.82	0.83	0.62	0.69	0.81	0.89	0.98	0.62	0.70	0.66	0.58	0.53	0.98	0.89	0.88	0.83	0.82	0.98	0.78	0.62	0.54	0.53
Japan	12.6	0.42	1.18	0.38	0.43	0.43	0.45	0.53	1.00	1.01	0.81	0.76	0.87	0.85	0.82	0.74	0.75	0.77	0.85	0.85	0.61	0.77	1.24	0.91	0.88	0.87	0.87	0.93	0.91	0.79	0.65	0.82	1.24
UK	12.8	0.47	1.34	0.40	0.56	0.56	0.76	0.75	1.00	0.89	0.92	0.96	0.72	0.72	0.74	0.83	0.82	0.85	0.72	0.67	0.66	0.51	0.53	0.81	0.91	0.74	0.85	0.92	0.81	0.64	0.51	0.55	0.53
US	13.8	0.59	0.78	0.21	0.33	0.52	0.67	0.72	1.00	1.00	0.97	0.94	0.91	0.53	0.73	0.81	0.78	0.69	0.53	0.54	0.46	0.45	0.47	1.03	0.95	0.88	0.90	0.90	1.03	0.85	0.69	0.50	0.47
Industrial production growth																																	
Canada	12.5	0.34	1.75	1.23	1.15	1.21	1.18	1.06	1.00	1.01	0.97	1.11	0.79	0.91	0.95	0.84	0.94	0.94	0.91	1.12	1.07	0.80	0.95	0.82	0.93	0.91	0.76	0.81	0.82	0.91	0.97	0.80	0.95
France	11.5	0.34	1.59	0.62	0.76	0.78	0.69	0.89	1.00	1.06	0.97	0.86	0.87	0.73	0.89	0.92	0.79	0.89	0.73	0.88	0.89	0.88	0.98	1.05	1.02	0.95	0.75	0.87	1.05	1.24	0.99	0.92	0.98
Germany	11.1	0.38	1.91	0.98	1.15	0.96	1.10	1.11	1.00	0.98	0.96	0.98	0.83	1.03	0.98	1.01	1.06	0.95	1.03	0.95	1.00	0.98	0.96	0.91	0.94	0.89	0.88	0.86	0.91	0.88	1.05	1.04	0.96
Japan	13.1	0.34	2.37	1.17	1.51	1.23	1.30	0.91	1.00	1.00	0.96	0.98	0.83	0.97	0.93	1.06	0.88	0.61	0.97	0.97	1.24	0.98	0.68	0.89	0.74	0.80	0.69	0.96	0.89	0.71	1.08	1.40	0.68
UK	12.0	0.32	1.87	1.39	1.25	1.01	0.59	0.86	1.00	0.98	0.93	1.05	0.95	0.92	0.96	1.01	1.01	1.01	0.92	1.10	0.94	0.93	0.89	0.84	0.89	0.88	0.84	0.85	0.84	0.83	0.85	0.93	0.89
US	11.6	0.27	1.75	0.57	0.71	1.01	0.83	0.78	1.00	1.03	1.00	0.83	0.77	0.95	0.68	1.14	1.21	0.82	0.95	0.78	1.22	0.78	0.77	0.83	0.88	0.75	0.74	0.66	0.83	0.91	0.76	0.78	0.77
Real GDP growth																																	
Canada	12.8	0.34	0.97	0.59	0.59	0.53	0.46	0.65	1.00	1.02	1.02	0.81	0.79	0.89	0.88	0.72	0.82	1.11	0.89	0.77	0.77	0.55	0.64	1.00	0.87	1.07	0.89	0.86	1.00	0.82	0.87	0.52	0.64
Germany	11.9	0.44	1.32	0.92	0.81	0.69	0.85	0.85	1.00	1.01	1.01	0.86	0.92	0.78	0.92	0.96	1.08	0.88	0.78	0.79	0.85	0.78	1.14	1.07	0.94	0.94	0.98	0.93	1.07	0.88	0.89	0.78	1.14
Japan	12.9	0.47	1.36	0.50	0.52	0.50	0.57	0.45	1.00	0.97	0.99	0.93	0.80	0.72	0.85	0.84	0.90	0.90	0.72	0.83	0.76	0.59	0.35	1.14	1.04	0.81	0.95	0.79	1.14	0.73	0.65	0.56	0.35
UK	11.4	0.40	1.05	0.55	0.73	0.79	0.81	0.59	1.00	0.98	0.90	0.83	0.71	0.78	0.82	0.89	0.85	0.75	0.78	0.78	0.70	0.72	0.67	0.99	1.14	0.96	1.13	1.41	0.99	1.11	0.87	0.87	0.67
US	12.5	0.37	0.91	0.64	0.46	0.64	0.50	0.50	1.00	0.98	0.93	1.00	0.98	0.80	0.94	0.95	0.78	0.80	0.80	0.85	0.70	0.53	0.59	1.09	0.77	0.81	0.74	0.85	1.09	0.69	0.73	0.61	0.59
Interest rate																																	
Canada	13.5	0.50	296	137	172	180	260	311	1.00	1.00	0.94	0.94	1.08	0.50	0.62	0.62	0.63	0.68	0.50	0.58	0.67	0.86	0.97	0.99	0.98	1.06	1.12	1.24	0.99	0.98	0.86	0.97	0.97
France	12.5	0.76	311	105	112	117	197	260	1.00	1.02	0.95	1.13	1.06	0.44	0.37	0.57	0.52	0.45	0.44	0.35	0.33	0.32	0.35	1.07	1.11	1.08	1.13	1.12	1.07	0.97	0.94	0.83	0.35
Germany	21.7	0.36	198	111	128	121	129	171	1.00	0.95	0.88	0.88	0.97	0.83	0.85	0.88	1.20	1.11	0.83	0.77	0.80	0.64	0.42	0.95	0.68	0.66	0.65	0.63	0.95	0.45	0.45	0.45	0.42
UK	15.7	0.49	454	181	198	199	172	206	1.00	0.98	1.00	0.94	0.99	0.81	0.75	0.93	0.71	0.70	0.81	0.88	1.08	0.48	0.32	1.03	1.04	0.77	1.10	1.19	1.03	0.79	0.75	0.62	0.32
US	13.3	0.71	235	113	143	168	167	177	1.00	1.00	0.97	1.00	1.05	0.52	0.72	0.75	0.78	0.77	0.52	0.58	0.78	0.86	0.92	1.17	1.12	1.07	1.06	1.02	1.17	1.05	0.95	0.78	0.92
With Intercept Correction																																	
		$\overline{b}$		mRAFE IMS/IMSIC					mRAFE IMS/DMSIC					mRAFE IMS/IMSpreIC					mRAFE IMS/DMSpreIC					mRAFE IMS/IMSpostIC					mRAFE IMS/DMSpostIC				
Inflation																																	
Canada	13.1	0.65		0.70	0.78	0.76	1.07	0.88	0.70	0.79	0.76	0.96	0.89	0.73	0.48	0.56	0.51	0.37	0.73	0.64	0.68	1.17	0.90	0.69	0.61	0.46	0.42	0.46	0.69	0.58	0.69	0.70	0.90
France	12.6	0.66		0.93	0.79	0.91	1.03	1.11	0.93	0.82	1.01	1.12	0.96	0.33	0.48	0.32	0.36	0.40	0.33	0.53	0.80	1.01	1.12	0.63	0.52	0.36	0.38	0.38	0.63	0.59	0.64	0.91	1.12
Germany	14.4	0.55		0.86	1.02	1.19	1.07	0.86	0.86	0.98	1.18	0.89	0.98	0.76	0.56	0.65	0.52	0.53	0.76	0.78	1.05	1.09	0.86	0.82	0.84	0.74	0.67	0.46	0.82	0.89	1.13	1.12	0.86
Japan	12.6	0.42		0.76	1.07	1.04	1.00	1.33	0.76	0.95	1.02	0.92	1.12	0.62	0.87	0.50	0.45	0.47	0.62	0.87	0.99	1.03	1.33	0.92	0.97	1.13	0.47	0.57	0.92	0.88	1.53	0.98	1.33
UK	12.8	0.47		0.89	0.99	0.81	0.84	0.72	0.89	1.01	0.87	1.12	0.80	0.60	0.77	0.74	0.43	0.32	0.60	0.84	0.91	0.97	0.78	0.96	0.97	0.65	0.52	0.53	0.96	1.02	0.86	0.95	0.78
US	13.8	0.59		0.99	0.91	0.87	0.83	0.84	0.99	1.10	0.94	0.93	0.96	0.45	0.77	0.79	0.60	0.36	0.45	0.80	0.94	0.88	0.92	0.57	0.77	0.61	0.55	0.52	0.57	0.88	0.82	0.86	0.92
Industrial production growth																																	
Canada	12.5	0.34		0.75	0.98	0.81	0.65	0.75	0.75	0.97	0.77	0.73	0.67	0.77	0.86	0.65	0.62	0.63	0.77	0.82	0.97	0.65	0.75	0.76	0.80	0.60	0.72	0.75	0.76	1.04	0.81	0.65	0.75
France	11.5	0.34		0.92	0.70	0.65	0.59	0.59	0.92	0.71	0.75	0.55	0.66	0.82	0.68	0.59	0.72	0.70	0.82	0.75	0.74	0.59	0.59	0.93	0.63	0.65	0.53	0.61	0.93	0.71	0.76	0.59	0.59
Germany	11.1	0.38		0.84	0.63	0.81	0.70	0.78	0.84	0.65	0.91	0.76	0.84	0.76	0.65	0.94	0.68	0.69	0.76	0.76	0.80	0.71	0.78	0.89	0.62	0.80	0.55	0.60	0.89	0.67	0.85	0.71	0.78
Japan	13.1	0.34		0.79	0.95	0.87	0.50	0.56	0.79	0.90	0.91	0.93	0.47	0.47	0.68	0.63	0.47	0.36	0.47	0.63	0.77	0.64	0.56	0.77	0.90	0.54	0.46	0.36	0.77	0.96	0.98	0.59	0.56
UK	12.0	0.32		0.96	0.65	0.66	0.45	0.72	0.96	0.74	1.07	0.65	0.76	0.90	0.47	0.59	0.52	0.65	0.90	0.64	0.60	0.45	0.72	0.93	0.65	0.67	0.43	0.56	0.93	0.77	1.02	0.41	0.72
US	11.6	0.27		0.60	0.78	0.89	0.87	0.71	0.60	0.80	0.92	0.93	0.73	0.59	0.69	0.62	0.90	0.79	0.59	0.80	0.95	0.87	0.71	0.59	0.77	0.78	0.51	0.45	0.59	0.93	1.00	0.89	0.71
Real GDP growth																																	
Canada	12.8	0.34		0.90	0.69	0.66	0.56	0.73	0.90	0.69	0.70	0.80	0.75	0.72	0.67	0.61	0.59	1.06	0.72	0.59	0.75	0.56	0.73	0.81	0.68	0.63	0.49	0.47	0.81	0.79	0.67	0.60	0.73
Germany	11.9	0.44		0.74	0.68	0.80	0.61	0.59	0.74	0.87	0.70	0.61	0.83	0.81	0.64	0.56	0.75	0.55	0.81	0.84	0.75	0.61	0.59	0.72	0.71	0.80	0.59	0.53	0.72	0.88	0.72	0.61	0.59
Japan	12.9	0.47		0.84	0.90	0.73	0.76	0.68	0.84	0.98	0.75	0.88	0.63	0.90	0.75	0.42	0.58	0.39	0.90	0.75	0.72	0.84	0.68	0.95	0.88	0.70	0.68	0.42	0.95	0.83	0.80	0.76	0.68
UK	11.4	0.40		1.20	0.81	1.31	1.12	1.33	1.20	0.81	1.23	1.20	1.20	1.33	0.59	0.90	0.70	0.57	1.33	1.06	1.09	0.99	1.33	1.03	0.84	1.19	0.90	0.83	1.03	0.89	1.12	1.12	1.33
US	12.5	0.37		0.71	0.83	0.83	0.60	0.67	0.71	0.82	0.77	0.70	0.82	0.71	0.53	0.71	0.48	0.50	0.71	0.73	0.79	0.60	0.67	0.79	0.80	0.76	0.46	0.43	0.79	0.80	0.76	0.60	0.67
Interest rate																																	
Canada	13.5	0.50		0.71	0.83	0.84	0.96	1.00	0.71	0.83	0.76	0.88	1.09	0.59	0.63	0.71	0.62	0.80	0.59	0.74	0.83	0.91	1.03	0.84	0.88	0.89	0.69	0.78	0.84	0.90	0.96	0.90	1.03
France	12.5	0.76		0.94	0.88	0.81	1.73	1.43	0.94	0.93	0.82	1.43	1.27	0.65	0.52	0.86	1.28	1.03	0.65	0.76	0.74	1.30	1.42	0.84	0.57	0.53	0.63	0.66	0.84	0.85	0.72	1.54	1.42
Germany	21.7	0.36		0.86	0.78	0.68	0.60	0.72	0.86	0.81	0.82	0.78	0.98	0.69	0.80	0.57	0.48	0.36	0.69	0.78	0.65	0.74	0.72	0.94	0.64	0.58	0.40	0.34	0.94	0.88	0.77	0.60	0.72
UK	15.7	0.49		1.08	1.08	0.73	0.65	0.79	1.08	1.03	0.72	1.09	0.74	0.97	1.14	0.70	0.65	0.52	0.97	0.90	0.70	0.86	0.79	1.09	0.97	0.81	0.52	0.37	1.09	0.92	0.74	0.82	0.79
US	13.3	0.71		0.92	0.94	0.99	0.92	0.84	0.92	0.94	1.04	1.04	0.80	0.86	0.76	0.83	0.71	0.63	0.86	0.94	1.01	0.92	0.84	1.08	0.81	0.87	0.77	0.63	1.08	0.95	0.93	0.97	0.84

Table 1: Out-of-sample performance ordered by variable: the table reports the median ratios of absolute errors for AR(1) models estimated over windows of 25 observations.

				$h=1$	2	4	8	12	1	2	4	8	12	1	2	4	8	12	1	2	4	8	12	1	2	4	8	12	1	2	4	8	12
Without Intercept Correction																																	
	$\overline{k}$	$\overline{b}$	σ	mAFE IMS (x100)					mRAFE IMS/DMS					mRAFE IMS/IMSpre					mRAFE IMS/DMSpre					mRAFE IMS/IMSpost					mRAFE IMS/DMSpost				
Inflation																																	
Canada	13.1	0.65	0.84	0.25	0.30	0.32	0.53	0.60	1.00	1.00	0.96	0.86	0.92	0.40	0.51	0.38	0.86	0.95	0.40	0.42	0.34	0.28	0.48	0.81	0.81	0.84	0.81	1.04	0.81	0.69	0.63	0.38	0.48
France	12.6	0.66	0.94	0.26	0.33	0.36	0.45	0.54	1.00	1.00	1.00	0.87	0.80	0.29	0.38	0.60	0.54	0.60	0.29	0.30	0.44	0.34	0.37	0.76	0.73	0.76	0.89	1.08	0.76	0.71	0.56	0.36	0.37
Germany	14.4	0.55	0.56	0.25	0.33	0.44	0.64	0.61	1.00	0.98	0.93	0.78	0.78	0.54	0.69	0.77	0.87	1.12	0.54	0.63	0.54	0.60	0.63	0.81	0.82	0.90	0.85	0.87	0.81	0.65	0.51	0.58	0.63
Japan	12.6	0.42	1.18	0.38	0.48	0.44	0.46	0.53	1.00	1.02	0.77	0.67	0.81	0.77	0.77	0.73	0.73	0.85	0.77	0.76	0.52	0.82	1.26	1.04	1.25	1.33	0.83	1.46	1.04	0.75	1.14	0.82	1.26
UK	12.8	0.47	1.34	0.52	0.70	0.69	0.81	0.75	1.00	0.98	0.97	0.96	0.81	0.60	0.71	0.80	0.86	0.76	0.60	0.70	0.60	0.53	0.56	0.75	0.70	0.74	0.87	1.01	0.75	0.57	0.49	0.55	0.56
US	13.8	0.59	0.78	0.21	0.31	0.50	0.73	0.70	1.00	1.02	0.96	0.89	0.85	0.54	0.81	0.87	0.79	0.68	0.54	0.60	0.37	0.47	0.46	0.83	0.83	0.87	1.07	1.08	0.83	0.75	0.72	0.49	0.46
Industrial production growth																																	
Canada	12.5	0.34	1.75	1.52	1.17	1.38	1.29	1.27	1.00	1.04	0.90	0.94	0.70	0.96	1.05	0.91	1.05	1.03	0.96	1.21	0.84	0.91	1.00	0.87	0.88	0.96	0.82	0.81	0.87	1.02	0.95	0.88	1.00
France	11.5	0.34	1.59	0.65	0.73	0.91	0.65	0.87	1.00	1.00	0.93	0.76	0.84	0.63	0.86	0.91	0.96	0.95	0.63	0.85	0.97	0.94	1.02	0.95	1.09	0.84	0.72	0.85	0.95	0.99	0.96	0.88	1.02
Germany	11.1	0.38	1.91	0.99	1.18	0.96	1.12	1.06	1.00	1.06	1.08	0.94	0.79	1.02	0.96	0.96	0.96	0.92	1.02	0.99	1.03	0.96	0.99	0.93	0.93	0.93	0.90	0.89	0.93	0.94	0.97	1.03	0.99
Japan	13.1	0.34	2.37	1.19	1.37	1.38	1.31	0.95	1.00	1.01	0.88	1.14	0.75	0.92	0.90	1.06	0.99	0.67	0.92	0.80	1.01	1.26	0.74	0.53	0.70	0.83	0.78	0.98	0.53	0.70	0.98	1.61	0.74
UK	12.0	0.32	1.87	1.39	1.26	0.95	0.65	0.96	1.00	1.04	0.89	0.89	0.93	1.00	1.15	1.07	1.02	1.01	1.00	1.30	0.98	1.12	0.96	0.74	0.90	0.85	0.82	0.84	0.74	0.99	0.86	1.16	0.96
US	11.6	0.27	1.75	0.59	0.70	0.98	0.95	0.78	1.00	1.04	1.02	0.85	0.72	0.50	0.75	1.22	1.22	0.97	0.50	0.79	1.03	0.73	0.77	1.21	1.08	0.85	0.81	0.64	1.21	1.09	0.80	0.73	0.77
Real GDP growth																																	
Canada	12.8	0.34	0.97	0.69	0.80	0.60	0.52	0.67	1.00	0.96	0.94	0.76	0.80	0.70	0.90	0.74	0.68	0.99	0.70	0.74	0.64	0.56	0.68	0.73	0.88	0.79	0.82	0.83	0.73	0.74	0.73	0.56	0.68
Germany	11.9	0.44	1.32	0.87	0.90	0.76	0.85	0.85	1.00	1.00	0.99	0.90	0.89	0.80	0.90	0.80	0.94	0.81	0.80	1.04	0.90	0.77	1.15	1.20	0.94	0.85	0.95	0.85	1.20	0.95	0.76	0.79	1.15
Japan	12.9	0.47	1.36	0.53	0.58	0.44	0.56	0.48	1.00	1.07	0.98	0.95	0.74	0.62	0.80	0.78	0.91	0.85	0.62	0.78	0.59	0.48	0.37	0.90	0.74	0.79	0.77	0.69	0.90	0.85	0.58	0.52	0.37
UK	11.4	0.40	1.05	0.61	0.79	0.69	0.87	0.69	1.00	0.92	0.88	0.82	0.70	0.64	0.75	0.70	0.71	0.76	0.64	0.78	0.70	0.76	0.72	0.84	0.96	0.86	1.24	0.90	0.84	0.85	0.92	0.79	0.72
US	12.5	0.37	0.91	0.64	0.55	0.69	0.50	0.58	1.00	0.97	0.92	0.79	0.82	0.85	0.92	0.88	0.76	0.81	0.85	0.72	0.76	0.56	0.61	0.88	0.81	0.73	0.76	0.74	0.88	0.82	0.72	0.65	0.61
Interest rate																																	
Canada	13.5	0.50	296	145	160	177	223	350	1.00	1.00	0.97	0.92	1.10	0.53	0.65	0.60	0.57	0.72	0.53	0.75	0.72	0.86	1.16	0.93	0.93	0.95	1.13	1.25	0.93	0.91	0.78	0.80	1.16
France	12.5	0.76	311	93	107	125	179	251	1.00	0.97	0.90	1.11	1.03	0.54	0.33	0.49	0.44	0.38	0.54	0.31	0.27	0.31	0.36	0.83	0.85	0.94	1.13	1.12	0.83	0.90	0.84	0.48	0.36
Germany	21.7	0.36	198	120	134	137	133	167	1.00	0.97	0.94	0.83	0.86	0.80	0.86	0.95	1.08	1.01	0.80	0.88	0.63	0.60	0.43	0.59	0.55	0.61	0.56	0.60	0.59	0.44	0.41	0.45	0.43
UK	15.7	0.49	454	183	190	208	183	174	1.00	1.00	0.95	1.04	0.93	0.62	0.80	1.07	0.72	0.77	0.62	0.75	0.94	0.33	0.48	0.86	0.75	0.71	1.03	1.17	0.86	0.77	0.76	0.43	0.48
US	13.3	0.71	235	109	139	167	171	186	1.00	1.03	0.87	0.93	1.02	0.46	0.59	0.88	0.79	0.86	0.46	0.66	0.63	0.88	0.86	1.10	1.11	1.12	1.05	0.96	1.10	1.09	0.92	0.82	0.86
With Intercept Correction																																	
		$\overline{b}$		mRAFE IMS/IMSIC					mRAFE IMS/DMSIC					mRAFE IMS/IMSpreIC					mRAFE IMS/DMSpreIC					mRAFE IMS/IMSpostIC					mRAFE IMS/DMSpostIC				
Inflation																																	
Canada	13.1	0.65		0.66	0.78	0.74	0.92	0.85	0.66	0.82	0.77	0.88	0.87	0.71	0.72	0.61	0.54	0.47	0.71	0.80	0.81	1.09	0.93	0.78	0.82	0.69	0.47	0.48	0.78	0.91	0.87	1.06	0.93
France	12.6	0.66		0.88	0.76	0.88	0.92	1.04	0.88	0.82	0.90	0.92	0.90	0.69	0.86	0.86	0.36	0.43	0.69	0.95	0.95	1.10	1.10	1.06	0.88	0.64	0.42	0.35	1.06	0.94	1.04	1.00	1.10
Germany	14.4	0.55		0.91	0.93	1.15	1.10	0.91	0.91	0.95	1.15	0.86	0.89	0.82	0.86	0.96	0.63	0.58	0.82	0.82	1.06	1.21	0.99	1.02	1.08	0.96	0.78	0.65	1.02	1.07	1.07	1.21	0.99
Japan	12.6	0.42		0.78	1.16	1.05	1.04	1.26	0.78	1.10	1.15	0.87	0.96	0.55	1.13	0.53	0.55	0.54	0.55	0.89	1.10	1.04	1.36	1.12	1.19	0.82	0.66	0.65	1.12	1.20	1.15	1.04	1.36
UK	12.8	0.47		0.93	1.03	0.81	0.94	0.84	0.93	1.05	0.90	0.96	0.75	1.03	0.82	0.67	0.43	0.35	1.03	0.92	1.16	1.10	0.89	1.02	1.13	0.84	0.82	0.67	1.02	1.21	0.83	1.07	0.89
US	13.8	0.59		0.87	0.93	0.84	0.80	0.81	0.87	1.00	0.95	0.96	0.92	0.51	0.72	0.59	0.66	0.39	0.51	0.79	0.98	0.94	0.92	0.91	1.03	0.88	0.66	0.59	0.91	1.06	1.03	0.96	0.92
Industrial production growth																																	
Canada	12.5	0.34		0.78	1.03	0.80	0.67	0.69	0.78	0.92	0.71	0.70	0.66	0.88	0.64	0.59	0.64	0.75	0.88	0.84	1.05	0.70	0.69	0.83	0.86	0.67	0.73	0.70	0.83	0.97	0.81	0.67	0.69
France	11.5	0.34		1.00	0.65	0.67	0.54	0.62	1.00	0.61	0.73	0.53	0.71	0.74	0.62	0.54	0.72	0.63	0.74	0.49	0.68	0.54	0.62	1.04	0.72	0.72	0.54	0.53	1.04	0.76	0.59	0.61	0.62
Germany	11.1	0.38		0.79	0.60	0.82	0.63	0.77	0.79	0.66	0.89	0.75	0.66	0.62	0.67	0.89	0.61	0.68	0.62	0.64	0.71	0.63	0.78	0.91	0.71	0.61	0.51	0.64	0.91	0.83	0.81	0.63	0.78
Japan	13.1	0.34		0.70	0.85	0.72	0.52	0.56	0.70	0.83	0.89	0.87	0.43	0.43	0.84	0.70	0.49	0.36	0.43	0.69	1.01	0.60	0.56	0.80	0.94	1.01	0.51	0.41	0.80	0.93	1.10	0.55	0.56
UK	12.0	0.32		0.78	0.82	0.68	0.45	0.71	0.78	0.80	0.68	0.68	0.64	0.69	0.61	0.60	0.67	0.71	0.69	0.64	0.70	0.45	0.71	0.77	0.80	0.96	0.45	0.59	0.77	0.76	0.68	0.64	0.71
US	11.6	0.27		0.61	0.67	0.74	0.79	0.77	0.61	0.74	0.92	0.82	0.76	0.65	0.78	0.75	0.62	0.62	0.65	1.11	0.91	0.90	0.77	0.64	0.93	0.71	0.54	0.58	0.64	0.83	0.70	0.79	0.77
Real GDP growth																																	
Canada	12.8	0.34		0.84	0.57	0.84	0.59	0.77	0.84	0.53	0.73	0.75	0.88	0.84	0.61	0.64	0.63	0.94	0.84	0.68	0.79	0.63	0.77	0.95	0.66	0.70	0.43	0.54	0.95	0.70	0.60	0.63	0.77
Germany	11.9	0.44		0.76	0.89	0.79	0.63	0.56	0.76	0.79	0.72	0.64	0.73	0.56	0.73	0.83	0.88	0.55	0.56	0.74	0.79	0.63	0.56	0.98	0.81	0.75	0.62	0.53	0.98	0.96	0.84	0.63	0.56
Japan	12.9	0.47		0.83	0.75	0.67	0.80	0.65	0.83	0.75	0.61	0.87	0.49	0.78	0.80	0.66	0.56	0.38	0.78	1.21	0.66	0.78	0.65	0.70	0.99	0.59	0.75	0.49	0.70	0.88	0.70	0.80	0.65
UK	11.4	0.40		1.09	0.78	1.36	1.13	1.17	1.09	0.69	1.30	1.06	1.10	1.11	0.99	1.27	0.80	0.81	1.11	1.01	1.27	1.13	1.23	1.45	1.03	1.09	0.89	0.99	1.45	1.10	1.09	1.13	1.23
US	12.5	0.37		0.74	0.77	0.80	0.71	0.84	0.74	0.66	0.66	0.72	0.86	0.85	0.86	0.64	0.56	0.57	0.85	0.97	0.81	0.73	0.83	0.77	0.87	0.77	0.59	0.48	0.77	0.81	0.68	0.86	0.83
Interest rate																																	
Canada	13.5	0.50		0.70	0.81	0.78	0.93	1.10	0.70	0.79	0.78	0.81	1.23	0.72	0.80	0.72	0.60	0.87	0.72	0.84	0.93	0.96	1.14	0.70	0.83	0.90	0.73	0.76	0.70	0.88	0.91	0.95	1.14
France	12.5	0.76		0.75	0.99	0.77	1.57	1.38	0.75	1.07	1.05	1.30	1.21	0.87	0.89	0.95	1.03	0.97	0.87	0.93	0.92	1.60	1.38	0.95	1.20	0.70	0.82	0.74	0.95	1.10	1.02	1.86	1.38
Germany	21.7	0.36		1.00	1.00	0.80	0.62	0.75	1.00	0.89	0.86	0.72	0.74	0.87	0.88	0.65	0.44	0.42	0.87	1.13	0.83	0.75	0.75	0.92	0.84	0.79	0.45	0.58	0.92	0.85	0.77	0.69	0.75
UK	15.7	0.49		0.77	0.87	0.73	0.69	0.74	0.77	0.88	0.79	1.16	0.74	0.84	0.77	0.67	0.64	0.50	0.84	1.06	0.79	0.81	0.81	0.99	1.05	0.70	0.53	0.39	0.99	1.02	0.83	0.82	0.81
US	13.3	0.71		0.93	0.91	0.98	0.93	0.84	0.93	0.80	0.94	0.89	0.78	0.94	0.90	0.90	0.80	0.67	0.94	0.84	1.08	0.93	0.88	1.09	0.86	1.08	0.77	0.74	1.09	0.96	0.97	0.95	0.88

Table 2: Out-of-sample performance ordered by variable: the table reports the median ratios of absolute errors for AR(2) models estimated over windows of 25 observations.

				$h=1$	2	4	8	12	1	2	4	8	12	1	2	4	8	12	1	2	4	8	12	1	2	4	8	12	1	2	4	8	12
Without Intercept Correction																																
	$\overline{k}$	$\overline{b}$	σ	mAFE IMS (x100)					mRAFE IMS/DMS					mRAFE IMS/IMSpre					mRAFE IMS/DMSpre					mRAFE IMS/IMSpost					mRAFE IMS/DMSpost				
Inflation																																
Canada	13.1	0.65	0.84	0.25	0.33	0.38	0.58	0.60	1.00	0.99	0.95	0.80	0.90	0.28	0.31	0.37	0.57	0.60	0.28	0.28	0.35	0.33	0.47	0.57	0.50	0.72	0.87	1.01	0.57	0.50	0.64	0.33	0.47
France	12.6	0.66	0.94	0.31	0.39	0.40	0.46	0.54	1.00	0.99	0.95	0.72	0.72	0.25	0.30	0.54	0.50	0.43	0.25	0.29	0.34	0.31	0.30	0.71	0.70	0.79	0.95	0.98	0.71	0.71	0.60	0.31	0.30
Germany	14.4	0.55	0.56	0.27	0.39	0.51	0.62	0.65	1.00	1.00	0.90	0.73	0.82	0.40	0.59	0.63	0.67	0.90	0.40	0.49	0.53	0.65	0.70	0.63	0.68	0.80	0.77	0.79	0.63	0.58	0.54	0.65	0.70
Japan	12.6	0.42	1.18	0.39	0.39	0.53	0.70	0.62	1.00	0.99	0.86	0.67	1.14	0.51	0.63	0.64	0.83	0.84	0.51	0.62	0.80	1.04	1.45	0.78	0.79	1.04	1.12	0.88	0.78	0.76	1.42	1.04	1.45
UK	12.8	0.47	1.34	0.53	0.79	0.65	0.83	0.88	1.00	0.95	0.90	0.87	0.71	0.53	0.72	0.72	0.65	0.81	0.53	0.55	0.44	0.48	0.55	0.55	0.65	0.65	0.89	1.15	0.55	0.71	0.46	0.48	0.55
US	13.8	0.59	0.78	0.20	0.33	0.49	0.81	0.54	1.00	0.99	0.93	0.72	0.88	0.40	0.45	0.42	0.51	0.50	0.40	0.38	0.37	0.48	0.36	0.65	0.84	0.86	0.99	1.00	0.65	0.77	0.54	0.48	0.36
Industrial production growth																																
Canada	12.5	0.34	1.75	1.49	1.48	1.27	1.16	1.32	1.00	1.03	1.05	1.09	0.76	0.56	0.98	0.94	0.63	0.69	0.56	1.08	1.27	0.87	0.96	0.63	0.99	0.88	0.99	0.93	0.63	0.98	0.94	0.87	0.96
France	11.5	0.34	1.59	0.83	0.61	0.95	0.98	1.02	1.00	0.93	0.91	0.96	0.85	0.76	0.87	0.92	0.92	0.99	0.76	0.75	1.03	0.94	1.07	0.98	0.90	0.98	0.90	0.97	0.98	1.01	1.08	0.94	1.07
Germany	11.1	0.38	1.91	1.16	1.40	1.18	1.21	1.14	1.00	1.02	1.07	0.84	0.95	0.86	0.91	0.95	0.77	0.81	0.86	0.97	1.08	1.05	1.16	0.84	0.94	1.08	0.96	0.94	0.84	0.94	0.97	1.05	1.16
Japan	13.1	0.34	2.37	1.56	1.31	1.54	1.24	1.07	1.00	0.95	0.84	0.62	0.51	0.90	0.90	0.96	1.11	0.84	0.90	0.73	0.99	1.35	1.15	0.64	0.76	1.10	1.03	1.28	0.64	0.62	1.30	1.35	1.15
UK	12.0	0.32	1.87	1.06	1.60	1.41	0.71	0.68	1.00	0.98	1.00	0.74	1.01	0.91	1.11	1.52	1.16	1.02	0.91	1.26	1.25	1.05	0.96	0.80	1.00	0.87	1.05	0.80	0.80	0.90	1.17	1.05	0.96
US	11.6	0.27	1.75	0.73	0.54	1.07	1.03	1.15	1.00	0.95	0.96	1.02	0.89	0.98	0.65	1.07	1.23	1.11	0.98	0.75	0.93	0.79	0.76	1.00	0.64	0.73	0.82	0.75	1.00	0.80	0.76	0.79	0.76
Real GDP growth																																
Canada	12.8	0.34	0.97	0.71	0.89	0.74	0.52	0.65	1.00	1.01	0.93	0.74	0.67	0.43	0.74	0.74	0.64	0.63	0.43	0.67	0.73	0.63	0.74	0.59	0.71	0.74	0.83	0.75	0.59	1.05	0.71	0.63	0.74
Germany	11.9	0.44	1.32	0.92	0.97	0.84	0.89	0.82	1.00	1.06	0.93	0.73	0.86	0.73	1.11	1.02	1.11	0.77	0.73	0.86	1.00	0.96	1.23	1.04	0.95	0.87	0.87	0.76	1.04	0.81	0.91	0.96	1.23
Japan	12.9	0.47	1.36	0.65	0.62	0.46	0.51	0.42	1.00	0.99	0.85	0.86	0.60	0.58	0.65	0.57	0.69	0.82	0.58	0.54	0.58	0.53	0.42	0.92	0.86	0.74	0.78	0.60	0.92	0.87	0.46	0.53	0.42
UK	11.4	0.40	1.05	0.68	0.85	0.68	0.98	0.72	1.00	1.03	0.99	0.81	0.71	0.68	0.69	0.71	0.67	0.69	0.68	0.68	0.71	0.75	0.76	1.17	0.92	1.12	1.17	0.93	1.17	0.97	1.31	0.75	0.76
US	12.5	0.37	0.91	0.72	0.64	0.63	0.59	0.54	1.00	0.98	1.01	0.86	0.90	0.69	0.85	0.93	0.78	0.72	0.69	0.84	0.85	0.66	0.65	0.94	0.84	0.84	0.96	0.83	0.94	0.84	0.77	0.66	0.65
Interest rate																																
Canada	13.5	0.50	296	171	190	216	214	365	1.00	0.99	0.97	1.00	0.85	0.51	0.79	0.66	0.72	0.83	0.51	0.76	0.76	0.83	1.16	1.00	0.96	0.97	1.08	1.11	1.00	0.92	0.85	0.83	1.16
France	12.5	0.76	311	89	80	129	152	242	1.00	1.00	1.07	0.87	1.11	0.19	0.29	0.46	0.32	0.35	0.19	0.19	0.25	0.22	0.33	0.62	0.58	0.98	1.05	1.00	0.62	0.58	0.69	0.22	0.33
Germany	21.7	0.36	198	133	152	136	145	183	1.00	0.96	0.85	0.90	0.87	0.76	0.90	1.01	1.07	0.95	0.76	0.81	0.80	0.48	0.44	0.53	0.65	0.54	0.48	0.61	0.53	0.66	0.46	0.48	0.44
UK	15.7	0.49	454	199	255	194	190	186	1.00	1.00	0.95	0.93	0.75	0.67	0.80	0.97	0.65	0.54	0.67	0.75	0.54	0.32	0.45	0.83	0.82	0.82	1.03	0.93	0.83	0.72	0.55	0.32	0.45
US	13.3	0.71	235	99	145	184	234	239	1.00	0.96	0.93	1.05	1.05	0.51	0.52	0.78	1.08	0.89	0.51	0.47	0.68	1.22	1.18	0.90	1.00	0.99	1.05	1.01	0.90	0.91	1.03	1.22	1.18
With Intercept Correction																																
		$\overline{b}$		mRAFE IMS/IMSIC					mRAFE IMS/DMSIC					mRAFE IMS/IMSpreIC					mRAFE IMS/DMSpreIC					mRAFE IMS/IMSpostIC					mRAFE IMS/DMSpostIC				
Inflation																																
Canada	13.1	0.65		0.76	0.80	0.84	0.99	0.86	0.76	0.74	0.84	0.78	0.85	0.69	0.74	0.64	0.70	0.58	0.69	0.81	0.79	1.14	0.94	0.96	0.88	0.82	0.38	0.49	0.96	0.85	1.03	1.14	0.94
France	12.6	0.66		1.03	0.82	0.83	0.99	0.97	1.03	0.76	0.91	0.81	0.87	0.98	0.83	0.79	0.43	0.46	0.98	0.94	1.21	1.06	1.04	1.00	0.99	0.68	0.45	0.39	1.00	1.11	1.11	1.06	1.04
Germany	14.4	0.55		0.96	0.96	1.16	1.06	0.92	0.96	0.97	0.96	0.90	0.93	0.60	0.78	0.98	0.54	0.55	0.60	0.82	1.11	1.22	1.16	0.92	0.92	1.05	0.75	0.53	0.92	1.04	1.07	1.22	1.16
Japan	12.6	0.42		0.73	0.94	1.45	1.15	1.41	0.73	1.11	1.37	0.81	0.80	0.68	0.91	0.63	0.53	0.55	0.68	0.96	1.35	1.24	1.41	1.00	0.90	0.84	0.64	0.56	1.00	0.88	1.54	1.24	1.41
UK	12.8	0.47		1.15	1.06	0.82	0.87	0.87	1.15	1.08	0.92	1.12	0.67	1.10	1.05	0.70	0.47	0.42	1.10	0.99	0.92	1.09	0.91	1.17	1.13	0.79	0.94	0.61	1.17	1.10	1.14	1.09	0.91
US	13.8	0.59		0.78	0.91	1.05	0.92	0.88	0.78	0.99	0.82	0.88	0.77	0.45	0.54	0.52	0.43	0.31	0.45	0.84	1.08	0.93	0.87	0.82	1.00	0.78	0.82	0.48	0.82	0.93	1.26	0.93	0.87
Industrial production growth																																
Canada	12.5	0.34		0.67	0.91	1.06	0.58	0.67	0.67	0.72	1.05	0.88	0.70	0.49	0.87	0.72	0.40	0.60	0.49	1.12	1.48	0.58	0.62	0.56	0.85	0.99	0.71	0.58	0.56	0.83	0.72	0.58	0.62
France	11.5	0.34		0.94	0.63	0.76	0.61	0.66	0.94	0.52	0.70	0.60	0.69	0.60	0.43	0.83	0.51	0.69	0.60	0.39	0.80	0.62	0.67	0.87	0.67	0.75	0.61	0.64	0.87	0.59	0.71	0.62	0.67
Germany	11.1	0.38		0.80	0.63	0.84	0.69	0.72	0.80	0.70	1.04	0.69	0.62	0.70	0.68	0.67	0.75	0.56	0.70	0.69	0.86	0.73	0.76	0.89	0.68	0.82	0.55	0.65	0.89	0.81	0.87	0.73	0.76
Japan	13.1	0.34		0.70	0.84	0.96	0.56	0.44	0.70	0.90	0.65	0.51	0.30	0.48	0.67	0.71	0.60	0.40	0.48	0.64	0.78	0.52	0.55	0.91	0.82	0.83	0.47	0.39	0.91	0.87	0.89	0.52	0.55
UK	12.0	0.32		0.88	0.82	0.92	0.38	0.67	0.88	0.72	0.78	0.55	0.72	0.82	0.69	0.93	0.74	0.65	0.82	0.62	0.93	0.38	0.65	0.89	0.76	0.83	0.39	0.48	0.89	0.71	0.83	0.38	0.65
US	11.6	0.27		0.68	0.67	1.06	0.90	0.80	0.68	0.74	0.88	0.94	0.76	0.75	0.94	0.96	0.74	0.68	0.75	0.78	0.95	0.79	0.81	0.88	0.66	0.88	0.62	0.67	0.88	0.78	0.76	0.79	0.81
Real GDP growth																																
Canada	12.8	0.34		1.06	0.61	0.77	0.59	0.66	1.06	0.67	0.60	0.83	0.65	0.87	0.80	0.64	0.41	0.57	0.87	0.79	0.79	0.62	0.74	1.20	0.57	0.53	0.35	0.34	1.20	0.85	0.61	0.62	0.74
Germany	11.9	0.44		0.75	0.92	0.76	0.71	0.64	0.75	0.81	0.72	0.58	0.52	0.69	0.70	0.64	0.78	0.57	0.69	0.64	0.83	0.69	0.59	0.77	0.73	0.79	0.60	0.58	0.77	0.70	0.95	0.69	0.59
Japan	12.9	0.47		0.81	0.81	0.73	0.78	0.64	0.81	0.70	0.66	0.67	0.49	0.66	0.73	0.44	0.45	0.39	0.66	0.71	0.76	0.84	0.65	0.90	0.91	0.83	0.63	0.60	0.90	0.86	0.61	0.84	0.65
UK	11.4	0.40		1.15	0.75	1.35	1.04	1.12	1.15	1.00	1.15	0.99	0.83	1.12	0.98	0.89	0.77	0.68	1.12	1.02	1.45	1.23	1.12	1.52	1.12	1.33	1.23	1.03	1.52	1.12	1.16	1.23	1.12
US	12.5	0.37		0.87	0.70	0.82	0.70	0.68	0.87	0.74	0.85	0.98	0.92	0.75	0.89	0.72	0.71	0.47	0.75	0.96	0.89	0.74	0.70	0.89	0.76	0.76	0.57	0.44	0.89	0.84	0.75	0.74	0.70
Interest rate																																
Canada	13.5	0.50		0.92	0.92	0.91	0.91	1.17	0.92	0.92	0.84	0.88	0.98	0.81	0.84	0.63	0.72	0.91	0.81	0.86	1.03	0.90	1.20	0.95	0.85	0.90	0.52	0.81	0.95	0.89	0.91	0.90	1.20
France	12.5	0.76		0.92	0.76	0.91	1.21	1.11	0.92	0.75	1.23	1.05	1.26	0.84	0.77	0.79	0.63	0.76	0.84	0.81	0.76	1.51	1.25	0.91	1.85	1.23	0.41	0.64	0.91	1.56	1.15	1.51	1.25
Germany	21.7	0.36		1.00	0.86	0.73	0.64	0.73	1.00	0.91	0.89	0.64	0.69	1.14	0.81	0.78	0.44	0.57	1.14	0.80	0.88	0.73	0.77	1.20	1.05	0.60	0.51	0.53	1.20	1.04	0.87	0.73	0.77
UK	15.7	0.49		1.21	0.92	0.70	0.77	0.79	1.21	0.93	0.80	0.93	0.70	0.88	1.05	0.64	0.57	0.63	0.88	1.05	0.84	0.86	0.80	1.21	0.95	0.63	0.48	0.40	1.21	0.93	0.77	0.86	0.80
US	13.3	0.71		0.83	0.83	1.12	0.98	0.91	0.83	0.85	1.01	1.16	0.95	0.76	0.78	0.98	0.93	0.81	0.76	0.88	1.12	1.15	0.98	0.90	0.95	1.28	0.64	0.58	0.90	0.99	1.28	1.15	0.98

Table 3: Out-of-sample performance ordered by variable: the table reports the median ratios of absolute errors for AR(4) models estimated over windows of 25 observations.

				$h=1$	2	4	8	12	1	2	4	8	12	1	2	4	8	12	1	2	4	8	12	1	2	4	8	12	1	2	4	8	12
Without Intercept Correction																																	
	$\overline{k}$	$\overline{b}$	σ	mAFE IMS (x100)					mRAFE IMS/DMS					mRAFE IMS/IMSpre					mRAFE IMS/DMSpre					mRAFE IMS/IMSpost					mRAFE IMS/DMSpost				
Inflation																																	
Canada	13.1	0.65	0.84	0.29	0.27	0.38	0.56	0.58	1.00	0.99	0.95	0.94	0.87	0.35	0.29	0.38	0.70	0.31	0.35	0.37	0.18	0.29	0.21	0.69	0.40	0.73	0.67	0.68	0.69	0.24	0.17	0.07	0.12
France	12.6	0.66	0.94	0.26	0.34	0.40	0.51	0.60	1.00	1.02	1.04	0.95	0.90	0.18	0.36	0.25	0.27	0.37	0.18	0.19	0.17	0.11	0.21	0.73	0.75	0.74	0.81	1.07	0.73	0.60	0.35	0.18	0.23
Germany	14.4	0.55	0.56	0.26	0.41	0.47	0.60	0.55	1.00	1.01	0.98	0.83	0.84	0.54	0.66	0.77	0.79	0.80	0.54	0.66	0.55	0.50	0.43	0.61	0.74	0.69	0.67	0.71	0.61	0.48	0.31	0.26	0.43
Japan	12.6	0.42	1.18	0.38	0.43	0.43	0.45	0.53	1.00	1.01	0.81	0.76	0.91	0.73	0.75	0.69	0.69	0.77	0.73	0.63	0.54	0.74	0.69	0.94	0.77	0.59	0.74	0.66	0.94	0.60	1.19	0.64	0.71
UK	12.8	0.47	1.34	0.40	0.56	0.56	0.76	0.75	1.00	0.89	0.92	0.96	0.72	0.69	0.73	0.77	0.82	0.84	0.69	0.59	0.41	0.31	0.31	0.52	0.46	0.33	0.67	0.47	0.52	0.61	0.38	0.31	0.28
US	13.8	0.59	0.78	0.21	0.33	0.52	0.67	0.72	1.00	1.00	0.97	0.99	0.91	0.39	0.39	0.47	0.68	0.49	0.39	0.35	0.35	0.21	0.24	0.94	0.89	0.77	0.86	0.87	0.94	0.62	0.31	0.29	0.31
Industrial production growth																																	
Canada	12.5	0.34	1.75	1.23	1.19	1.06	1.18	1.29	1.00	1.01	0.97	1.11	0.87	0.64	0.82	0.75	0.61	0.77	0.64	1.08	0.88	0.71	0.89	0.44	0.63	0.58	0.55	0.56	0.44	0.53	0.81	0.56	0.55
France	11.5	0.34	1.59	0.62	0.76	0.79	0.68	0.89	1.00	1.04	0.97	0.82	0.87	0.25	0.82	0.71	0.40	0.16	0.25	0.44	0.47	0.48	0.45	0.76	0.81	0.59	0.56	0.81	0.76	0.80	0.73	0.79	0.97
Germany	11.1	0.38	1.91	0.98	1.15	0.96	1.10	1.11	1.00	0.98	0.98	0.98	0.83	0.80	0.83	0.76	0.88	0.65	0.80	0.79	0.98	0.94	0.91	0.80	0.84	0.75	0.69	0.64	0.80	0.85	0.96	0.94	0.94
Japan	13.1	0.34	2.37	1.17	1.51	1.23	1.30	0.91	1.00	1.00	0.98	0.98	0.73	0.97	0.93	1.06	0.85	0.56	0.97	0.93	0.74	1.38	0.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UK	12.0	0.32	1.87	1.39	1.25	1.01	0.59	0.86	1.00	0.98	0.95	1.06	0.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.75	0.81	0.77	0.76	0.84	0.75	0.75	0.87	0.74	0.59
US	11.6	0.27	1.75	0.58	0.77	1.01	0.87	0.78	1.00	1.05	1.00	0.86	0.79	0.55	0.56	0.99	0.58	0.44	0.55	0.55	0.89	0.42	0.44	0.49	0.22	0.37	0.42	0.41	0.49	0.24	0.47	0.47	0.52
Real GDP growth																																	
Canada	12.8	0.34	0.97	0.59	0.59	0.53	0.49	0.65	1.00	1.02	1.04	0.87	0.79	0.84	0.82	0.65	0.55	0.87	0.84	0.74	0.47	0.45	0.63	0.66	0.68	0.78	0.70	0.50	0.66	0.73	0.70	0.42	0.53
Germany	11.9	0.44	1.32	0.90	0.81	0.69	0.85	0.85	1.00	1.01	1.01	0.85	0.92	0.46	0.75	0.40	0.55	0.62	0.46	0.59	0.58	0.55	0.70	1.15	0.92	0.87	0.88	0.84	1.15	0.78	0.78	0.78	0.90
Japan	12.9	0.47	1.36	0.50	0.52	0.50	0.57	0.45	1.00	0.97	0.99	0.93	0.77	0.62	0.80	0.67	0.78	0.72	0.62	0.58	0.53	0.36	0.27	0.37	0.50	0.38	0.44	0.13	0.37	0.37	0.24	0.11	0.06
UK	11.4	0.40	1.05	0.55	0.73	0.79	0.90	0.59	1.00	0.98	0.91	0.83	0.69	0.67	0.66	0.41	0.71	0.66	0.67	0.58	0.31	0.38	0.52	0.53	0.67	0.59	0.28	0.60	0.53	0.64	0.48	0.28	0.54
US	12.5	0.37	0.91	0.64	0.46	0.64	0.50	0.50	1.00	0.97	0.91	0.98	0.98	0.11	0.38	0.29	0.30	0.11	0.11	0.16	0.19	0.17	0.09	0.84	0.71	0.80	0.73	0.68	0.84	0.55	0.77	0.43	0.39
Interest rate																																	
Canada	13.5	0.50	296	151	217	270	332	310	1.00	1.02	1.03	0.83	0.81	0.17	0.35	0.49	0.46	0.70	0.17	0.50	0.48	0.45	0.59	0.73	0.82	0.91	0.94	0.89	0.73	0.90	0.78	0.66	0.59
France	12.5	0.76	311	171	239	195	206	193	1.00	1.15	1.10	1.22	0.52	0.04	0.10	0.12	0.02	0.04	0.04	0.08	0.09	0.01	0.05	0.43	0.47	0.22	0.42	0.29	0.43	0.72	0.37	0.20	0.15
Germany	21.7	0.36	198	138	170	171	168	163	1.00	1.01	1.12	0.62	0.67	0.73	0.93	1.08	0.96	0.87	0.73	0.79	0.79	0.43	0.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UK	15.7	0.49	454	230	301	207	269	334	1.00	1.12	1.12	0.87	1.22	0.40	0.25	0.34	0.14	0.25	0.40	0.46	0.28	0.18	0.13	0.59	0.57	0.39	0.42	0.61	0.59	0.40	0.42	0.21	0.21
US	13.3	0.71	235	120	156	204	213	159	1.00	0.96	0.96	1.01	0.98	0.15	0.35	0.35	0.32	0.36	0.15	0.22	0.21	0.37	0.42	0.56	0.72	0.79	0.68	0.48	0.56	0.61	0.40	0.64	0.60
With Intercept Correction																																	
		$\overline{b}$		mRAFE IMS/IMSIC					mRAFE IMS/DMSIC					mRAFE IMS/IMSpreIC					mRAFE IMS/DMSpreIC					mRAFE IMS/IMSpostIC					mRAFE IMS/DMSpostIC				
Inflation																																	
Canada	13.1	0.65		0.70	0.78	0.76	1.07	0.88	0.70	0.79	0.76	0.95	0.89	0.18	0.17	0.20	0.25	0.14	0.18	0.30	0.50	0.56	0.55	0.41	0.26	0.21	0.09	0.10	0.41	0.35	0.38	0.62	0.56
France	12.6	0.66		0.93	0.79	0.91	1.03	1.11	0.93	0.82	1.01	1.12	0.95	0.23	0.41	0.08	0.10	0.13	0.23	0.73	0.78	0.56	0.87	0.64	0.45	0.36	0.23	0.25	0.64	0.66	0.81	0.79	0.90
Germany	14.4	0.55		0.90	1.08	1.20	1.09	0.90	0.90	1.00	1.20	0.90	1.06	0.83	0.96	0.68	0.45	0.40	0.83	0.95	1.07	1.04	0.77	0.45	0.50	0.36	0.26	0.28	0.45	0.73	0.56	0.66	0.63
Japan	12.6	0.42		0.76	1.07	1.04	1.00	1.33	0.76	0.95	1.02	0.88	1.12	0.57	0.84	0.46	0.40	0.44	0.57	0.93	0.85	0.91	1.02	0.75	0.87	0.50	0.64	0.47	0.75	0.93	0.76	0.98	1.18
UK	12.8	0.47		0.89	0.99	0.81	0.84	0.72	0.89	1.01	0.87	1.12	0.84	0.42	0.55	0.26	0.31	0.24	0.42	0.63	0.54	0.70	0.62	0.40	0.36	0.20	0.33	0.22	0.40	0.40	0.49	0.51	0.65
US	13.8	0.59		0.99	0.91	0.87	0.83	0.84	0.99	1.10	0.94	0.96	0.96	0.24	0.37	0.25	0.17	0.15	0.24	0.47	0.78	0.60	0.52	0.64	0.66	0.34	0.21	0.24	0.64	0.80	0.81	0.65	0.79
Industrial production growth																																	
Canada	12.5	0.34		0.74	0.98	0.81	0.65	0.75	0.74	0.97	0.77	0.73	0.67	0.38	0.46	0.26	0.36	0.44	0.38	0.48	0.53	0.53	0.49	0.35	0.40	0.40	0.42	0.56	0.35	0.50	0.54	0.55	0.54
France	11.5	0.34		0.92	0.70	0.65	0.59	0.59	0.92	0.71	0.75	0.54	0.66	0.32	0.24	0.26	0.30	0.09	0.32	0.31	0.33	0.26	0.18	0.53	0.38	0.53	0.40	0.51	0.53	0.38	0.42	0.39	0.54
Germany	11.1	0.38		0.84	0.63	0.81	0.70	0.78	0.84	0.65	0.91	0.76	0.84	0.36	0.35	0.58	0.39	0.37	0.36	0.41	0.59	0.41	0.39	0.53	0.53	0.56	0.35	0.40	0.53	0.63	0.67	0.45	0.59
Japan	13.1	0.34		0.79	0.95	0.87	0.50	0.56	0.79	0.90	0.91	0.93	0.38	0.50	0.74	0.69	0.48	0.36	0.50	0.73	0.66	0.51	0.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UK	12.0	0.32		0.96	0.65	0.66	0.45	0.72	0.96	0.74	1.08	0.65	0.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.54	0.49	0.63	0.30	0.34	0.54	0.77	1.00	0.41	0.52
US	11.6	0.27		0.61	0.93	0.97	0.91	0.77	0.61	0.84	0.92	0.94	0.77	0.28	0.39	0.47	0.45	0.17	0.28	0.53	0.60	0.42	0.31	0.20	0.18	0.31	0.20	0.20	0.20	0.19	0.43	0.33	0.32
Real GDP growth																																	
Canada	12.8	0.34		0.93	0.79	0.66	0.56	0.73	0.93	0.69	0.70	0.81	0.69	0.68	0.39	0.34	0.24	0.61	0.68	0.48	0.60	0.53	0.68	0.66	0.58	0.28	0.25	0.27	0.66	0.70	0.41	0.55	0.59
Germany	11.9	0.44		0.72	0.68	0.80	0.61	0.59	0.72	0.86	0.70	0.53	0.75	0.42	0.36	0.14	0.31	0.33	0.42	0.49	0.31	0.41	0.47	0.72	0.61	0.68	0.52	0.49	0.72	0.64	0.73	0.55	0.57
Japan	12.9	0.47		0.84	0.90	0.73	0.77	0.68	0.84	0.98	0.78	0.89	0.63	0.69	0.54	0.38	0.33	0.28	0.69	0.59	0.41	0.50	0.41	0.40	0.25	0.27	0.11	0.14	0.40	0.29	0.33	0.23	0.17
UK	11.4	0.40		1.20	0.81	1.31	1.12	1.33	1.20	0.81	1.23	1.20	1.20	0.17	0.25	0.12	0.20	0.27	0.17	0.36	0.16	0.22	0.55	0.43	0.50	0.53	0.14	0.33	0.43	0.50	0.65	0.23	0.55
US	12.5	0.37		0.71	0.83	0.83	0.60	0.67	0.71	0.81	0.77	0.70	0.82	0.17	0.09	0.17	0.10	0.03	0.17	0.06	0.15	0.13	0.14	0.44	0.47	0.59	0.43	0.35	0.44	0.41	0.76	0.44	0.54
Interest rate																																	
Canada	13.5	0.50		0.86	1.05	1.09	1.12	1.14	0.86	0.96	0.99	0.98	0.92	0.55	0.47	0.27	0.25	0.44	0.55	0.56	0.50	0.48	0.63	0.60	0.72	0.82	0.45	0.39	0.60	0.69	0.77	0.90	0.66
France	12.5	0.76		1.73	1.87	1.15	1.85	1.08	1.73	1.17	0.57	1.15	0.27	0.08	0.10	0.04	0.00	0.02	0.08	0.04	0.08	0.05	0.06	0.98	1.25	0.31	0.14	0.10	0.98	0.62	0.20	0.72	0.48
Germany	21.7	0.36		0.98	1.11	0.77	0.61	0.69	0.98	0.84	0.67	0.65	0.57	0.53	0.60	0.46	0.20	0.32	0.53	0.59	0.53	0.52	0.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UK	15.7	0.49		1.76	1.36	0.68	1.06	1.24	1.76	1.18	0.91	0.85	1.06	0.56	0.41	0.16	0.04	0.04	0.56	0.42	0.45	0.29	0.24	0.88	0.93	0.22	0.12	0.25	0.88	0.80	0.61	0.40	0.74
US	13.3	0.71		0.94	0.97	1.18	0.99	1.02	0.94	1.20	0.95	1.02	0.85	0.55	0.53	0.41	0.21	0.24	0.55	0.45	0.34	0.47	0.45	0.51	0.52	0.60	0.31	0.19	0.51	0.55	0.61	0.80	0.61

Table 4: Out-of-sample performance ordered by variable: the table reports the median ratios of absolute errors for AR(p) models, where p is chosen by the AIC, and estimated over windows of 25 observations.

1.2 Windows of 40 observations

				$h=1$	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20
Without Intercept Correction																																	
	$\overline{k}$	$\overline{b}$	σ	mAFE IMS (x100)					mRAFE IMS/DMS					mRAFE IMS/IMSpre					mRAFE IMS/DMSpre					mRAFE IMS/IMSpost					mRAFE IMS/DMSpost				
Inflation																																	
Canada	19.4	0.87	0.84	0.29	0.39	0.54	0.62	0.78	1.00	1.05	1.00	1.06	0.97	0.47	0.46	0.52	0.48	0.59	0.47	0.47	0.44	0.56	0.57	1.23	1.29	1.46	1.54	1.48	1.23	1.14	1.03	1.06	0.70
France	20.3	0.73	0.94	0.23	0.33	0.39	0.53	0.73	1.00	1.03	1.06	1.05	1.09	0.38	0.41	0.34	0.49	0.53	0.38	0.37	0.39	0.48	0.46	0.99	1.05	1.19	1.33	1.38	0.99	1.11	0.93	0.88	0.60
Germany	22.3	0.57	0.56	0.22	0.28	0.30	0.33	0.33	1.00	1.00	1.04	0.81	0.77	0.54	0.68	0.74	0.90	0.88	0.54	0.58	0.64	0.52	0.37	0.95	1.08	0.80	0.62	0.58	0.95	0.88	0.49	0.44	0.42
Japan	19.0	0.32	1.18	0.50	0.55	0.39	0.53	0.88	1.00	1.00	1.16	0.94	0.76	0.40	0.38	0.29	0.50	0.52	0.40	0.45	0.48	0.60	1.43	1.24	0.87	0.65	0.71	0.64	1.24	0.47	0.67	0.75	1.50
UK	20.1	0.50	1.34	0.52	0.63	0.94	0.87	0.93	1.00	0.97	1.00	1.04	1.04	0.57	0.52	0.59	0.69	0.73	0.57	0.56	0.66	0.60	0.79	1.31	1.37	1.31	1.37	1.36	1.31	1.29	1.16	0.63	0.63
US	19.4	0.52	0.78	0.25	0.32	0.46	0.42	0.60	1.00	1.01	1.02	1.01	1.19	0.54	0.47	0.49	0.42	0.56	0.54	0.52	0.57	0.47	0.60	1.28	1.10	1.07	1.10	1.42	1.28	1.05	0.69	0.63	0.60
Industrial production growth																																	
Canada	15.7	0.20	1.75	1.07	0.82	1.36	1.13	0.68	1.00	0.98	0.94	0.99	1.16	1.31	1.17	1.12	0.72	0.48	1.31	1.18	1.23	0.86	0.76	0.68	0.62	0.62	0.71	0.69	0.68	0.56	0.52	0.62	0.83
France	22.9	0.18	1.59	0.76	0.83	0.84	0.66	0.81	1.00	0.99	0.97	0.90	0.87	0.69	0.92	0.98	0.72	1.24	0.69	0.83	0.92	0.87	0.80	1.35	0.98	0.84	0.79	0.62	1.35	0.87	0.90	0.85	0.83
Germany	20.4	0.21	1.91	1.63	1.14	1.21	1.36	1.34	1.00	0.98	1.04	0.98	0.93	0.78	0.95	0.84	1.17	0.88	0.78	0.85	0.92	1.07	0.73	1.15	0.94	0.85	0.85	0.86	1.15	0.90	0.85	0.84	0.95
Japan	23.6	0.15	2.37	1.59	2.15	1.29	0.73	1.18	1.00	1.00	0.83	0.72	1.01	0.68	0.76	1.40	1.09	0.70	0.68	0.79	0.92	0.54	0.88	1.45	1.26	0.72	0.29	0.48	1.45	0.92	0.93	0.56	0.90
UK	18.9	0.09	1.87	0.57	0.59	0.99	1.15	0.73	1.00	1.04	1.00	0.89	0.88	0.77	1.31	0.76	1.29	1.31	0.77	0.86	1.26	1.32	1.57	0.61	0.51	0.45	0.61	0.45	0.61	0.82	0.86	0.85	0.83
US	17.4	0.15	1.75	1.06	0.64	0.64	0.64	0.58	1.00	1.15	1.01	0.40	0.87	0.95	1.29	0.69	0.76	0.88	0.95	1.09	0.85	0.42	0.91	0.96	0.52	1.29	0.54	0.46	0.96	0.71	2.05	0.55	1.32
Real GDP growth																																	
Canada	21.5	0.16	0.97	0.33	0.36	0.21	0.47	0.42	1.00	1.07	0.93	0.91	1.18	0.52	0.56	0.97	1.17	0.73	0.52	0.65	1.00	0.90	0.89	0.73	0.54	0.35	0.50	0.70	0.73	0.58	0.48	0.51	0.58
Germany	20.3	0.44	1.32	0.75	0.86	0.86	0.73	0.70	1.00	0.99	0.97	0.93	0.99	0.82	0.88	0.81	0.88	0.94	0.82	0.75	0.74	0.88	0.91	1.18	1.14	1.07	0.89	0.91	1.18	1.12	0.95	0.92	0.97
Japan	20.7	0.60	1.36	0.58	0.67	0.61	0.67	0.76	1.00	1.09	1.11	0.98	1.00	0.62	0.82	0.68	0.73	0.79	0.62	0.84	0.72	0.71	0.69	1.44	1.32	1.31	1.23	0.92	1.44	1.15	0.96	1.22	1.01
UK	21.4	0.18	1.05	0.39	0.46	0.45	0.36	0.30	1.00	0.96	0.85	0.82	0.72	0.52	0.70	0.77	1.75	1.47	0.52	0.47	0.75	1.20	0.73	0.64	0.64	0.58	0.45	0.45	0.64	0.48	0.55	0.39	0.47
US	18.2	0.20	0.91	0.79	0.92	0.73	0.45	0.69	1.00	1.01	0.87	0.91	0.99	0.83	0.85	0.72	0.74	0.82	0.83	0.93	0.72	0.55	0.85	1.36	1.09	0.80	0.81	0.88	1.36	1.04	0.75	0.74	1.45
Interest rate																																	
Canada	19.4	0.56	296	117	172	210	266	277	1.00	1.04	1.09	1.00	0.97	0.59	0.62	0.68	0.72	0.70	0.59	0.61	0.58	0.63	0.72	1.13	1.23	1.24	1.60	1.35	1.13	1.22	1.23	1.19	0.82
France	22.4	0.76	311	117	155	227	302	323	1.00	1.01	1.32	1.22	0.95	0.39	0.45	0.57	0.57	0.60	0.39	0.43	0.55	0.49	0.63	1.28	1.70	1.99	1.80	1.71	1.28	1.34	1.15	0.86	0.73
Germany	12.5	0.27	198	96	107	102	77	151	1.00	1.00	0.71	0.67	1.41	0.29	0.67	0.61	0.50	0.60	0.29	0.45	0.27	0.38	0.49	0.83	0.99	0.59	1.02	1.15	0.83	0.80	0.55	0.56	1.14
UK	19.8	0.56	454	239	302	348	312	359	1.00	1.14	1.14	1.52	1.91	0.41	0.44	0.55	0.52	0.52	0.41	0.51	0.44	0.57	0.67	1.16	1.45	1.66	1.65	2.21	1.16	1.71	1.68	1.65	1.18
US	19.8	0.74	235	121	132	136	194	187	1.00	1.02	1.09	0.99	0.93	0.44	0.58	0.62	0.65	0.73	0.44	0.47	0.57	0.61	0.70	1.08	1.29	1.19	1.12	1.11	1.08	1.23	1.06	0.89	0.94
With Intercept Correction																																	
	$\overline{k}$	$\overline{b}$		mRAFE IMS/IMSIC					mRAFE IMS/DMSIC					mRAFE IMS/IMSpreIC					mRAFE IMS/DMSpreIC					mRAFE IMS/IMSpostIC					mRAFE IMS/DMSpostIC				
Inflation																																	
Canada	19.4	0.87		0.71	0.82	1.13	1.43	1.25	0.71	0.79	1.03	1.25	1.25	0.50	0.88	1.05	1.34	1.02	0.50	0.77	1.10	1.59	1.38	0.87	0.88	0.91	0.94	0.76	0.87	1.01	1.33	1.49	1.25
France	20.3	0.73		0.88	0.85	0.96	1.22	1.23	0.88	0.87	1.03	1.22	1.33	0.39	0.67	1.01	0.88	0.50	0.39	0.64	1.06	1.26	1.26	0.87	1.04	1.11	0.86	0.72	0.87	1.11	1.34	1.29	1.26
Germany	22.3	0.57		0.80	0.66	0.82	0.79	0.65	0.80	0.65	0.68	0.87	0.67	0.57	0.78	0.64	0.53	0.42	0.57	0.79	0.91	1.03	0.75	0.81	0.78	0.66	0.50	0.40	0.81	0.81	0.74	0.68	0.67
Japan	19.0	0.32		0.63	0.92	0.92	0.90	1.01	0.63	0.67	0.97	0.81	0.76	0.85	0.59	0.25	0.36	0.38	0.85	0.84	0.79	0.91	1.01	0.67	0.71	0.94	0.47	0.38	0.67	0.92	0.89	0.72	1.20
UK	20.1	0.50		0.77	0.99	1.43	1.10	1.27	0.77	0.96	1.45	1.19	1.58	0.98	1.21	1.04	1.08	0.51	0.98	1.08	1.68	1.15	1.27	0.81	1.11	1.18	0.74	1.09	0.81	1.17	1.28	1.23	1.27
US	19.4	0.52		0.77	0.84	0.80	0.84	1.02	0.77	0.79	0.73	1.03	1.02	0.40	0.74	0.61	0.42	0.52	0.40	0.57	0.63	0.94	1.10	0.82	0.99	0.70	0.59	0.76	0.82	1.26	0.90	1.05	1.11
Industrial production growth																																	
Canada	15.7	0.20		0.68	0.80	0.61	0.59	0.24	0.68	0.73	0.73	0.56	0.28	0.66	0.63	0.53	0.59	0.20	0.66	0.79	0.69	0.56	0.24	0.81	0.58	0.63	0.46	0.31	0.81	0.77	0.61	0.54	0.24
France	22.9	0.18		0.93	0.75	0.84	0.62	0.65	0.93	0.75	0.82	0.66	0.74	0.88	0.78	0.92	0.50	0.78	0.88	0.92	0.79	0.62	0.79	0.97	0.79	0.83	0.52	0.53	0.97	0.75	0.81	0.63	0.72
Germany	20.4	0.21		1.29	0.59	0.67	0.58	0.70	1.29	0.59	0.67	0.73	0.83	1.35	0.58	0.58	0.61	0.69	1.35	0.62	0.66	0.62	0.86	1.34	0.74	0.61	0.60	0.67	1.34	0.66	0.77	0.57	0.72
Japan	23.6	0.15		0.77	0.97	0.54	0.38	0.41	0.77	1.08	0.66	0.57	0.37	0.71	0.77	0.49	0.27	0.41	0.71	1.22	0.60	0.69	0.51	0.78	0.80	0.52	0.25	0.32	0.78	1.09	0.54	0.44	0.42
UK	18.9	0.09		0.54	0.59	0.57	0.91	2.59	0.54	0.61	0.66	0.82	0.74	0.84	0.58	0.30	0.77	0.74	0.84	0.65	0.57	0.83	1.03	1.35	0.57	0.30	0.60	1.15	1.35	0.52	0.56	0.91	1.43
US	17.4	0.15		1.08	0.71	0.49	0.39	0.34	1.08	0.87	0.52	0.42	0.40	0.99	0.19	0.30	0.27	0.34	0.99	0.52	0.70	0.43	0.43	1.07	0.64	0.28	0.33	0.25	1.07	0.59	0.48	0.39	0.34
Real GDP growth																																	
Canada	21.5	0.16		0.84	0.50	0.32	0.46	0.48	0.84	0.48	0.32	0.45	0.45	0.65	0.48	0.29	0.46	0.27	0.65	0.55	0.36	0.48	0.48	0.82	0.45	0.27	0.50	0.53	0.82	0.48	0.25	0.47	0.48
Germany	20.3	0.44		0.65	1.20	0.76	0.64	0.55	0.65	1.17	0.58	0.62	0.58	0.76	1.04	0.61	0.61	0.63	0.76	1.05	0.61	0.64	0.59	0.74	1.15	0.70	0.64	0.55	0.74	1.19	0.68	0.62	0.61
Japan	20.7	0.60		1.17	0.88	0.84	0.91	0.87	1.17	0.82	0.83	0.91	0.80	0.91	0.83	0.73	0.50	0.44	0.91	0.92	0.86	0.99	0.90	1.16	0.85	0.77	0.67	0.61	1.16	0.88	0.94	1.00	0.83
UK	21.4	0.18		1.20	0.97	0.65	0.52	0.40	1.20	0.95	0.67	0.61	0.70	0.82	0.92	0.56	0.52	0.31	0.82	0.65	0.81	0.57	0.33	1.18	0.98	0.66	0.47	0.34	1.18	0.85	0.66	0.52	0.40
US	18.2	0.20		0.77	0.96	0.66	0.57	0.93	0.77	0.97	0.63	0.31	0.79	1.11	0.73	0.49	0.45	0.55	1.11	0.92	0.60	0.35	0.88	0.80	0.88	0.58	0.63	0.76	0.80	0.88	0.67	0.53	0.99
Interest rate																																	
Canada	19.4	0.56		0.69	0.89	1.05	1.04	1.06	0.69	1.02	1.03	1.04	1.02	0.53	1.12	0.87	1.17	1.09	0.53	1.28	1.17	1.05	1.06	0.84	1.14	1.00	0.87	0.65	0.84	1.18	1.10	1.09	1.09
France	22.4	0.76		0.82	1.47	1.48	1.82	1.74	0.82	1.42	1.39	1.59	1.59	0.82	1.89	1.46	1.74	1.52	0.82	1.36	1.49	1.25	1.73	1.00	1.38	1.19	1.13	1.06	1.00	1.80	1.66	1.82	1.81
Germany	12.5	0.27		0.64	0.89	0.54	0.39	0.75	0.64	0.67	0.56	0.72	0.87	0.86	0.81	0.41	0.34	0.98	0.86	0.78	1.30	0.67	0.75	0.66	0.97	0.39	0.39	0.71	0.66	1.21	0.56	0.45	0.75
UK	19.8	0.56		1.02	1.24	1.47	1.39	2.69	1.02	1.23	1.57	2.18	2.56	1.44	1.43	1.29	1.44	1.45	1.44	1.49	1.50	1.45	2.38	1.06	1.15	1.26	1.36	1.31	1.06	1.17	1.31	1.82	2.79
US	19.8	0.74		0.80	0.96	1.16	1.02	0.92	0.80	0.91	0.95	0.97	0.77	0.93	0.96	1.04	0.80	0.68	0.93	0.96	1.12	1.01	0.99	0.87	0.97	1.04	0.79	0.65	0.87	1.05	1.16	1.04	1.00

Table 5: Out-of-sample performance ordered by variable: the table reports the median ratios of AFE for AR(1) models estimated over windows of 40 observations.

				$h=1$	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20
Without Intercept Correction																																	
	$\overline{k}$	$\overline{b}$	σ	mAFE IMS (x100)					mRAFE IMS/DMS					mRAFE IMS/IMSpre					mRAFE IMS/DMSpre					mRAFE IMS/IMSpost					mRAFE IMS/DMSpost				
Inflation																																	
Canada	19.4	0.87	0.84	0.28	0.35	0.52	0.59	0.71	1.00	0.99	0.99	0.93	0.87	0.43	0.39	0.51	0.44	0.54	0.43	0.41	0.44	0.48	0.54	1.13	1.07	1.25	1.29	1.17	1.13	1.04	0.97	0.91	0.59
France	20.3	0.73	0.94	0.24	0.35	0.29	0.45	0.62	1.00	1.03	1.01	0.98	0.94	0.33	0.38	0.39	0.47	0.52	0.33	0.39	0.44	0.33	0.43	0.93	0.94	1.05	1.15	1.20	0.93	0.98	0.64	0.63	0.46
Germany	22.3	0.57	0.56	0.20	0.27	0.28	0.41	0.37	1.00	1.05	0.94	0.78	0.80	0.50	0.57	0.77	0.95	0.93	0.50	0.66	0.60	0.56	0.40	0.83	0.89	0.66	0.63	0.61	0.83	0.77	0.47	0.47	0.44
Japan	19.0	0.32	1.18	0.40	0.46	0.42	0.67	0.97	1.00	1.08	1.02	0.96	0.54	0.21	0.40	0.37	0.67	0.75	0.21	1.09	0.53	0.87	4.94	0.83	0.79	0.84	0.95	0.73	0.83	0.79	0.72	0.80	1.62
UK	20.1	0.50	1.34	0.58	0.67	0.81	0.76	0.89	1.00	0.98	0.90	1.01	0.96	0.63	0.54	0.65	0.68	0.80	0.63	0.58	0.56	0.54	0.64	1.09	1.13	1.20	1.26	1.27	1.09	0.98	0.80	0.58	0.62
US	19.4	0.52	0.78	0.23	0.30	0.52	0.56	0.61	1.00	1.02	1.00	0.82	1.17	0.67	0.52	0.64	0.61	0.63	0.67	0.50	0.54	0.46	0.56	1.08	0.91	1.11	1.22	1.32	1.08	0.68	0.72	0.66	0.60
Industrial production growth																																	
Canada	15.7	0.20	1.75	1.23	1.03	0.99	1.07	0.79	1.00	1.01	0.82	0.95	2.23	1.30	1.63	1.34	0.96	0.44	1.30	1.63	1.23	0.91	0.69	0.60	0.60	0.63	0.67	0.80	0.60	0.75	0.55	0.86	0.97
France	22.9	0.18	1.59	0.58	0.82	0.87	0.61	0.82	1.00	1.03	0.94	0.93	0.75	0.62	0.86	1.15	0.68	1.20	0.62	0.91	0.93	0.86	0.80	1.01	0.80	0.77	0.76	0.61	1.01	0.82	0.87	0.79	0.84
Germany	20.4	0.21	1.91	1.59	1.21	1.20	1.35	1.43	1.00	1.01	0.98	0.95	0.87	0.80	1.03	0.92	1.04	0.95	0.80	0.96	0.98	0.93	0.75	1.09	0.80	0.79	0.90	0.89	1.09	0.89	0.91	0.93	1.08
Japan	23.6	0.15	2.37	1.62	1.99	1.64	1.11	1.09	1.00	0.95	1.05	1.07	0.75	0.65	0.73	1.53	1.08	0.84	0.65	0.72	0.89	0.66	1.10	1.14	0.91	0.84	0.51	0.52	1.14	0.90	1.19	0.72	1.14
UK	18.9	0.09	1.87	0.73	0.63	0.99	1.08	0.67	1.00	0.88	0.83	0.71	1.14	0.78	0.80	1.24	1.20	1.35	0.78	1.13	1.31	0.93	3.35	0.60	0.74	0.69	0.53	0.30	0.60	0.94	0.86	0.78	0.79
US	17.4	0.15	1.75	1.19	0.53	0.74	0.66	0.56	1.00	1.08	1.11	0.50	0.61	1.09	1.16	0.77	0.58	0.79	1.09	1.17	1.26	0.39	0.52	1.24	0.51	1.04	0.66	0.37	1.24	0.71	2.73	0.55	0.53
Real GDP growth																																	
Canada	21.5	0.16	0.97	0.39	0.49	0.19	0.50	0.45	1.00	0.94	0.95	0.88	0.98	0.55	0.67	1.12	1.05	0.74	0.55	1.06	0.60	0.87	0.62	0.59	0.52	0.28	0.44	0.50	0.59	0.51	0.50	0.49	0.51
Germany	20.3	0.44	1.32	0.73	0.79	0.86	0.71	0.69	1.00	1.03	0.93	0.88	1.03	0.73	0.78	0.76	0.87	0.93	0.73	0.76	0.75	0.84	0.94	1.00	1.24	1.00	0.87	0.79	1.00	1.14	0.89	0.86	1.03
Japan	20.7	0.60	1.36	0.52	0.61	0.54	0.70	0.70	1.00	1.05	1.05	1.07	1.03	0.53	0.68	0.61	0.72	0.77	0.53	0.71	0.72	0.55	0.72	1.28	0.98	1.09	1.07	0.92	1.28	1.05	0.90	1.11	0.85
UK	21.4	0.18	1.05	0.35	0.42	0.40	0.35	0.29	1.00	1.27	0.90	0.78	0.69	0.44	0.47	0.80	1.14	1.28	0.44	0.62	0.84	1.24	0.62	0.54	0.50	0.51	0.50	0.35	0.54	0.73	0.54	0.49	0.40
US	18.2	0.20	0.91	0.84	1.04	0.72	0.48	0.65	1.00	1.01	0.93	0.73	0.87	0.76	0.92	0.84	0.63	0.85	0.76	0.85	0.78	0.47	0.79	1.44	0.91	0.78	0.67	0.83	1.44	1.04	0.91	0.66	1.65
Interest rate																																	
Canada	19.4	0.56	296	116	158	196	234	276	1.00	1.04	1.00	1.08	0.96	0.47	0.65	0.62	0.61	0.62	0.47	0.65	0.53	0.57	0.61	1.01	0.99	1.10	1.38	1.20	1.01	0.96	1.00	0.93	0.73
France	22.4	0.76	311	135	157	250	263	314	1.00	1.04	1.35	1.21	1.38	0.34	0.40	0.53	0.52	0.60	0.34	0.40	0.42	0.45	0.60	1.20	1.16	1.71	1.49	1.46	1.20	1.09	1.00	0.78	0.67
Germany	12.5	0.27	198	57	97	144	81	146	1.00	1.04	0.85	0.72	1.39	0.27	0.51	0.90	0.53	0.54	0.27	0.51	0.40	0.37	0.44	0.52	0.66	0.93	0.70	1.16	0.52	0.69	1.10	0.70	1.09
UK	19.8	0.56	454	198	201	288	281	286	1.00	0.97	1.05	1.35	1.68	0.49	0.36	0.37	0.45	0.43	0.49	0.34	0.35	0.43	0.60	1.09	1.21	1.33	1.93	2.39	1.09	1.11	1.26	1.25	0.94
US	19.8	0.74	235	104	128	140	207	187	1.00	1.08	1.04	0.93	0.90	0.38	0.42	0.59	0.69	0.68	0.38	0.47	0.51	0.61	0.94	0.96	1.05	1.07	1.10	0.93	0.96	0.94	0.97	0.95	0.95
With Intercept Correction																																	
	$\overline{k}$	$\overline{b}$		mRAFE IMS/IMSIC					mRAFE IMS/DMSIC					mRAFE IMS/IMSpreIC					mRAFE IMS/DMSpreIC					mRAFE IMS/IMSpostIC					mRAFE IMS/DMSpostIC				
Inflation																																	
Canada	19.4	0.87		0.76	0.88	0.88	1.02	0.97	0.76	0.86	0.99	1.06	0.88	0.71	0.77	0.86	0.92	0.88	0.71	0.73	0.90	1.14	1.17	0.96	0.88	0.85	0.81	0.68	0.96	0.91	1.18	1.19	1.09
France	20.3	0.73		1.05	0.78	0.87	1.08	1.16	1.05	0.83	0.90	1.13	1.05	0.41	0.52	0.84	0.68	0.45	0.41	0.54	1.04	1.09	1.24	0.85	0.97	1.04	0.71	0.52	0.85	1.00	1.11	1.10	1.24
Germany	22.3	0.57		0.74	0.67	0.83	0.90	0.60	0.74	0.68	0.81	0.77	0.73	0.49	0.62	0.62	0.59	0.47	0.49	0.63	0.89	1.06	0.73	0.84	0.76	0.73	0.61	0.36	0.84	0.83	0.83	0.87	0.68
Japan	19.0	0.32		0.56	0.69	0.74	0.95	1.23	0.56	0.73	0.99	1.27	1.11	0.56	0.77	0.37	0.45	0.50	0.56	0.92	1.29	0.88	1.33	0.74	1.03	1.12	0.74	0.62	0.74	0.98	1.06	0.81	1.33
UK	20.1	0.50		0.81	0.88	1.20	1.09	1.08	0.81	0.87	1.25	1.08	1.38	0.76	1.15	1.13	1.09	0.84	0.76	1.10	1.12	1.01	1.22	1.03	1.07	1.13	0.79	1.01	1.03	1.05	1.18	1.15	1.22
US	19.4	0.52		0.79	0.85	0.80	0.80	0.90	0.79	0.91	0.83	0.95	1.00	0.41	0.55	0.51	0.72	0.48	0.41	0.41	0.63	1.03	1.04	0.94	0.98	0.89	0.74	0.72	0.94	1.05	0.99	1.04	1.07
Industrial production growth																																	
Canada	15.7	0.20		0.69	0.73	0.56	0.48	0.27	0.69	0.77	0.88	0.44	0.33	0.68	0.47	0.55	0.47	0.25	0.68	0.51	0.73	0.49	0.30	0.85	0.69	0.65	0.48	0.28	0.85	0.48	0.63	0.47	0.27
France	22.9	0.18		1.01	0.74	1.12	0.61	0.64	1.01	0.85	0.68	0.59	0.99	0.83	0.74	1.04	0.46	0.79	0.83	0.65	0.69	0.58	0.95	0.99	0.83	0.82	0.56	0.51	0.99	0.90	0.83	0.61	0.67
Germany	20.4	0.21		1.39	0.59	0.68	0.60	0.71	1.39	0.66	0.70	0.79	0.94	1.08	0.69	0.73	0.64	0.73	1.08	0.71	0.69	0.69	0.90	1.05	0.60	0.67	0.60	0.61	1.05	0.86	0.81	0.60	0.73
Japan	23.6	0.15		0.77	0.89	0.72	0.47	0.36	0.77	0.94	0.85	0.59	0.50	0.83	0.81	0.65	0.33	0.35	0.83	0.91	0.72	0.64	0.43	1.30	1.04	0.50	0.44	0.34	1.30	0.98	0.68	0.53	0.42
UK	18.9	0.09		0.80	0.60	0.63	0.91	1.45	0.80	0.68	0.76	1.05	0.89	1.19	0.78	0.49	0.91	1.45	1.19	0.60	0.64	1.04	1.04	1.24	0.38	0.25	0.54	0.63	1.24	0.66	0.65	0.91	0.90
US	17.4	0.15		1.01	0.68	0.63	0.41	0.36	1.01	0.59	0.54	0.60	0.48	0.83	0.35	0.46	0.41	0.36	0.83	0.47	0.88	0.60	0.38	0.95	0.75	0.33	0.30	0.35	0.95	0.79	0.56	0.39	0.35
Real GDP growth																																	
Canada	21.5	0.16		0.85	0.43	0.39	0.49	0.48	0.85	0.42	0.30	0.42	0.44	0.91	0.44	0.38	0.49	0.42	0.91	0.50	0.45	0.48	0.41	0.83	0.43	0.39	0.46	0.44	0.83	0.43	0.35	0.49	0.50
Germany	20.3	0.44		0.69	1.06	0.67	0.65	0.56	0.69	0.90	0.62	0.66	0.58	0.76	0.90	0.56	0.64	0.53	0.76	0.93	0.64	0.67	0.56	0.82	0.96	0.60	0.64	0.52	0.82	1.11	0.66	0.66	0.62
Japan	20.7	0.60		1.00	0.82	0.77	0.86	0.86	1.00	0.79	0.75	0.84	0.67	0.97	0.79	0.71	0.56	0.40	0.97	1.09	0.81	0.87	0.92	0.87	0.84	0.73	0.71	0.62	0.87	0.97	0.78	0.88	0.77
UK	21.4	0.18		1.04	0.56	0.71	0.52	0.40	1.04	0.67	0.79	0.67	0.87	1.09	0.63	0.56	0.52	0.34	1.09	0.87	0.66	0.56	0.44	1.01	0.94	0.68	0.50	0.33	1.01	1.00	0.71	0.52	0.40
US	18.2	0.20		0.77	0.84	0.65	0.63	0.88	0.77	0.92	0.57	0.43	0.56	0.89	0.87	0.69	0.50	0.66	0.89	0.87	0.55	0.59	0.88	0.74	0.91	0.71	0.63	0.58	0.74	0.84	0.55	0.60	0.89
Interest rate																																	
Canada	19.4	0.56		0.80	0.71	0.93	0.91	0.94	0.80	0.86	0.89	0.84	0.85	0.58	0.97	0.78	0.77	0.93	0.58	0.96	1.04	0.96	0.96	0.84	1.14	1.00	0.80	0.66	0.84	1.17	0.86	1.11	0.85
France	22.4	0.76		0.82	1.24	1.33	1.74	1.76	0.82	1.34	1.25	1.36	1.52	1.05	1.16	1.74	1.64	1.47	1.05	1.20	1.23	1.20	1.82	1.06	1.28	0.95	0.97	0.92	1.06	1.40	1.51	1.55	1.73
Germany	12.5	0.27		0.60	0.73	0.55	0.47	0.74	0.60	0.80	0.53	0.42	0.84	0.91	1.03	0.53	0.36	0.87	0.91	0.95	0.67	0.68	0.74	0.86	1.02	0.62	0.50	0.64	0.86	0.77	0.70	0.55	0.70
UK	19.8	0.56		0.90	0.99	1.07	1.21	1.99	0.90	1.05	1.23	1.67	2.58	0.83	1.08	1.01	0.96	1.14	0.83	1.35	1.07	1.15	1.82	0.94	1.07	1.11	1.08	0.99	0.94	1.04	0.99	1.71	2.01
US	19.8	0.74		0.73	0.85	1.02	0.96	0.86	0.73	0.86	0.82	0.84	0.76	0.78	0.85	1.02	0.71	0.73	0.78	0.85	0.82	0.98	0.96	1.01	1.06	0.97	0.70	0.63	1.01	0.96	1.19	0.92	0.84

Table 6: Out-of-sample performance ordered by variable: the table reports the median ratios of AFE for AR(2) models estimated over windows of 40 observations.

				$h=1$	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20
Without Intercept Correction																																	
	$\overline{k}$	$\overline{b}$	σ	mAFE IMS (x100)					mRAFE IMS/DMS					mRAFE IMS/IMSpre					mRAFE IMS/DMSpre					mRAFE IMS/IMSpost					mRAFE IMS/DMSpost				
Inflation																																	
Canada	19.4	0.87	0.84	0.31	0.41	0.54	0.60	0.75	1.00	1.06	1.00	0.87	0.83	0.30	0.35	0.42	0.57	0.58	0.30	0.39	0.45	0.57	0.61	1.12	1.22	1.14	1.12	1.15	1.12	1.05	0.93	0.85	0.61
France	20.3	0.73	0.94	0.24	0.35	0.31	0.45	0.70	1.00	1.04	0.98	0.86	0.81	0.34	0.34	0.44	0.42	0.52	0.34	0.35	0.40	0.32	0.37	0.77	0.76	0.87	1.01	1.08	0.77	0.90	0.65	0.53	0.45
Germany	22.3	0.57	0.56	0.21	0.26	0.27	0.39	0.45	1.00	0.95	0.95	0.80	0.74	0.39	0.44	0.59	0.81	1.01	0.39	0.40	0.42	0.55	0.48	0.67	0.68	0.60	0.60	0.65	0.67	0.63	0.35	0.45	0.44
Japan	19.0	0.32	1.18	0.36	0.41	0.62	0.87	0.91	1.00	1.03	1.19	1.04	0.62	0.57	0.84	0.64	1.01	2.13	0.57	0.58	0.64	0.84	4.65	0.80	0.79	0.77	0.82	0.94	0.80	0.71	0.66	0.86	1.68
UK	20.1	0.50	1.34	0.48	0.71	1.07	0.80	0.94	1.00	0.99	1.05	0.99	1.06	0.53	0.44	0.54	0.66	0.85	0.53	0.44	0.54	0.50	0.60	0.71	0.95	1.13	1.18	1.14	0.71	0.78	0.76	0.59	0.61
US	19.4	0.52	0.78	0.24	0.34	0.59	0.58	0.44	1.00	0.99	0.93	0.75	1.05	0.57	0.43	0.59	0.63	0.50	0.57	0.33	0.51	0.53	0.41	0.91	0.89	0.97	1.17	1.20	0.91	0.79	0.73	0.66	0.45
Industrial production growth																																	
Canada	15.7	0.20	1.75	1.33	1.39	1.64	1.04	0.78	1.00	0.99	0.95	1.02	0.87	0.86	1.25	1.36	1.04	0.75	0.86	1.33	1.64	0.77	0.62	0.78	0.77	0.58	0.81	0.95	0.78	0.72	0.58	0.99	0.52
France	22.9	0.18	1.59	0.68	0.75	0.99	0.57	0.84	1.00	1.00	0.95	0.77	0.79	0.71	0.78	1.01	0.84	0.83	0.71	0.86	0.92	0.89	1.02	1.10	0.81	0.86	0.66	0.75	1.10	0.96	1.09	0.86	1.12
Germany	20.4	0.21	1.91	1.50	1.40	1.58	1.38	1.44	1.00	1.00	0.91	0.90	0.96	0.91	1.12	1.00	1.11	0.91	0.91	1.27	1.11	1.06	0.82	0.98	1.06	1.05	0.93	0.95	0.98	1.07	1.22	1.03	1.04
Japan	23.6	0.15	2.37	1.83	1.93	1.42	0.79	0.86	1.00	0.99	1.00	0.77	0.89	0.84	0.84	0.85	0.96	0.84	0.84	0.70	0.87	0.50	1.13	1.02	0.95	0.94	0.57	0.68	1.02	1.02	1.13	0.61	1.08
UK	18.9	0.09	1.87	1.04	0.56	0.46	1.20	0.74	1.00	0.95	0.75	0.82	0.86	0.49	0.84	1.29	1.19	1.35	0.49	0.84	0.96	1.33	0.81	1.15	1.00	0.67	0.91	0.77	1.15	0.83	0.58	0.97	0.71
US	17.4	0.15	1.75	0.97	0.88	0.66	0.68	0.33	1.00	0.90	1.44	0.56	0.63	0.76	1.06	0.68	1.15	0.77	0.76	0.85	1.01	0.41	0.36	0.60	0.69	1.09	0.50	0.60	0.60	0.67	1.09	0.49	0.61
Real GDP growth																																	
Canada	21.5	0.16	0.97	0.54	0.53	0.47	0.54	0.37	1.00	0.87	0.77	0.71	0.70	0.53	1.22	1.07	1.00	0.69	0.53	1.05	1.08	1.02	0.62	0.67	0.47	0.55	0.50	0.47	0.67	0.39	0.53	0.54	0.47
Germany	20.3	0.44	1.32	0.65	0.65	0.88	0.93	0.69	1.00	1.03	1.06	0.82	1.03	0.80	0.89	0.97	1.08	0.80	0.80	0.88	0.84	1.20	0.70	0.97	1.00	0.99	1.00	0.91	0.97	1.14	1.04	1.10	0.88
Japan	20.7	0.60	1.36	0.50	0.55	0.48	0.67	0.65	1.00	0.99	0.94	1.04	0.80	0.37	0.60	0.54	0.66	0.65	0.37	0.64	0.51	0.57	0.56	0.91	1.04	0.89	0.98	0.89	0.91	0.99	0.80	0.95	0.75
UK	21.4	0.18	1.05	0.44	0.34	0.48	0.57	0.37	1.00	0.82	0.95	0.95	0.45	0.46	0.48	0.84	2.20	1.49	0.46	0.50	0.92	0.91	0.39	0.64	0.65	0.59	0.56	0.42	0.64	0.58	0.64	0.58	0.38
US	18.2	0.20	0.91	0.76	1.10	0.56	0.55	0.59	1.00	1.01	0.95	0.81	0.87	0.73	0.89	0.78	0.53	0.89	0.73	0.80	0.78	0.45	0.76	1.04	0.89	0.94	0.78	0.74	1.04	0.94	0.84	0.49	0.93
Interest rate																																	
Canada	19.4	0.56	296	111	152	218	236	297	1.00	1.02	0.91	1.10	0.96	0.36	0.51	0.43	0.50	0.56	0.36	0.51	0.57	0.51	0.69	0.84	0.87	1.16	1.16	1.14	0.84	0.95	0.82	0.82	0.72
France	22.4	0.76	311	108	138	150	178	170	1.00	1.00	0.95	1.05	0.93	0.25	0.33	0.32	0.34	0.33	0.25	0.29	0.27	0.31	0.32	0.84	0.90	0.89	0.83	0.84	0.84	0.82	0.51	0.52	0.33
Germany	12.5	0.27	198	84	124	154	94	132	1.00	0.95	0.80	0.91	1.23	0.17	0.22	0.41	0.36	0.32	0.17	0.33	0.44	0.38	0.37	0.52	0.70	1.24	0.87	1.06	0.52	0.70	1.14	0.87	0.37
UK	19.8	0.56	454	176	225	311	246	257	1.00	1.01	1.21	1.16	1.71	0.33	0.31	0.39	0.46	0.39	0.33	0.27	0.42	0.42	0.57	1.28	1.18	1.34	1.65	2.02	1.28	1.03	1.26	0.84	0.77
US	19.8	0.74	235	75	135	127	208	225	1.00	0.99	1.01	1.00	0.92	0.28	0.40	0.51	0.66	0.67	0.28	0.39	0.53	0.90	1.12	0.84	0.85	0.92	0.98	0.95	0.84	0.92	0.88	0.94	1.11
With Intercept Correction																																	
	$\overline{k}$	$\overline{b}$		mRAFE IMS/IMSIC					mRAFE IMS/DMSIC					mRAFE IMS/IMSpreIC					mRAFE IMS/DMSpreIC					mRAFE IMS/IMSpostIC					mRAFE IMS/DMSpostIC				
Inflation																																	
Canada	19.4	0.87		0.85	0.89	0.95	1.29	1.12	0.85	0.88	0.95	0.95	0.86	0.56	0.62	0.80	0.81	0.80	0.56	0.72	0.91	1.28	1.18	1.07	1.04	1.02	0.85	0.73	1.07	1.05	1.06	1.35	1.17
France	20.3	0.73		0.95	0.94	0.91	0.99	1.05	0.95	0.74	0.99	1.07	0.82	0.50	0.68	0.82	0.96	0.53	0.50	0.69	0.91	1.02	1.19	1.07	1.01	0.86	0.72	0.42	1.07	1.09	1.02	1.20	1.23
Germany	22.3	0.57		0.74	0.70	0.73	0.79	0.65	0.74	0.70	0.69	0.81	0.83	0.36	0.47	0.63	0.53	0.51	0.36	0.51	0.97	0.97	0.83	0.66	0.72	0.81	0.62	0.37	0.66	0.69	0.70	0.79	0.82
Japan	19.0	0.32		0.71	1.02	0.87	0.92	1.05	0.71	0.97	0.98	1.09	1.24	0.98	1.27	1.51	0.98	0.96	0.98	1.16	1.16	0.99	1.09	1.06	0.82	1.26	0.70	0.72	1.06	0.89	1.14	1.00	1.29
UK	20.1	0.50		0.82	0.91	1.26	1.05	1.17	0.82	0.93	1.31	1.07	1.30	0.90	1.00	1.01	1.13	1.11	0.90	0.90	0.89	0.95	1.28	1.02	0.86	1.04	0.89	1.09	1.02	1.01	1.63	1.34	1.33
US	19.4	0.52		0.71	1.09	0.79	0.79	0.83	0.71	1.02	0.82	0.81	0.78	0.38	0.44	0.41	0.54	0.35	0.38	0.40	0.52	0.96	0.90	0.91	1.09	0.86	0.66	0.55	0.91	1.04	1.07	0.95	0.85
Industrial production growth																																	
Canada	15.7	0.20		1.02	0.65	0.59	0.55	0.29	1.02	0.65	0.64	0.36	0.49	0.87	0.65	0.58	0.57	0.26	0.87	0.65	0.55	0.57	0.29	1.02	0.67	0.60	0.56	0.31	1.02	0.76	0.60	0.56	0.26
France	22.9	0.18		1.08	0.82	1.04	0.55	0.87	1.08	0.77	0.83	0.62	0.82	0.62	0.44	0.88	0.48	0.99	0.62	0.41	0.82	0.50	0.87	0.88	0.76	0.74	0.51	0.63	0.88	0.81	0.92	0.61	0.86
Germany	20.4	0.21		1.30	0.68	0.68	0.59	0.66	1.30	0.64	0.62	0.77	0.69	0.89	0.54	0.60	0.55	0.58	0.89	0.56	0.70	0.95	0.76	1.30	0.75	0.76	0.59	0.65	1.30	0.77	0.71	0.60	0.71
Japan	23.6	0.15		0.74	0.91	0.70	0.41	0.56	0.74	0.94	1.19	0.57	0.35	1.42	0.99	0.70	0.32	0.56	1.42	0.96	1.09	0.42	0.54	0.89	0.80	0.51	0.33	0.49	0.89	1.04	0.67	0.33	0.56
UK	18.9	0.09		0.74	0.64	0.70	0.88	2.49	0.74	0.64	0.23	1.29	0.50	0.63	0.69	0.25	0.97	2.22	0.63	0.60	0.26	1.35	1.34	0.71	0.51	0.55	0.89	2.13	0.71	0.51	0.66	0.89	0.67
US	17.4	0.15		1.23	0.77	0.59	0.38	0.36	1.23	0.75	0.65	0.62	0.36	1.32	0.53	0.57	0.41	0.34	1.32	0.50	0.54	0.36	0.38	1.28	0.54	0.65	0.44	0.36	1.28	0.67	0.56	1.00	0.36
Real GDP growth																																	
Canada	21.5	0.16		1.08	0.57	0.46	0.48	0.48	1.08	0.61	0.51	0.46	0.36	0.78	0.63	0.48	0.39	0.28	0.78	0.79	1.14	0.48	0.45	0.94	0.55	0.40	0.52	0.37	0.94	0.49	0.40	0.48	0.47
Germany	20.3	0.44		0.77	0.97	0.68	0.64	0.54	0.77	0.83	0.70	0.64	0.52	0.71	0.74	0.63	0.63	0.56	0.71	0.72	0.68	0.74	0.56	0.85	0.90	0.81	0.60	0.54	0.85	1.03	0.81	0.62	0.63
Japan	20.7	0.60		0.92	0.76	0.80	0.78	0.79	0.92	0.67	0.75	0.79	0.79	0.69	0.85	0.67	0.65	0.38	0.69	0.68	0.62	0.72	0.73	0.78	0.81	0.79	0.65	0.53	0.78	0.84	0.69	0.84	0.80
UK	21.4	0.18		1.33	1.17	1.30	0.49	0.39	1.33	1.03	0.67	0.69	0.42	1.21	0.89	0.96	0.57	0.42	1.21	0.89	0.48	0.65	0.45	0.69	0.83	0.67	0.56	0.41	0.69	0.72	0.70	0.66	0.42
US	18.2	0.20		0.80	0.87	0.67	0.67	0.88	0.80	0.85	0.87	0.62	0.67	0.89	0.66	0.55	0.46	0.62	0.89	0.87	0.58	0.69	0.88	0.97	0.85	0.67	0.67	0.55	0.97	0.90	0.61	0.58	0.63
Interest rate																																	
Canada	19.4	0.56		0.75	0.79	0.95	0.96	0.80	0.75	0.96	0.86	0.81	0.73	0.54	0.94	0.88	0.85	0.80	0.54	0.78	0.82	0.85	0.80	0.97	1.10	0.85	0.68	0.63	0.97	1.15	0.93	1.10	0.81
France	22.4	0.76		0.96	0.92	0.65	0.87	1.08	0.96	0.91	0.77	0.79	0.92	0.97	1.01	0.88	0.98	0.71	0.97	0.94	0.66	0.77	0.99	0.81	1.07	0.82	0.64	0.40	0.81	1.16	1.05	0.97	1.05
Germany	12.5	0.27		0.89	0.87	0.65	0.48	0.58	0.89	0.84	0.73	0.52	0.80	0.49	0.53	1.13	0.27	0.21	0.49	0.79	0.80	0.58	0.60	1.46	0.89	0.83	0.50	0.37	1.46	0.96	0.79	0.50	0.60
UK	19.8	0.56		1.02	0.98	1.00	0.96	1.83	1.02	1.04	0.95	1.16	1.58	0.80	1.17	0.98	0.76	0.98	0.80	0.68	0.88	1.17	1.74	0.90	0.92	0.84	0.80	0.82	0.90	0.94	1.01	1.11	1.90
US	19.8	0.74		0.78	0.75	0.77	0.91	0.92	0.78	0.76	0.77	1.05	0.81	0.74	0.75	0.79	0.80	0.68	0.74	0.74	0.82	1.00	1.03	0.86	0.86	1.05	0.75	0.67	0.86	0.89	0.93	1.00	0.97

Table 7: Out-of-sample performance ordered by variable: the table reports the median ratios of AFE for AR(4) models estimated over windows of 40 observations.

				$h=1$	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20
Without Intercept Correction																																	
	$\overline{k}$	$\overline{b}$	σ	mAFE IMS (x100)					mRAFE IMS/DMS					mRAFE IMS/IMSpre					mRAFE IMS/DMSpre					mRAFE IMS/IMSpost					mRAFE IMS/DMSpost				
Inflation																																	
Canada	19.4	0.87	0.84	0.29	0.39	0.54	0.62	0.78	1.00	1.05	1.00	1.05	0.97	0.42	0.45	0.49	0.49	0.55	0.42	0.46	0.39	0.50	0.50	1.05	1.03	1.13	1.31	1.23	1.05	0.97	0.93	0.61	0.50
France	20.3	0.73	0.94	0.23	0.33	0.39	0.53	0.73	1.00	1.03	1.06	1.05	1.09	0.36	0.38	0.32	0.49	0.51	0.36	0.35	0.39	0.40	0.45	0.97	1.00	1.18	1.27	1.37	0.97	1.05	0.81	0.60	0.49
Germany	22.3	0.57	0.56	0.22	0.28	0.30	0.33	0.33	1.00	1.00	1.04	0.81	0.77	0.46	0.61	0.58	0.85	0.86	0.46	0.56	0.49	0.49	0.32	0.81	0.79	0.56	0.50	0.48	0.81	0.68	0.42	0.37	0.31
Japan	19.0	0.32	1.18	0.50	0.47	0.33	0.51	0.88	1.00	1.00	1.16	0.94	0.76	0.20	0.09	0.16	0.25	0.39	0.20	0.08	0.14	0.19	0.48	1.02	0.59	0.30	0.51	0.59	1.02	0.44	0.21	0.61	1.44
UK	20.1	0.50	1.34	0.53	0.73	1.12	0.87	0.89	1.00	1.00	1.02	1.01	1.03	0.54	0.51	0.59	0.65	0.67	0.54	0.56	0.63	0.59	0.55	1.20	1.32	1.33	1.20	1.17	1.20	1.22	0.79	0.60	0.51
US	19.4	0.52	0.78	0.26	0.33	0.48	0.44	0.62	1.00	1.01	1.02	1.01	1.20	0.54	0.40	0.49	0.43	0.56	0.54	0.53	0.58	0.49	0.58	1.08	1.04	0.86	1.08	1.32	1.08	0.77	0.56	0.52	0.58
Industrial production growth																																	
Canada	15.7	0.20	1.75	1.07	0.82	1.36	1.13	0.68	1.00	0.98	0.94	0.99	1.16	0.85	0.94	1.12	0.72	0.48	0.85	0.69	1.23	0.63	0.58	0.52	0.52	0.51	0.62	0.51	0.52	0.46	0.35	0.60	0.36
France	22.9	0.18	1.59	0.76	0.83	0.84	0.66	0.81	1.00	0.99	0.97	0.90	0.87	0.65	0.85	0.91	0.70	1.04	0.65	0.83	0.92	0.81	0.81	0.47	0.65	0.54	0.62	0.59	0.47	0.75	0.77	0.76	0.82
Germany	20.4	0.21	1.91	1.63	1.14	1.21	1.36	1.34	1.00	0.98	1.04	0.98	0.93	0.76	0.70	0.84	0.83	0.86	0.76	0.69	0.85	0.80	0.60	0.70	0.46	0.53	0.82	0.47	0.70	0.67	0.62	0.64	0.73
Japan	23.6	0.15	2.37	1.59	2.15	1.29	0.73	1.18	1.00	1.00	0.83	0.72	1.01	0.68	0.76	0.94	1.09	0.70	0.68	0.79	0.64	0.38	0.60	0.96	0.67	0.32	0.06	0.07	0.96	0.61	0.53	0.20	0.17
UK	18.9	0.09	1.87	0.57	0.59	0.99	1.15	0.73	1.00	1.04	1.00	0.89	0.88	0.77	0.82	0.43	0.78	1.28	0.77	0.86	0.29	1.05	1.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
US	17.4	0.15	1.75	1.06	0.64	0.73	0.42	0.57	1.00	1.15	1.06	0.40	1.00	0.90	0.98	0.69	0.51	0.83	0.90	1.05	0.85	0.27	0.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Real GDP growth																																	
Canada	21.5	0.16	0.97	0.33	0.36	0.21	0.47	0.42	1.00	1.07	0.93	0.91	1.18	0.43	0.56	0.97	1.17	0.73	0.43	0.56	0.62	1.46	0.71	0.36	0.33	0.21	0.23	0.55	0.36	0.26	0.20	0.26	0.47
Germany	20.3	0.44	1.32	0.75	0.81	0.86	0.73	0.64	1.00	0.99	0.97	0.93	0.98	0.75	0.82	0.73	0.84	0.86	0.75	0.69	0.60	0.79	0.69	0.69	0.59	0.69	0.62	0.59	0.69	0.69	0.58	0.76	0.77
Japan	20.7	0.60	1.36	0.58	0.67	0.61	0.67	0.76	1.00	1.08	1.10	0.97	0.93	0.54	0.81	0.70	0.73	0.73	0.54	0.76	0.70	0.55	0.56	0.74	0.88	0.77	0.80	0.79	0.74	0.73	0.69	0.97	0.67
UK	21.4	0.18	1.05	0.39	0.38	0.45	0.36	0.30	1.00	0.95	0.93	0.82	0.71	0.52	0.63	0.76	0.70	1.28	0.52	0.41	0.49	0.50	0.33	0.57	0.50	0.39	0.37	0.34	0.57	0.44	0.37	0.36	0.31
US	18.2	0.20	0.91	0.79	0.92	0.73	0.49	0.69	1.00	1.00	0.88	0.91	0.99	0.80	0.81	0.72	0.60	0.82	0.80	0.67	0.58	0.42	0.61	0.85	0.83	0.74	0.81	0.78	0.85	0.81	0.75	0.53	0.72
Interest rate																																	
Canada	19.4	0.56	296	137	211	258	332	363	1.00	0.99	0.95	1.05	1.10	0.58	0.67	0.69	0.81	0.80	0.58	0.68	0.53	0.66	0.79	0.85	0.80	0.94	0.99	0.95	0.85	0.80	0.84	0.82	0.78
France	22.4	0.76	311	150	221	315	390	430	1.00	0.85	1.20	1.32	1.76	0.45	0.54	0.61	0.69	0.70	0.45	0.50	0.58	0.61	0.77	0.35	0.61	0.62	0.63	0.74	0.35	0.72	0.86	0.76	0.78
Germany	12.5	0.27	198	56	85	74	137	196	1.00	1.33	1.25	1.27	3.08	0.24	0.52	0.22	0.19	0.36	0.24	0.20	0.31	0.35	0.62	0.34	0.54	0.25	1.24	2.42	0.34	0.61	0.21	1.50	0.76
UK	19.8	0.56	454	328	403	442	426	442	1.00	1.31	1.43	1.42	2.59	0.50	0.62	0.57	0.50	0.48	0.50	0.63	0.68	0.73	0.79	1.36	1.64	1.49	1.82	2.15	1.36	1.74	1.96	1.36	0.82
US	19.8	0.74	235	97	155	147	178	179	1.00	0.99	1.15	1.00	0.90	0.41	0.47	0.36	0.47	0.48	0.41	0.36	0.57	0.61	0.68	0.65	0.69	0.67	0.76	0.81	0.65	0.81	0.62	0.87	0.76
With Intercept Correction																																	
	$\overline{k}$	$\overline{b}$		mRAFE IMS/IMSIC					mRAFE IMS/DMSIC					mRAFE IMS/IMSpreIC					mRAFE IMS/DMSpreIC					mRAFE IMS/IMSpostIC					mRAFE IMS/DMSpostIC				
Inflation																																	
Canada	19.4	0.87		0.71	0.82	1.13	1.43	1.25	0.71	0.79	1.08	1.25	1.25	0.46	0.68	0.91	0.97	0.58	0.46	0.73	0.99	1.50	1.26	0.71	0.78	0.80	0.61	0.62	0.71	0.83	1.08	1.31	1.13
France	20.3	0.73		0.88	0.85	0.96	1.22	1.23	0.88	0.87	1.02	1.22	1.33	0.39	0.51	0.50	0.75	0.39	0.39	0.64	1.06	1.26	1.26	0.79	0.91	0.93	0.70	0.59	0.79	1.02	1.35	1.20	1.26
Germany	22.3	0.57		0.80	0.66	0.82	0.79	0.65	0.80	0.65	0.64	0.87	0.67	0.50	0.72	0.46	0.40	0.38	0.50	0.79	0.89	0.90	0.66	0.57	0.63	0.54	0.34	0.21	0.57	0.63	0.63	0.48	0.44
Japan	19.0	0.32		0.67	0.74	0.92	0.80	0.99	0.67	0.67	0.95	0.74	0.73	0.51	0.20	0.17	0.13	0.26	0.51	0.16	0.17	0.15	0.18	0.45	0.56	0.37	0.35	0.36	0.45	0.65	0.94	0.56	0.94
UK	20.1	0.50		0.96	1.04	1.49	1.14	1.27	0.96	0.99	1.58	1.09	1.42	0.95	1.24	1.04	1.08	0.41	0.95	1.14	1.44	1.02	1.02	0.72	0.83	0.96	0.69	0.82	0.72	1.12	1.28	1.02	0.94
US	19.4	0.52		0.77	0.84	0.80	0.84	1.04	0.77	0.82	0.88	1.03	1.03	0.29	0.61	0.45	0.37	0.39	0.29	0.50	0.60	0.94	1.06	0.70	0.74	0.61	0.52	0.68	0.70	1.01	0.68	0.78	1.06
Industrial production growth																																	
Canada	15.7	0.20		0.68	0.80	0.61	0.59	0.24	0.68	0.73	0.73	0.56	0.28	0.37	0.63	0.53	0.59	0.20	0.37	0.54	0.53	0.54	0.18	0.54	0.35	0.22	0.35	0.18	0.54	0.37	0.30	0.26	0.15
France	22.9	0.18		0.93	0.75	0.84	0.62	0.65	0.93	0.74	0.82	0.66	0.74	0.85	0.70	0.69	0.31	0.52	0.85	0.84	0.67	0.50	0.37	0.53	0.45	0.52	0.33	0.42	0.53	0.53	0.63	0.38	0.36
Germany	20.4	0.21		1.29	0.59	0.67	0.58	0.70	1.29	0.59	0.67	0.73	0.83	0.71	0.31	0.28	0.29	0.63	0.71	0.43	0.38	0.39	0.75	0.43	0.23	0.33	0.45	0.39	0.43	0.27	0.45	0.44	0.47
Japan	23.6	0.15		0.77	0.97	0.54	0.38	0.41	0.77	1.08	0.66	0.57	0.37	0.69	0.51	0.38	0.25	0.36	0.69	0.47	0.42	0.43	0.35	0.27	0.60	0.28	0.02	0.09	0.27	0.52	0.40	0.03	0.23
UK	18.9	0.09		0.54	0.59	0.57	0.91	2.59	0.54	0.61	0.66	0.82	0.74	0.52	0.14	0.24	0.73	0.34	0.52	0.15	0.30	0.54	0.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
US	17.4	0.15		1.08	0.71	0.66	0.19	0.34	1.08	0.87	0.60	0.42	0.31	0.46	0.15	0.30	0.15	0.31	0.46	0.18	0.34	0.19	0.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Real GDP growth																																	
Canada	21.5	0.16		0.84	0.50	0.32	0.46	0.48	0.84	0.48	0.32	0.45	0.45	0.56	0.48	0.29	0.37	0.36	0.56	0.55	0.36	0.51	0.45	0.54	0.37	0.17	0.31	0.36	0.54	0.34	0.14	0.31	0.40
Germany	20.3	0.44		0.65	1.20	0.76	0.64	0.55	0.65	1.17	0.58	0.62	0.54	0.63	0.62	0.43	0.53	0.48	0.63	0.57	0.33	0.55	0.48	0.29	0.40	0.36	0.35	0.28	0.29	0.46	0.34	0.41	0.40
Japan	20.7	0.60		1.17	0.84	0.83	0.87	0.86	1.17	0.80	0.83	0.89	0.72	0.91	0.78	0.61	0.39	0.32	0.91	0.74	0.75	0.85	0.69	0.68	0.61	0.52	0.52	0.52	0.68	0.60	0.63	0.66	0.74
UK	21.4	0.18		1.20	0.53	0.65	0.52	0.40	1.20	0.73	0.80	0.61	0.63	0.68	0.53	0.55	0.26	0.36	0.68	0.65	0.60	0.45	0.31	0.76	0.89	0.66	0.44	0.30	0.76	0.72	0.56	0.45	0.33
US	18.2	0.20		0.77	0.88	0.66	0.57	0.93	0.77	0.88	0.63	0.31	0.76	0.72	0.51	0.39	0.21	0.40	0.72	0.54	0.39	0.22	0.53	0.53	0.64	0.58	0.33	0.44	0.53	0.50	0.51	0.30	0.54
Interest rate																																	
Canada	19.4	0.56		0.85	1.21	1.09	1.10	1.06	0.85	1.05	1.11	1.01	1.00	0.71	1.05	0.84	1.05	1.09	0.71	1.17	1.10	1.10	0.98	0.88	1.32	0.84	0.61	0.47	0.88	0.93	0.71	1.05	0.99
France	22.4	0.76		1.20	1.63	1.62	2.59	2.13	1.20	1.24	1.25	2.27	1.72	1.24	1.78	1.53	1.84	1.81	1.24	1.05	1.29	1.57	1.70	1.15	1.18	0.70	0.37	0.36	1.15	0.95	0.55	0.99	1.32
Germany	12.5	0.27		0.65	0.89	0.71	0.73	0.92	0.65	0.48	0.43	0.42	0.97	0.13	0.17	0.07	0.01	0.11	0.13	0.63	0.25	0.53	0.37	0.57	0.70	0.52	0.73	0.75	0.57	0.37	0.65	0.51	0.74
UK	19.8	0.56		2.74	2.20	1.93	1.98	2.89	2.74	1.98	1.85	2.42	2.66	1.30	2.06	1.34	1.00	0.72	1.30	1.17	1.16	1.45	1.99	2.44	2.03	1.57	1.69	1.48	2.44	1.90	1.53	2.07	2.44
US	19.8	0.74		0.78	0.83	1.13	0.93	0.80	0.78	1.02	0.76	0.86	0.72	0.75	0.64	0.74	0.65	0.67	0.75	0.91	0.67	0.84	0.75	0.67	0.76	0.84	0.57	0.49	0.67	0.88	0.83	0.91	0.77

Table 8: Out-of-sample performance ordered by variable: the table reports the median ratios of AFE for AR(p) models, where p is chosen by the AIC, and estimated over windows of 40 observations.

1.3 Expanding windows of observations

				$h=1$	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20
Without Intercept Correction																																	
	$\overline{k}$	$\overline{b}$	σ	mAFE IMS (x100)					mRAFE IMS/DMS					mRAFE IMS/IMSpre					mRAFE IMS/DMSpre					mRAFE IMS/IMSpost					mRAFE IMS/DMSpost				
Inflation																																	
Canada	21.0	0.15	0.84	0.26	0.53	0.82	1.46	1.46	1.00	1.17	1.22	1.21	1.16	0.36	0.57	0.73	0.82	0.81	0.36	0.51	0.89	0.68	0.67	1.02	1.05	1.14	1.16	1.18	1.02	1.23	1.17	1.14	0.67
France	31.2	0.48	0.94	0.31	0.43	0.66	1.04	1.12	1.00	1.01	1.09	0.99	0.88	0.47	0.44	0.52	0.72	0.85	0.47	0.40	0.51	0.53	0.55	1.06	1.05	1.18	1.21	1.02	1.06	1.04	1.31	0.73	0.54
Germany	29.0	0.01	0.56	0.18	0.09	0.21	0.45	0.90	1.00	0.89	1.06	1.01	0.98	0.68	7.89	1.62	1.22	1.10	0.68	7.22	1.92	1.48	0.60	1.39	0.41	0.50	0.69	0.82	1.39	0.32	0.26	0.43	0.60
Japan	7.0	0.16	1.18	0.35	0.44	1.01	0.95	0.72	1.00	0.99	1.01	0.98	1.03	0.44	0.76	0.84	0.67	0.69	0.44	0.74	0.64	0.42	0.41	1.07	1.02	1.02	1.03	1.07	1.07	0.99	1.00	0.93	0.90
UK	32.0	0.14	1.34	0.67	1.14	1.49	2.34	2.24	1.00	0.99	1.05	1.14	1.10	0.68	0.77	0.82	0.87	0.88	0.68	0.75	0.74	0.89	0.67	1.20	1.26	1.26	1.31	1.27	1.20	1.25	1.28	0.67	0.67
US	30.0	1.00	0.78	0.26	0.35	0.41	0.55	0.64	1.00	1.03	1.05	1.02	0.93	0.39	0.39	0.56	0.73	0.79	0.39	0.66	0.98	0.89	0.58	0.95	0.93	0.76	0.74	0.78	0.95	0.89	0.80	0.66	0.57
Industrial production growth																																	
Canada	0.0	0.00	1.75	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
France	6.0	0.67	1.59	0.79	0.69	0.69	0.71	0.93	1.00	1.03	0.98	1.04	1.07	0.33	0.81	0.40	0.50	0.56	0.33	0.71	0.71	1.22	0.91	1.03	1.04	1.04	1.05	1.03	1.03	1.06	1.03	1.03	1.05
Germany	34.0	0.03	1.91	1.18	0.96	0.87	0.94	3.95	1.00	0.90	1.12	0.86	1.04	1.13	1.14	1.55	0.94	1.09	1.13	0.89	2.25	0.93	1.57	1.17	0.49	0.46	0.58	0.78	1.17	0.35	1.70	0.85	1.57
Japan	0.0	0.00	2.37	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
UK	0.0	0.00	1.87	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
US	0.0	0.00	1.75	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Real GDP growth																																	
Canada	0.0	0.00	0.97	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Germany	0.0	0.00	1.32	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Japan	0.0	0.00	1.36	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
UK	0.0	0.00	1.05	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
US	0.0	0.00	0.91	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Interest rate																																	
Canada	0.0	0.00	296	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
France	8.0	0.58	311	89	171	276	191	136	1.00	1.07	1.44	1.34	0.35	0.59	0.62	0.67	0.78	0.73	0.59	0.41	0.44	0.60	0.47	1.03	1.03	1.03	1.03	1.04	1.03	1.14	1.54	1.52	0.29
Germany	14.0	1.00	198	93	132	121	123	99	1.00	0.99	0.93	0.93	0.70	0.43	0.58	0.57	0.59	0.48	0.43	0.56	0.49	0.38	0.28	0.98	1.03	0.90	0.81	0.79	0.98	1.06	0.93	0.77	0.49
UK	20.3	0.42	454	264	344	466	511	661	1.00	1.03	1.09	1.11	0.78	1.15	1.48	1.71	1.87	1.93	1.15	1.28	1.61	1.20	1.18	0.91	0.85	0.84	0.82	0.83	0.91	0.89	0.81	0.79	1.01
US	30.3	0.30	235	116	164	219	285	343	1.00	1.05	1.13	1.14	1.00	0.47	0.72	0.79	0.88	0.97	0.47	0.88	0.95	0.81	0.95	1.11	1.13	1.20	1.17	0.91	1.11	1.08	1.22	1.29	0.92
With Intercept Correction																																	
	$\overline{k}$	$\overline{b}$		mRAFE IMS/IMSIC					mRAFE IMS/DMSIC					mRAFE IMS/IMSpreIC					mRAFE IMS/DMSpreIC					mRAFE IMS/IMSpostIC					mRAFE IMS/DMSpostIC				
Inflation																																	
Canada	21.0	0.15		0.78	1.59	1.60	1.27	1.55	0.78	1.26	2.31	1.52	1.77	1.96	1.41	1.57	1.75	1.87	1.96	1.36	2.05	1.27	1.55	1.10	1.50	1.57	1.11	2.44	1.10	1.59	1.60	1.46	1.55
France	31.2	0.48		0.91	0.98	1.43	1.34	1.32	0.91	0.99	1.36	1.15	1.00	0.38	0.78	1.34	1.26	0.65	0.38	1.09	1.37	1.18	1.30	0.91	0.98	1.29	1.37	1.05	0.91	1.01	1.32	1.25	1.07
Germany	29.0	0.01		1.03	0.96	0.98	0.99	1.00	1.03	0.86	1.03	1.00	0.98	1.00	0.95	0.98	0.99	4.04	1.00	0.94	1.08	1.16	1.00	9.36	0.78	1.18	9.18	1.79	9.36	0.52	0.98	0.99	1.00
Japan	7.0	0.16		0.85	0.66	0.79	0.87	0.75	0.85	0.74	0.73	0.83	0.78	0.94	0.59	0.75	0.92	0.76	0.94	0.69	0.79	0.87	0.75	0.86	0.66	0.79	0.87	0.76	0.86	0.81	0.74	0.86	0.77
UK	32.0	0.14		1.22	1.06	1.63	1.44	1.29	1.22	1.07	1.60	1.84	1.19	1.48	1.50	1.55	1.43	1.31	1.48	1.44	1.36	1.46	1.29	1.46	1.13	1.71	1.86	1.77	1.46	1.50	1.67	1.64	1.29
US	30.0	1.00		0.64	0.73	0.87	0.96	1.29	0.64	0.72	0.74	0.95	1.11	0.85	1.05	0.98	1.04	1.04	0.85	0.61	0.61	1.04	1.37	0.65	0.82	0.83	1.05	1.20	0.65	0.83	0.92	1.07	1.19
Industrial production growth																																	
Canada	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
France	6.0	0.67		0.71	0.81	0.94	0.79	0.84	0.71	0.73	0.92	0.59	0.80	0.64	0.55	0.36	0.40	0.48	0.64	0.80	0.94	0.79	0.84	0.72	0.80	0.94	0.79	0.82	0.72	0.75	0.93	0.68	0.81
Germany	34.0	0.03		1.04	0.67	0.88	1.65	0.86	1.04	0.64	0.98	1.79	0.89	0.78	0.69	0.87	1.65	0.71	0.78	0.66	1.13	0.82	0.86	0.70	0.60	0.28	0.37	0.57	0.70	0.84	0.88	1.65	0.86
Japan	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
UK	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
US	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Real GDP growth																																	
Canada	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Germany	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Japan	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
UK	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
US	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Interest rate																																	
Canada	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
France	8.0	0.58		0.90	0.90	1.53	1.07	0.25	0.90	0.92	1.38	0.52	0.16	0.19	0.26	1.37	0.62	0.20	0.19	0.39	1.85	1.25	0.26	0.90	0.90	1.53	1.05	0.25	0.90	0.94	1.26	0.50	0.15
Germany	14.0	1.00		0.62	0.65	0.52	0.66	0.58	0.62	0.61	0.49	0.61	0.48	0.90	0.72	0.59	0.47	0.44	0.90	0.73	0.53	0.67	0.58	0.63	0.68	0.57	0.67	0.47	0.63	0.68	0.65	0.75	0.55
UK	20.3	0.42		0.80	0.95	1.19	1.99	1.28	0.80	0.78	1.26	1.87	1.13	0.75	0.84	1.31	1.58	1.50	0.75	0.97	1.33	2.01	1.42	0.84	1.04	1.20	1.88	1.00	0.84	1.07	1.37	1.76	1.13
US	30.3	0.30		0.86	0.86	1.10	1.10	0.94	0.86	0.80	0.97	1.03	0.89	1.00	1.08	1.12	1.10	0.87	1.00	1.19	1.01	1.06	0.94	0.88	0.89	1.15	0.97	0.84	0.88	0.99	1.10	1.01	0.87

Table 9: Out-of-sample performance ordered by variable: the table reports the median ratios of AFE for AR(1) models estimated over expanding windows of observations.

				$h=1$	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20
Without Intercept Correction																																	
	$\overline{k}$	$\overline{b}$	σ	mAFE IMS (x100)					mRAFE IMS/DMS					mRAFE IMS/IMSpre					mRAFE IMS/DMSpre					mRAFE IMS/IMSpost					mRAFE IMS/DMSpost				
Inflation																																	
Canada	21.0	0.15	0.84	0.30	0.38	0.78	1.39	1.41	1.00	0.97	1.14	1.17	1.31	0.35	0.47	0.70	0.76	0.79	0.35	0.42	0.72	0.66	0.67	0.93	0.93	1.06	1.14	1.17	0.93	0.92	1.04	0.99	0.67
France	31.2	0.48	0.94	0.30	0.45	0.65	1.07	1.13	1.00	0.99	1.11	0.98	0.81	0.42	0.38	0.49	0.71	0.85	0.42	0.35	0.55	0.55	0.56	1.02	1.04	1.12	1.20	1.06	1.02	1.05	1.14	0.72	0.54
Germany	29.0	0.01	0.56	0.20	0.10	0.22	0.46	0.91	1.00	0.42	1.38	1.19	1.20	0.58	7.68	1.56	1.19	1.09	0.58	0.57	2.99	1.54	0.61	1.28	0.38	0.53	0.70	0.82	1.28	0.38	0.27	0.44	0.61
Japan	7.0	0.16	1.18	0.30	0.38	1.11	0.95	0.71	1.00	1.02	1.02	0.94	1.01	0.39	0.76	0.85	0.66	0.68	0.39	0.25	0.64	0.41	0.41	1.01	1.01	1.02	1.03	1.07	1.01	1.01	1.01	0.95	0.47
UK	32.0	0.14	1.34	0.72	1.09	1.48	2.32	2.22	1.00	0.97	1.04	1.17	1.05	0.65	0.74	0.79	0.86	0.88	0.65	0.82	0.68	0.88	0.66	1.16	1.22	1.25	1.30	1.29	1.16	1.20	1.22	0.66	0.66
US	30.0	1.00	0.78	0.27	0.33	0.42	0.62	0.63	1.00	1.03	0.99	0.94	0.87	0.70	0.73	0.73	0.89	0.91	0.70	1.05	0.95	1.13	0.53	0.94	0.82	0.85	0.92	0.75	0.94	0.88	0.72	0.67	0.54
Industrial production growth																																	
Canada	0.0	0.00	1.75	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
France	6.0	0.67	1.59	0.85	0.81	0.69	0.71	0.93	1.00	1.02	0.97	1.04	1.07	0.73	0.71	0.67	1.22	0.91	0.73	0.71	0.67	1.22	0.91	1.02	1.02	1.04	1.06	1.04	1.02	1.03	0.98	1.07	1.08
Germany	34.0	0.03	1.91	1.27	1.01	0.85	0.92	3.93	1.00	1.04	1.06	0.85	0.88	1.01	1.29	1.73	0.94	1.11	1.01	1.81	1.73	0.94	1.56	0.44	0.43	0.46	1.13	0.77	0.44	0.45	1.66	0.82	1.56
Japan	0.0	0.00	2.37	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
UK	0.0	0.00	1.87	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
US	0.0	0.00	1.75	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Real GDP growth																																	
Canada	0.0	0.00	0.97	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Germany	0.0	0.00	1.32	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Japan	0.0	0.00	1.36	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
UK	0.0	0.00	1.05	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
US	0.0	0.00	0.91	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Interest rate																																	
Canada	0.0	0.00	296	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
France	8.0	0.58	311	78	149	246	194	155	1.00	1.09	1.53	1.29	0.42	0.34	0.32	0.43	0.66	0.63	0.34	0.20	0.40	0.57	0.54	1.05	1.08	1.08	1.09	0.82	1.05	1.08	1.72	1.03	0.31
Germany	14.0	1.00	198	118	135	134	135	92	1.00	1.00	0.98	0.90	0.76	0.44	0.55	0.54	0.60	0.48	0.44	0.55	0.36	0.42	0.28	0.98	1.04	0.97	0.83	0.84	0.98	1.04	0.99	0.99	0.47
UK	20.3	0.42	454	271	315	363	542	650	1.00	0.99	1.03	1.05	0.76	0.87	0.91	1.38	1.97	2.08	0.87	1.09	1.05	1.13	1.19	0.91	0.81	0.80	0.79	0.79	0.91	0.74	0.72	0.77	1.18
US	30.3	0.30	235	111	156	167	245	349	1.00	1.11	1.11	1.05	0.91	0.64	0.83	0.76	0.89	1.17	0.64	0.98	0.83	0.81	0.98	1.03	1.02	1.12	1.13	0.91	1.03	1.10	1.04	1.27	1.00
With Intercept Correction																																	
	$\overline{k}$	$\overline{b}$		mRAFE IMS/IMSIC					mRAFE IMS/DMSIC					mRAFE IMS/IMSpreIC					mRAFE IMS/DMSpreIC					mRAFE IMS/IMSpostIC					mRAFE IMS/DMSpostIC				
Inflation																																	
Canada	21.0	0.15		1.08	1.30	1.67	1.25	1.53	1.08	0.94	2.18	1.48	1.85	1.19	0.94	1.42	1.68	1.81	1.19	0.99	1.42	1.25	1.52	1.30	1.27	1.43	1.35	2.37	1.30	1.06	1.38	1.15	1.52
France	31.2	0.48		1.01	1.00	1.35	1.30	1.32	1.01	1.02	1.45	1.21	0.93	0.43	1.07	1.31	1.20	0.65	0.43	1.10	1.31	1.16	1.27	1.03	1.01	1.24	1.34	0.98	1.03	1.08	1.39	1.21	1.08
Germany	29.0	0.01		0.89	1.14	1.03	1.02	1.01	0.89	0.44	1.44	1.22	1.21	0.61	3.48	1.05	1.02	3.81	0.61	0.52	1.56	1.25	1.01	5.85	0.62	1.17	7.29	1.77	5.85	0.63	1.03	1.02	1.01
Japan	7.0	0.16		1.22	0.82	0.77	0.90	0.77	1.22	0.79	1.04	0.88	0.78	0.93	0.55	0.74	0.92	0.76	0.93	0.80	0.77	0.89	0.77	1.19	0.85	0.77	0.90	0.80	1.19	0.84	0.85	0.84	0.79
UK	32.0	0.14		1.35	1.04	1.51	1.43	1.24	1.35	1.47	1.59	1.68	1.18	1.71	1.33	1.50	1.42	1.31	1.71	1.40	1.27	1.50	1.25	1.61	1.75	1.76	2.02	1.76	1.61	1.56	1.49	1.42	1.25
US	30.0	1.00		0.64	0.74	0.78	0.82	1.03	0.64	0.78	0.81	0.87	1.02	0.61	0.65	0.93	1.06	0.88	0.61	0.48	0.70	0.62	1.07	0.72	0.73	0.87	0.92	0.96	0.72	0.84	0.96	1.04	1.08
Industrial production growth																																	
Canada	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
France	6.0	0.67		0.68	0.70	0.95	0.78	0.84	0.68	0.71	0.95	0.60	0.80	0.81	0.76	0.95	0.78	0.84	0.81	0.76	0.95	0.78	0.84	0.69	0.71	0.95	0.78	0.82	0.69	0.67	0.93	0.64	0.82
Germany	34.0	0.03		1.25	0.64	0.90	1.59	0.86	1.25	0.66	0.91	1.87	0.79	0.58	0.71	0.82	1.57	0.72	0.58	0.70	0.67	0.74	0.86	0.87	0.69	0.30	0.31	0.55	0.87	0.59	0.87	1.59	0.86
Japan	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
UK	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
US	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Real GDP growth																																	
Canada	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Germany	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Japan	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
UK	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
US	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Interest rate																																	
Canada	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
France	8.0	0.58		0.89	0.87	1.55	1.02	0.27	0.89	1.15	1.02	0.54	0.19	0.23	0.42	2.47	0.64	0.24	0.23	1.45	1.73	1.03	0.29	0.88	0.88	1.55	1.01	0.27	0.88	1.14	0.99	0.56	0.18
Germany	14.0	1.00		0.72	0.70	0.59	0.67	0.61	0.72	0.67	0.46	0.66	0.44	0.92	0.82	0.59	0.51	0.45	0.92	0.82	0.56	0.68	0.62	0.77	0.80	0.56	0.68	0.35	0.77	0.75	0.71	0.72	0.55
UK	20.3	0.42		0.76	0.77	0.97	1.83	1.28	0.76	0.81	1.23	1.38	1.06	0.74	0.97	1.49	1.64	1.45	0.74	0.94	1.17	1.96	1.41	0.74	0.84	1.05	1.92	0.96	0.74	0.85	1.27	1.46	1.11
US	30.3	0.30		0.79	0.73	0.94	0.98	0.94	0.79	0.73	0.85	0.92	0.77	0.99	0.81	0.97	1.01	0.89	0.99	0.81	0.90	1.00	0.94	1.03	1.01	0.93	0.89	0.84	1.03	1.00	1.07	0.98	0.92

Table 10: Out-of-sample performance ordered by variable: the table reports the median ratios of AFE for AR(2) models estimated over expanding windows of observations.

				$h=1$	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20
Without Intercept Correction																																	
	$\overline{k}$	$\overline{b}$	σ	mAFE IMS (x100)					mRAFE IMS/DMS					mRAFE IMS/IMSpre					mRAFE IMS/DMSpre					mRAFE IMS/IMSpost					mRAFE IMS/DMSpost				
Inflation																																	
Canada	21.0	0.15	0.84	0.35	0.47	0.83	1.36	1.35	1.00	1.07	1.12	1.10	1.32	0.58	0.53	0.67	0.79	0.73	0.58	0.72	0.59	0.62	0.61	1.25	0.97	0.99	1.06	1.10	1.25	0.76	0.96	0.72	0.61
France	31.2	0.48	0.94	0.33	0.47	0.66	1.04	1.22	1.00	0.99	1.08	0.96	0.77	0.34	0.30	0.45	0.75	0.88	0.34	0.35	0.55	0.51	0.57	0.99	0.98	1.05	1.15	1.07	0.99	0.99	0.97	0.73	0.52
Germany	29.0	0.01	0.56	0.22	0.21	0.24	0.44	0.89	1.00	1.22	2.87	1.05	1.28	0.66	1.57	1.92	1.40	1.17	0.66	2.45	8.11	1.19	0.59	3.20	0.63	0.87	0.78	0.84	3.20	0.69	0.30	0.42	0.59
Japan	7.0	0.16	1.18	0.40	0.41	1.09	1.03	0.72	1.00	1.00	1.03	0.98	0.90	0.26	0.33	0.64	0.45	0.40	0.26	0.33	0.64	0.45	0.40	0.99	1.02	1.01	1.01	1.02	0.99	1.00	1.02	1.03	0.41
UK	32.0	0.14	1.34	0.68	0.99	1.58	2.01	2.24	1.00	0.96	0.95	1.20	1.00	0.68	0.76	0.73	0.88	0.87	0.68	0.75	0.62	0.96	0.66	0.83	1.07	1.17	1.21	1.21	0.83	0.85	0.97	0.62	0.66
US	30.0	1.00	0.78	0.27	0.33	0.46	0.63	0.58	1.00	1.00	0.95	0.90	0.87	0.85	1.00	1.10	1.58	1.48	0.85	0.60	0.98	0.86	0.54	0.92	0.89	0.87	0.85	0.76	0.92	0.89	0.68	0.61	0.53
Industrial production growth																																	
Canada	0.0	0.00	1.75	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
France	6.0	0.67	1.59	0.77	0.76	0.67	0.70	0.93	1.00	0.99	0.98	0.95	1.04	0.72	0.68	0.70	1.18	0.87	0.72	0.68	0.70	1.18	0.87	1.01	1.02	1.02	1.03	1.02	1.01	0.99	0.98	0.98	1.08
Germany	34.0	0.03	1.91	1.09	1.11	0.83	0.91	3.82	1.00	1.17	4.40	1.14	0.87	1.19	1.80	2.46	0.95	1.14	1.19	1.42	1.77	0.92	1.51	0.47	0.47	1.33	0.30	1.48	0.47	1.05	1.61	0.75	1.51
Japan	0.0	0.00	2.37	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
UK	0.0	0.00	1.87	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
US	0.0	0.00	1.75	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Real GDP growth																																	
Canada	0.0	0.00	0.97	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Germany	0.0	0.00	1.32	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Japan	0.0	0.00	1.36	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
UK	0.0	0.00	1.05	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
US	0.0	0.00	0.91	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Interest rate																																	
Canada	0.0	0.00	296	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
France	8.0	0.58	311	89	124	217	276	195	1.00	1.01	1.23	0.77	0.71	0.12	0.22	0.35	0.45	0.39	0.12	0.22	0.35	0.45	0.39	1.02	1.09	1.15	0.86	0.79	1.02	1.14	1.37	0.76	0.63
Germany	14.0	1.00	198	129	130	158	142	96	1.00	1.00	0.92	1.05	0.80	0.23	0.29	0.66	0.41	0.65	0.23	0.29	0.33	0.43	0.36	0.97	1.02	1.00	0.95	0.87	0.97	0.93	0.91	1.02	0.48
UK	20.3	0.42	454	273	365	405	631	679	1.00	1.01	1.09	1.02	0.75	1.15	1.17	1.77	2.05	2.26	1.15	1.20	1.01	1.18	1.21	0.81	0.78	0.76	0.80	0.80	0.81	0.80	0.83	0.73	1.21
US	30.3	0.30	235	103	143	179	270	418	1.00	1.00	1.01	0.96	1.00	0.58	0.73	0.74	0.90	1.29	0.58	0.79	0.71	0.80	1.09	1.03	0.93	0.99	1.00	0.93	1.03	0.91	1.01	0.92	1.07
With Intercept Correction																																	
	$\overline{k}$	$\overline{b}$		mRAFE IMS/IMSIC					mRAFE IMS/DMSIC					mRAFE IMS/IMSpreIC					mRAFE IMS/DMSpreIC					mRAFE IMS/IMSpostIC					mRAFE IMS/DMSpostIC				
Inflation																																	
Canada	21.0	0.15		1.07	1.01	1.26	1.10	1.31	1.07	1.33	1.93	1.24	1.96	1.06	1.32	1.37	1.62	1.50	1.06	1.10	1.01	1.05	1.37	1.11	1.25	1.07	1.48	2.27	1.11	1.51	1.08	0.97	1.37
France	31.2	0.48		0.93	1.06	1.29	1.20	1.34	0.93	0.85	1.41	1.07	0.75	0.80	0.87	1.22	1.21	0.66	0.80	0.97	1.22	1.05	1.26	0.85	1.09	1.10	1.24	0.91	0.85	1.05	1.24	1.05	1.14
Germany	29.0	0.01		0.79	1.27	1.29	0.95	0.98	0.79	1.65	7.96	1.00	1.26	5.12	0.39	0.84	0.89	5.39	5.12	0.43	1.27	0.80	0.99	1.61	0.43	0.78	11.77	1.93	1.61	0.45	1.15	0.96	0.99
Japan	7.0	0.16		0.88	1.05	0.96	0.73	0.77	0.88	0.95	0.73	0.79	0.76	0.78	0.79	0.81	0.84	0.77	0.78	0.79	0.81	0.84	0.77	1.14	1.02	0.73	0.74	0.80	1.14	0.96	1.01	0.77	0.78
UK	32.0	0.14		0.90	1.27	1.39	1.41	1.18	0.90	1.02	1.58	1.57	1.22	1.57	1.18	1.28	1.47	1.32	1.57	1.25	0.97	1.71	1.18	1.05	1.06	1.49	1.89	1.75	1.05	1.15	1.70	1.39	1.18
US	30.0	1.00		0.68	0.83	0.76	0.83	0.94	0.68	0.79	0.73	0.83	0.95	0.55	0.57	0.74	1.03	0.63	0.55	0.36	0.69	0.42	1.09	0.66	0.76	0.78	1.06	0.96	0.66	0.76	1.02	1.02	0.98
Industrial production growth																																	
Canada	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
France	6.0	0.67		0.62	0.69	0.94	0.75	0.81	0.62	0.70	0.90	0.71	0.78	0.74	0.72	0.91	0.76	0.81	0.74	0.72	0.91	0.76	0.81	0.64	0.73	1.00	0.70	0.78	0.64	0.69	0.86	0.67	0.80
Germany	34.0	0.03		1.23	0.63	0.99	1.95	0.84	1.23	0.67	1.45	0.89	0.74	0.62	0.97	0.81	1.48	0.72	0.62	0.82	0.69	0.66	0.84	0.86	0.40	0.45	0.79	0.56	0.86	0.65	0.84	1.60	0.84
Japan	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
UK	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
US	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Real GDP growth																																	
Canada	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Germany	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Japan	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
UK	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
US	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Interest rate																																	
Canada	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
France	8.0	0.58		0.94	1.02	1.01	1.12	0.55	0.94	0.86	1.13	0.69	0.43	1.05	1.07	1.35	1.00	0.67	1.05	1.07	1.35	1.00	0.67	0.98	1.02	1.02	1.10	0.55	0.98	0.94	1.11	0.67	0.44
Germany	14.0	1.00		0.80	0.66	0.60	0.68	0.68	0.80	0.66	0.46	0.68	0.57	0.40	0.50	0.27	0.92	0.45	0.40	0.45	0.65	0.73	0.68	0.88	0.76	0.71	0.74	0.45	0.88	0.88	0.80	0.67	0.66
UK	20.3	0.42		0.85	0.79	1.04	1.83	1.27	0.85	0.81	1.11	1.33	1.26	0.77	1.24	1.27	1.86	1.96	0.77	1.17	1.32	2.04	1.96	0.84	0.92	1.18	1.80	1.05	0.84	0.95	1.42	1.54	1.03
US	30.3	0.30		0.75	0.79	0.84	0.94	0.97	0.75	0.69	0.88	0.87	1.00	0.88	0.64	1.01	1.02	1.00	0.88	0.62	0.93	1.02	1.00	1.01	0.81	0.89	0.86	0.82	1.01	0.67	1.04	0.96	0.99

Table 11: Out-of-sample performance ordered by variable: the table reports the median ratios of AFE for AR(4) models estimated over expanding windows of observations.

				$h=1$	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20
Without Intercept Correction																																	
	$\overline{k}$	$\overline{b}$	σ	mAFE IMS (x100)					mRAFE IMS/DMS					mRAFE IMS/IMSpre					mRAFE IMS/DMSpre					mRAFE IMS/IMSpost					mRAFE IMS/DMSpost				
Inflation																																	
Canada	21.0	0.15	0.84	0.26	0.53	0.82	1.46	1.46	1.00	1.17	1.22	1.21	1.16	0.36	0.57	0.73	0.82	0.81	0.36	0.51	0.89	0.68	0.67	1.02	1.05	1.14	1.16	1.18	1.02	1.23	1.17	0.80	0.67
France	31.2	0.48	0.94	0.31	0.43	0.66	1.04	1.12	1.00	1.01	1.09	0.99	0.88	0.47	0.44	0.52	0.72	0.85	0.47	0.40	0.51	0.53	0.55	1.06	1.05	1.18	1.21	1.02	1.06	1.02	1.22	0.72	0.53
Germany	29.0	0.01	0.56	0.18	0.09	0.21	0.45	0.90	1.00	0.89	1.06	1.01	0.98	0.68	7.89	1.62	1.22	1.10	0.68	7.22	1.92	1.48	0.60	1.39	0.41	0.50	0.69	0.82	1.39	0.32	0.26	0.43	0.60
Japan	7.0	0.16	1.18	0.35	0.44	1.01	0.95	0.72	1.00	0.99	1.01	0.98	1.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.07	1.02	1.02	1.03	1.07	1.07	0.99	1.00	0.93	0.42
UK	32.0	0.14	1.34	0.67	1.14	1.49	2.34	2.24	1.00	0.99	1.05	1.14	1.10	0.68	0.77	0.82	0.87	0.88	0.68	0.75	0.74	0.89	0.67	1.20	1.26	1.26	1.31	1.27	1.20	1.23	1.19	0.67	0.67
US	30.0	1.00	0.78	0.26	0.35	0.41	0.55	0.64	1.00	1.00	1.05	1.02	0.98	0.39	0.39	0.56	0.73	0.79	0.39	0.66	0.98	0.89	0.58	0.95	0.93	0.76	0.74	0.78	0.95	0.90	0.80	0.64	0.60
Industrial production growth																																	
Canada	0.0	0.00	1.75	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
France	6.0	0.67	1.59	0.79	0.69	0.69	0.71	0.93	1.00	1.03	0.98	1.04	1.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.03	1.04	1.04	1.05	1.03	1.03	1.06	1.03	1.03	1.07
Germany	34.0	0.03	1.91	1.18	0.96	0.87	0.94	3.95	1.00	0.90	1.12	0.86	1.04	1.13	1.14	1.55	0.94	1.09	1.13	0.89	2.25	0.93	1.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Japan	0.0	0.00	2.37	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
UK	0.0	0.00	1.87	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
US	0.0	0.00	1.75	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Real GDP growth																																	
Canada	0.0	0.00	0.97	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Germany	0.0	0.00	1.32	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Japan	0.0	0.00	1.36	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
UK	0.0	0.00	1.05	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
US	0.0	0.00	0.91	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Interest rate																																	
Canada	0.0	0.00	296	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
France	8.0	0.58	311	221	351	505	455	259	1.00	0.78	1.48	1.57	1.09	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.95	0.98	1.02	1.06	1.11	0.95	0.78	1.36	1.42	1.30
Germany	14.0	1.00	198	135	161	126	143	124	1.00	1.03	1.25	1.47	1.06	0.60	0.78	0.95	0.91	0.88	0.60	0.89	0.56	0.59	0.50	1.38	1.61	1.42	1.52	1.62	1.38	1.37	1.09	1.08	0.50
UK	20.3	0.42	454	285	383	489	542	669	1.00	1.07	1.05	1.01	0.75	1.34	1.62	1.94	2.04	2.65	1.34	1.35	1.85	1.14	1.14	0.87	0.79	0.82	0.76	0.74	0.87	0.94	0.81	0.75	1.12
US	30.3	0.30	235	96	157	153	235	339	1.00	1.01	1.01	0.90	0.77	0.47	0.60	0.68	0.75	1.24	0.47	0.81	0.74	0.63	1.00	1.08	0.99	1.00	0.94	0.92	1.08	1.02	0.97	0.87	0.98
With Intercept Correction																																	
	$\overline{k}$	$\overline{b}$		mRAFE IMS/IMSIC					mRAFE IMS/DMSIC					mRAFE IMS/IMSpreIC					mRAFE IMS/DMSpreIC					mRAFE IMS/IMSpostIC					mRAFE IMS/DMSpostIC				
Inflation																																	
Canada	21.0	0.15		0.78	1.59	1.60	1.27	1.55	0.78	1.26	2.31	1.52	1.77	1.96	1.41	1.57	1.75	1.87	1.96	1.36	2.05	1.27	1.55	1.10	1.50	1.57	1.51	2.44	1.10	1.59	1.60	1.46	1.55
France	31.2	0.48		0.91	0.98	1.43	1.34	1.32	0.91	0.99	1.36	1.15	1.00	0.38	0.78	1.34	1.26	0.65	0.38	1.09	1.37	1.18	1.30	0.91	0.92	1.27	1.34	0.91	0.91	1.01	1.32	1.25	1.19
Germany	29.0	0.01		1.03	0.96	0.98	0.99	1.00	1.03	0.86	1.03	1.00	0.98	1.00	0.95	0.98	0.99	4.04	1.00	0.94	1.08	1.16	1.00	9.36	0.78	1.18	9.18	1.79	9.36	0.52	0.98	0.99	1.00
Japan	7.0	0.16		0.85	0.66	0.79	0.87	0.75	0.85	0.74	0.73	0.83	0.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.86	0.66	0.79	0.87	0.76	0.86	0.81	0.74	0.86	0.79
UK	32.0	0.14		1.22	1.06	1.63	1.44	1.29	1.22	1.07	1.60	1.84	1.19	1.48	1.50	1.55	1.43	1.31	1.48	1.44	1.36	1.46	1.29	1.46	1.12	1.60	2.02	1.77	1.46	1.50	1.67	1.43	1.29
US	30.0	1.00		0.64	0.73	0.87	0.96	1.29	0.64	0.78	0.74	0.95	1.18	0.85	1.05	0.98	1.04	1.04	0.85	0.61	0.61	1.04	1.37	0.65	0.80	0.83	1.02	1.16	0.65	0.83	0.92	1.06	1.34
Industrial production growth																																	
Canada	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
France	6.0	0.67		0.71	0.81	0.94	0.79	0.84	0.71	0.73	0.92	0.59	0.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.72	0.80	0.94	0.79	0.82	0.72	0.75	0.93	0.68	0.81
Germany	34.0	0.03		1.04	0.67	0.88	1.65	0.86	1.04	0.64	0.98	1.79	0.89	0.78	0.69	0.87	1.65	0.71	0.78	0.66	1.13	0.82	0.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Japan	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
UK	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
US	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Real GDP growth																																	
Canada	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Germany	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Japan	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
UK	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
US	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Interest rate																																	
Canada	0.0	0.00		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
France	8.0	0.58		2.02	2.69	2.92	2.21	0.92	2.02	2.96	3.01	1.08	0.33	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.01	0.00	0.00	2.04	2.68	3.10	2.23	0.92	2.04	2.46	3.51	1.33	0.37
Germany	14.0	1.00		0.89	0.79	0.94	0.71	0.87	0.89	0.68	0.97	0.46	0.45	1.16	0.99	0.86	0.44	0.63	1.16	1.46	0.98	0.71	0.87	0.91	0.83	0.98	0.68	0.51	0.91	0.79	1.18	0.52	0.80
UK	20.3	0.42		0.86	0.80	1.19	1.96	1.39	0.86	0.95	1.29	1.83	1.16	0.75	0.91	1.39	1.44	1.61	0.75	1.01	1.26	1.86	1.38	0.87	0.98	1.32	1.96	0.77	0.87	1.03	1.41	1.69	1.13
US	30.3	0.30		0.65	0.77	0.88	0.83	0.92	0.65	0.82	0.76	0.76	0.73	0.95	0.81	0.87	0.83	0.92	0.95	0.93	0.76	0.89	0.92	0.66	0.76	0.91	0.78	0.78	0.66	0.81	0.91	0.79	0.87

Table 12: Out-of-sample performance ordered by variable: the table reports the median ratios of AFE for AR(p) models, where p is chosen by the AIC, and estimated over expanding windows of observations.

2 Ratios of square-root MSFE (RMSFE) ordered by variables

2.1 Windows of 25 observations

			$h=1$	2	4	8	12	1	2	4	8	12	1	2	4	8	12	1	2	4	8	12	1	2	4	8	12	1	2	4	8	12
Without Intercept Correction																																
	$\overline{k}$	$\overline{b}$	RMSFE IMS / σ					RMSFE IMS/DMS					RMSFE IMS/IMSpre					RMSFE IMS/DMSpre					RMSFE IMS/IMSpost					RMSFE IMS/DMSpost				
Inflation																																
Canada	13.1	0.65	0.52	0.65	0.82	1.02	1.11	1.00	1.06	0.89	0.74	0.71	0.47	0.51	0.45	0.15	0.03	0.47	0.49	0.45	0.52	0.51	0.66	0.79	0.85	0.81	0.83	0.66	0.59	0.53	0.54	0.51
France	12.6	0.66	0.49	0.68	0.91	0.94	1.18	1.00	0.96	1.04	0.97	0.82	0.38	0.51	0.46	0.05	0.00	0.38	0.39	0.47	0.46	0.55	0.53	0.65	0.79	0.85	0.93	0.53	0.51	0.57	0.53	0.55
Germany	14.4	0.55	0.74	0.98	1.08	1.25	1.27	1.00	1.01	1.01	0.85	0.82	0.57	0.68	0.74	0.87	1.01	0.57	0.62	0.56	0.61	0.62	0.81	0.92	1.02	1.00	0.86	0.81	0.78	0.69	0.61	0.62
Japan	12.6	0.42	0.49	0.67	0.70	0.71	0.82	1.00	1.07	0.82	0.69	0.89	0.88	0.90	0.90	0.98	0.92	0.88	0.96	0.92	0.82	1.08	0.81	0.85	0.86	0.81	0.84	0.81	0.91	0.85	0.85	1.08
UK	12.8	0.47	0.53	0.75	0.78	0.87	1.11	1.00	0.98	0.99	0.95	0.77	0.55	0.70	0.80	0.78	0.89	0.55	0.59	0.68	0.52	0.68	0.48	0.70	0.71	0.81	1.11	0.48	0.54	0.55	0.51	0.68
US	13.8	0.59	0.52	0.79	0.96	1.42	1.40	1.00	0.99	0.95	0.80	0.93	0.56	0.65	0.69	0.83	0.81	0.56	0.58	0.53	0.63	0.62	0.58	0.75	0.75	0.91	0.97	0.58	0.64	0.63	0.75	0.62
Industrial production growth																																
Canada	12.5	0.34	1.06	0.95	1.15	1.00	0.95	1.00	1.04	1.00	0.87	0.83	0.83	0.90	0.84	0.80	0.90	0.83	0.99	1.11	0.91	0.95	0.89	0.75	0.73	0.52	0.41	0.89	0.84	0.94	0.93	0.95
France	11.5	0.34	0.86	0.78	1.41	0.75	0.93	1.00	1.06	0.99	0.80	0.91	0.77	0.99	1.25	0.26	0.08	0.77	0.91	1.10	0.80	1.05	1.07	0.88	0.93	0.88	0.91	1.07	1.06	1.00	0.95	1.05
Germany	11.1	0.38	0.92	0.97	1.07	0.88	0.90	1.00	0.99	1.00	0.99	0.90	0.99	0.96	0.94	1.07	0.86	0.99	0.95	0.97	1.01	1.03	0.89	0.93	0.96	0.88	0.96	0.89	0.89	1.01	1.01	1.03
Japan	13.1	0.34	1.01	1.33	1.55	1.06	1.08	1.00	1.00	1.12	0.82	0.65	1.00	1.09	1.15	1.13	1.00	1.00	1.12	1.38	0.93	1.47	0.89	0.87	0.86	0.71	0.69	0.89	1.12	1.25	1.28	1.47
UK	12.0	0.32	1.11	1.08	0.85	0.84	0.85	1.00	0.98	0.90	1.02	0.87	1.00	0.99	1.09	0.99	1.07	1.00	1.04	1.03	1.01	0.95	0.99	0.90	0.90	0.87	0.80	0.99	0.90	0.86	1.05	0.95
US	11.6	0.27	0.68	0.83	1.00	0.84	0.88	1.00	1.03	1.01	0.99	0.75	0.80	0.92	1.03	1.13	0.98	0.80	0.93	1.18	1.13	0.96	0.96	0.94	0.87	0.78	0.82	0.96	0.91	0.84	0.81	0.96
Real GDP growth																																
Canada	12.8	0.34	1.01	1.09	0.97	0.90	0.89	1.00	1.01	1.00	0.93	0.80	0.81	0.91	0.83	0.88	0.98	0.81	0.83	0.79	0.64	0.64	0.91	1.00	0.85	0.88	0.78	0.91	0.88	0.81	0.71	0.64
Germany	11.9	0.44	0.86	0.94	0.89	0.85	0.82	1.00	0.97	0.95	0.93	0.93	0.75	0.92	0.96	0.98	0.89	0.75	0.90	0.93	0.92	1.00	1.02	0.97	0.92	0.97	0.96	1.02	0.91	0.83	0.88	1.00
Japan	12.9	0.47	0.79	0.61	0.62	0.58	0.55	1.00	1.00	1.03	0.87	0.83	0.80	0.83	0.85	0.85	0.81	0.80	0.81	0.82	0.66	0.63	1.25	0.97	0.94	0.93	0.84	1.25	0.88	0.81	0.88	0.63
UK	11.4	0.40	1.16	1.07	1.08	1.09	0.97	1.00	0.97	0.93	0.91	0.76	0.80	0.89	0.89	0.85	0.86	0.80	0.87	0.82	0.92	0.83	0.89	0.92	0.98	1.03	0.99	0.89	0.95	1.14	1.13	0.83
US	12.5	0.37	1.22	1.03	1.05	1.15	0.91	1.00	0.96	0.91	1.02	0.79	0.83	0.94	0.90	0.85	0.99	0.83	0.90	0.78	0.81	0.80	0.99	0.86	0.79	0.83	0.86	0.99	0.84	0.81	0.90	0.80
Interest rate																																
Canada	13.5	0.50	0.73	0.87	0.96	1.20	1.33	1.00	1.02	0.94	0.95	1.04	0.42	0.69	0.69	0.69	0.71	0.42	0.65	0.66	0.81	0.83	0.97	0.89	0.92	0.99	1.03	0.97	0.87	0.78	0.82	0.83
France	12.5	0.76	0.40	0.45	0.49	0.74	0.91	1.00	0.97	0.96	0.88	0.92	0.28	0.27	0.10	0.01	0.00	0.28	0.33	0.33	0.43	0.45	0.48	0.56	0.64	0.82	0.90	0.48	0.46	0.49	0.58	0.45
Germany	21.7	0.36	1.20	1.34	1.46	1.18	1.52	1.00	0.93	0.99	0.77	0.88	1.17	1.22	1.04	1.35	1.02	1.17	1.15	0.94	0.88	0.69	0.67	0.48	0.29	0.05	0.01	0.67	0.82	0.66	0.68	0.69
UK	15.7	0.49	0.89	1.32	1.82	2.48	4.66	1.00	1.12	1.34	2.43	4.18	0.79	1.05	1.43	2.52	5.22	0.79	0.94	1.46	1.87	4.46	0.82	1.24	1.53	2.90	5.11	0.82	1.07	1.38	2.16	4.46
US	13.3	0.71	0.81	0.88	1.00	1.11	13.39	1.00	1.04	1.00	1.00	0.99	0.60	0.68	0.81	0.83	0.84	0.60	0.69	0.92	1.01	1.02	1.17	1.07	1.00	1.00	1.0	1.17	1.02	0.88	1.01	1.02
With Intercept Correction																																
	$\overline{k}$	$\overline{b}$	RMSFE IMS/IMSIC					RMSFE IMS/DMSIC					RMSFE IMS/IMSpreIC					RMSFE IMS/DMSpreIC					RMSFE IMS/IMSpostIC					RMSFE IMS/DMSpostIC				
Inflation																																
Canada	13.1	0.65	0.75	0.81	0.88	0.86	0.85	0.75	0.84	0.89	0.81	0.85	0.39	0.40	0.37	0.15	0.03	0.39	0.44	0.52	0.89	0.89	0.71	0.68	0.55	0.49	0.49	0.71	0.73	0.77	0.81	0.89
France	12.6	0.66	0.82	0.93	0.89	0.91	0.99	0.82	0.94	1.02	1.23	1.03	0.38	0.39	0.33	0.05	0.00	0.38	0.40	0.48	0.62	1.16	0.60	0.46	0.42	0.38	0.44	0.60	0.64	0.67	0.83	1.16
Germany	14.4	0.55	0.92	0.93	1.03	0.91	0.85	0.92	0.90	0.94	0.82	0.79	0.60	0.47	0.40	0.63	0.60	0.60	0.50	0.43	0.89	0.86	0.86	0.78	0.68	0.56	0.50	0.86	0.86	0.86	0.93	0.86
Japan	12.6	0.42	0.83	1.14	1.39	0.97	1.31	0.83	1.10	1.30	0.87	1.16	0.52	0.70	0.55	0.49	0.52	0.52	0.84	0.85	0.99	1.31	0.82	0.88	0.84	0.42	0.46	0.82	1.00	1.47	0.95	1.31
UK	12.8	0.47	0.83	0.86	0.71	0.78	0.85	0.83	0.88	0.77	1.04	0.73	0.61	0.63	0.57	0.59	0.55	0.61	0.66	0.71	0.81	0.99	0.69	0.85	0.52	0.53	0.57	0.69	0.91	0.88	0.88	0.99
US	13.8	0.59	0.83	0.97	0.94	0.79	0.81	0.83	0.97	1.04	0.98	1.06	0.46	0.64	0.52	0.66	0.61	0.46	0.71	0.70	0.85	1.10	0.81	0.62	0.48	0.53	0.57	0.81	0.89	0.81	1.01	1.10
Industrial production growth																																
Canada	12.5	0.34	0.74	0.78	0.72	0.68	0.65	0.74	0.79	0.81	0.77	0.63	0.69	0.69	0.62	0.59	0.62	0.69	0.68	0.80	0.69	0.65	0.73	0.57	0.52	0.39	0.32	0.73	0.84	0.78	0.68	0.65
France	11.5	0.34	0.72	0.80	0.87	0.61	0.74	0.72	0.78	0.89	0.52	0.70	0.55	0.55	0.91	0.29	0.08	0.55	0.64	0.85	0.61	0.74	0.79	0.65	0.80	0.51	0.59	0.79	0.77	0.91	0.62	0.74
Germany	11.1	0.38	0.72	0.68	0.79	0.68	0.67	0.72	0.69	0.80	0.77	0.64	0.68	0.63	0.73	0.67	0.63	0.68	0.70	0.71	0.69	0.67	0.73	0.71	0.75	0.57	0.58	0.73	0.75	0.85	0.69	0.67
Japan	13.1	0.34	0.77	0.88	0.74	0.54	0.71	0.77	0.88	0.93	1.05	0.47	0.49	0.67	0.70	0.51	0.74	0.49	0.59	0.77	0.81	0.86	0.83	0.63	0.62	0.44	0.45	0.83	0.99	0.93	0.71	0.86
UK	12.0	0.32	0.88	0.64	0.62	0.61	0.69	0.88	0.63	0.67	0.60	0.68	0.87	0.63	0.62	0.59	0.71	0.87	0.65	0.65	0.56	0.69	0.84	0.61	0.58	0.54	0.57	0.84	0.65	0.67	0.60	0.69
US	11.6	0.27	0.67	0.71	0.83	0.63	0.69	0.67	0.76	0.89	0.73	0.54	0.59	0.65	0.76	0.60	0.75	0.59	0.71	0.79	0.70	0.69	0.79	0.75	0.80	0.57	0.56	0.79	0.91	0.90	0.66	0.69
Real GDP growth																																
Canada	12.8	0.34	0.91	0.67	0.77	0.64	0.61	0.91	0.67	0.79	0.71	0.55	0.72	0.66	0.63	0.68	0.60	0.72	0.65	0.79	0.65	0.61	0.90	0.67	0.69	0.54	0.52	0.90	0.69	0.72	0.67	0.61
Germany	11.9	0.44	0.70	0.77	0.76	0.71	0.63	0.70	0.75	0.67	0.71	0.65	0.57	0.69	0.68	0.62	0.53	0.57	0.72	0.73	0.71	0.63	0.69	0.76	0.75	0.63	0.53	0.69	0.80	0.66	0.73	0.63
Japan	12.9	0.47	0.87	0.72	0.86	0.74	0.63	0.87	0.61	0.85	0.87	0.48	0.84	0.63	0.58	0.48	0.42	0.84	0.58	0.73	0.79	0.63	0.91	0.68	0.79	0.57	0.49	0.91	0.73	0.87	0.74	0.63
UK	11.4	0.40	0.92	0.74	0.65	0.78	0.79	0.92	0.75	0.62	0.87	0.80	1.01	0.63	0.63	0.68	0.67	1.01	0.75	0.60	0.87	0.79	0.78	0.60	0.53	0.60	0.61	0.78	0.72	0.66	0.79	0.79
US	12.5	0.37	0.70	0.73	0.67	0.64	0.56	0.70	0.66	0.60	0.69	0.53	0.73	0.57	0.61	0.56	0.49	0.73	0.58	0.59	0.64	0.56	0.70	0.61	0.58	0.52	0.42	0.70	0.75	0.68	0.63	0.56
Interest rate																																
Canada	13.5	0.50	0.78	0.77	0.81	0.96	0.98	0.78	0.78	0.85	0.94	1.07	0.61	0.57	0.67	0.72	0.71	0.61	0.61	0.76	0.98	0.99	0.79	0.75	0.76	0.77	0.72	0.79	0.88	0.92	0.99	0.99
France	12.5	0.76	0.80	0.83	0.70	1.12	1.18	0.80	0.85	0.64	0.88	0.98	0.47	0.29	0.09	0.01	0.00	0.47	0.63	0.61	0.94	1.18	0.70	0.55	0.53	0.49	0.57	0.70	0.67	0.66	0.97	1.18
Germany	21.7	0.36	0.63	0.61	0.71	0.56	0.69	0.63	0.59	0.73	1.21	0.88	0.61	0.64	0.75	0.58	0.53	0.61	0.69	0.85	0.87	0.70	0.66	0.33	0.23	0.04	0.01	0.66	0.78	0.79	0.59	0.70
UK	15.7	0.49	0.90	0.82	0.86	0.84	0.90	0.90	0.91	1.13	3.28	3.01	0.81	0.98	1.14	2.43	2.98	0.81	0.80	1.35	3.03	3.62	1.04	1.05	1.07	1.59	2.39	1.04	1.19	1.26	2.39	3.62
US	13.3	0.71	0.97	0.93	0.94	0.96	0.94	0.97	0.76	0.93	0.96	0.82	0.91	0.72	0.64	0.71	0.71	0.91	0.68	0.85	0.98	0.95	0.95	0.69	0.74	0.64	0.65	0.95	0.82	0.93	0.98	0.95

Table 13: Out-of-sample performance ordered by variable: the table reports the ratios of root-MSFE for AR(1) models estimated over windows of 25 observations.

			$h=1$	2	4	8	12	1	2	4	8	12	1	2	4	8	12	1	2	4	8	12	1	2	4	8	12	1	2	4	8	12
Without Intercept Correction																																
	$\overline{k}$	$\overline{b}$	RMSFE IMS / σ					RMSFE IMS/DMS					RMSFE IMS/IMSpre					RMSFE IMS/DMSpre					RMSFE IMS/IMSpost					RMSFE IMS/DMSpost				
Inflation																																
Canada	13.1	0.65	0.50	0.60	0.78	1.11	1.29	1.00	0.99	0.85	0.67	0.75	0.34	0.34	0.26	0.11	0.11	0.34	0.41	0.42	0.53	0.60	0.49	0.55	0.61	0.59	0.49	0.49	0.45	0.48	0.55	0.60
France	12.6	0.66	0.50	0.70	0.92	1.02	1.36	1.00	0.95	0.89	1.03	0.79	0.32	0.40	0.56	0.55	0.76	0.32	0.36	0.50	0.48	0.64	0.40	0.53	0.68	0.85	1.05	0.40	0.45	0.55	0.51	0.64
Germany	14.4	0.55	0.76	0.97	1.05	1.28	1.39	1.00	1.01	0.96	0.78	0.79	0.50	0.61	0.68	0.53	0.26	0.50	0.55	0.54	0.62	0.68	0.66	0.77	0.88	0.90	0.84	0.66	0.72	0.59	0.62	0.68
Japan	12.6	0.42	0.50	0.62	0.66	0.72	0.83	1.00	0.99	0.71	0.67	0.64	0.81	0.87	0.75	0.88	0.82	0.81	0.86	0.80	0.83	1.10	0.81	0.86	0.99	0.87	0.89	0.81	0.82	0.78	0.84	1.10
UK	12.8	0.47	0.55	0.78	0.83	0.89	1.29	1.00	0.95	1.04	0.94	0.93	0.47	0.60	0.83	0.75	1.02	0.47	0.62	0.60	0.51	0.79	0.41	0.55	0.62	0.78	1.19	0.41	0.47	0.54	0.51	0.79
US	13.8	0.59	0.52	0.81	1.01	1.56	1.69	1.00	1.00	0.98	0.80	1.04	0.47	0.59	0.69	0.57	0.34	0.47	0.55	0.55	0.70	0.74	0.46	0.65	0.71	1.07	1.33	0.46	0.57	0.64	0.75	0.74
Industrial production growth																																
Canada	12.5	0.34	1.03	0.95	1.15	1.02	0.95	1.00	1.06	0.90	0.87	0.62	0.90	0.97	0.91	0.81	0.87	0.90	1.06	1.12	1.00	0.96	0.86	0.85	0.97	0.94	0.81	0.86	0.83	0.93	0.96	0.96
France	11.5	0.34	0.86	0.71	1.41	0.74	0.94	1.00	1.03	0.96	0.70	0.82	0.64	0.80	0.90	0.05	0.01	0.64	0.87	1.06	0.80	1.06	0.93	0.95	0.98	0.83	0.92	0.93	0.96	0.97	0.97	1.06
Germany	11.1	0.38	0.94	1.02	1.07	0.88	0.91	1.00	1.02	1.02	0.95	0.77	0.98	0.96	0.91	0.92	0.80	0.98	0.97	1.00	1.00	1.05	0.86	0.92	0.96	0.91	0.91	0.86	0.88	0.94	1.02	1.05
Japan	13.1	0.34	1.04	1.38	1.72	1.47	1.72	1.00	1.03	1.26	1.13	0.76	0.95	1.15	1.30	1.57	1.80	0.95	1.04	1.53	1.70	2.35	0.92	1.16	1.32	1.54	2.35	0.92	1.18	1.37	1.79	2.35
UK	12.0	0.32	1.11	1.11	0.86	0.86	0.86	1.00	1.00	0.83	1.01	0.86	1.06	1.07	1.07	1.05	1.07	1.06	1.05	1.04	1.12	0.96	0.99	0.95	0.86	0.88	0.78	0.99	0.95	0.89	1.16	0.96
US	11.6	0.27	0.68	0.85	1.01	0.86	0.89	1.00	1.20	0.92	0.89	0.71	0.37	0.26	0.06	0.00	0.00	0.37	1.16	1.14	0.95	0.97	0.96	0.90	0.83	0.79	0.83	0.96	1.04	0.80	0.84	0.97
Real GDP growth																																
Canada	12.8	0.34	1.03	1.10	0.95	0.94	0.95	1.00	0.97	0.95	0.86	0.84	0.76	0.83	0.85	0.78	0.85	0.76	0.79	0.78	0.66	0.68	0.79	0.89	0.72	0.60	0.44	0.79	0.85	0.74	0.66	0.68
Germany	11.9	0.44	0.86	0.96	0.89	0.86	0.83	1.00	0.98	0.93	0.89	0.66	0.77	0.95	0.82	0.79	0.45	0.77	0.96	0.97	0.92	1.01	1.02	0.88	0.90	0.98	0.94	1.02	0.89	0.80	0.90	1.01
Japan	12.9	0.47	0.77	0.61	0.58	0.56	0.54	1.00	1.05	1.02	0.84	0.55	0.78	0.84	0.81	0.84	0.80	0.78	0.81	0.74	0.61	0.62	1.10	0.87	0.81	0.80	0.78	1.10	0.80	0.76	0.65	0.62
UK	11.4	0.40	1.20	1.11	1.05	1.09	0.99	1.00	0.89	0.94	0.89	0.63	0.77	0.87	0.89	0.87	0.87	0.77	0.90	0.83	1.01	0.84	0.90	1.04	1.12	1.18	0.97	0.90	1.17	1.05	1.12	0.84
US	12.5	0.37	1.21	1.09	1.10	1.16	0.95	1.00	0.98	0.95	0.95	0.73	0.74	0.97	0.82	0.67	0.27	0.74	0.75	0.84	0.86	0.83	0.90	0.89	0.82	0.90	0.83	0.90	0.90	0.83	0.91	0.83
Interest rate																																
Canada	13.5	0.50	0.74	0.86	0.97	1.24	1.38	1.00	0.97	0.91	0.92	0.98	0.31	0.65	0.36	0.43	0.29	0.31	0.75	0.75	0.83	0.86	0.89	0.84	0.91	1.01	0.99	0.89	0.81	0.74	0.83	0.86
France	12.5	0.76	0.42	0.46	0.50	0.76	0.91	1.00	0.94	0.92	0.86	0.92	0.32	0.35	0.38	0.49	0.53	0.32	0.33	0.32	0.45	0.45	0.41	0.47	0.50	0.80	0.80	0.41	0.47	0.49	0.53	0.45
Germany	21.7	0.36	1.39	1.47	1.57	1.53	1.74	1.00	0.90	1.00	0.94	0.78	1.19	1.21	0.98	0.92	0.82	1.19	1.37	0.96	1.00	0.79	0.72	0.92	0.75	0.97	0.83	0.72	0.69	0.69	0.87	0.79
UK	15.7	0.49	0.89	1.32	1.91	2.86	5.74	1.00	1.10	1.39	2.85	4.69	0.58	0.77	0.20	0.01	0.00	0.58	1.03	1.52	2.13	5.50	0.75	1.06	1.57	3.20	6.50	0.75	1.01	1.48	2.40	5.50
US	13.3	0.71	0.85	0.91	0.99	1.13	1.37	1.00	0.94	0.96	0.90	0.79	0.44	0.80	0.81	0.82	0.88	0.44	0.76	0.90	1.04	1.04	1.16	0.93	1.02	0.85	0.86	1.16	0.95	0.85	1.04	1.04
With Intercept Correction																																
	$\overline{k}$	$\overline{b}$	RMSFE IMS/IMSIC					RMSFE IMS/DMSIC					RMSFE IMS/IMSpreIC					RMSFE IMS/DMSpreIC					RMSFE IMS/IMSpostIC					RMSFE IMS/DMSpostIC				
Inflation																																
Canada	13.1	0.65	0.75	0.76	0.82	0.79	0.80	0.75	0.80	0.88	0.74	0.90	0.45	0.32	0.24	0.11	0.10	0.45	0.68	0.83	1.02	1.03	0.83	0.57	0.50	0.43	0.38	0.83	0.89	0.95	1.04	1.03
France	12.6	0.66	0.85	0.92	0.86	0.87	0.97	0.85	0.93	0.77	1.20	0.97	0.71	0.73	0.61	0.47	0.56	0.71	0.90	0.95	1.30	1.33	1.00	0.66	0.56	0.50	0.58	1.00	1.21	1.21	1.25	1.33
Germany	14.4	0.55	0.95	0.90	0.95	0.89	0.85	0.95	0.92	0.92	0.79	0.79	0.73	0.71	0.63	0.42	0.24	0.73	0.68	0.84	0.95	0.94	1.11	0.81	0.68	0.56	0.55	1.11	0.99	1.04	0.95	0.94
Japan	12.6	0.42	0.86	0.96	1.19	1.00	1.32	0.86	1.04	1.09	0.79	0.75	0.50	0.79	0.51	0.49	0.52	0.50	0.98	1.25	0.99	1.33	1.08	1.03	0.76	0.45	0.50	1.08	1.09	1.18	0.99	1.33
UK	12.8	0.47	0.84	0.92	0.79	0.76	0.85	0.84	0.90	0.90	1.04	0.85	0.77	0.68	0.75	0.60	0.65	0.77	0.79	0.95	0.92	1.14	0.87	1.01	0.56	0.60	0.73	0.87	1.06	0.89	0.89	1.14
US	13.8	0.59	0.85	0.99	0.92	0.77	0.83	0.85	1.01	1.16	1.00	1.17	0.48	0.68	0.57	0.53	0.35	0.48	0.66	0.87	1.15	1.33	0.95	0.76	0.62	0.71	0.87	0.95	1.04	1.12	1.19	1.33
Industrial production growth																																
Canada	12.5	0.34	0.74	0.76	0.68	0.68	0.65	0.74	0.78	0.74	0.79	0.53	0.64	0.71	0.65	0.62	0.61	0.64	0.74	0.87	0.72	0.66	0.84	0.79	0.70	0.64	0.56	0.84	0.81	0.77	0.70	0.66
France	11.5	0.34	0.74	0.75	0.88	0.60	0.75	0.74	0.72	0.87	0.50	0.65	0.58	0.56	0.84	0.05	0.01	0.58	0.52	0.88	0.60	0.75	0.87	0.66	0.84	0.52	0.62	0.87	0.70	0.88	0.62	0.75
Germany	11.1	0.38	0.73	0.71	0.79	0.69	0.68	0.73	0.72	0.82	0.78	0.60	0.69	0.68	0.75	0.69	0.59	0.69	0.68	0.77	0.71	0.68	0.76	0.77	0.73	0.58	0.58	0.76	0.75	0.77	0.69	0.68
Japan	13.1	0.34	0.81	0.91	0.75	0.58	0.85	0.81	0.95	1.03	1.46	0.68	0.52	0.72	0.80	0.85	1.18	0.52	0.73	1.04	1.05	1.37	1.02	1.04	0.98	0.87	1.25	1.02	1.03	1.02	0.97	1.37
UK	12.0	0.32	0.87	0.66	0.63	0.62	0.70	0.87	0.67	0.65	0.61	0.68	0.81	0.67	0.63	0.61	0.71	0.81	0.66	0.67	0.62	0.70	0.89	0.68	0.61	0.56	0.58	0.89	0.69	0.68	0.67	0.70
US	11.6	0.27	0.68	0.72	0.83	0.64	0.69	0.68	0.83	0.82	0.72	0.52	0.37	0.24	0.06	0.00	0.00	0.37	0.86	0.92	0.77	0.69	0.84	0.80	0.81	0.59	0.58	0.84	0.96	0.83	0.66	0.69
Real GDP growth																																
Canada	12.8	0.34	0.93	0.69	0.73	0.65	0.63	0.93	0.69	0.75	0.75	0.58	0.81	0.71	0.65	0.68	0.61	0.81	0.73	0.83	0.71	0.65	0.94	0.72	0.62	0.47	0.37	0.94	0.70	0.67	0.68	0.65
Germany	11.9	0.44	0.73	0.77	0.75	0.73	0.64	0.73	0.77	0.64	0.68	0.62	0.53	0.72	0.61	0.53	0.34	0.53	0.80	0.78	0.72	0.64	0.82	0.78	0.72	0.62	0.52	0.82	0.78	0.64	0.72	0.64
Japan	12.9	0.47	0.81	0.62	0.74	0.70	0.62	0.81	0.64	0.80	0.81	0.38	0.80	0.61	0.60	0.47	0.43	0.80	0.66	0.79	0.78	0.62	0.89	0.76	0.77	0.56	0.50	0.89	0.77	0.83	0.70	0.62
UK	11.4	0.40	0.98	0.75	0.64	0.78	0.80	0.98	0.66	0.65	0.90	0.72	1.03	0.72	0.66	0.67	0.72	1.03	0.78	0.59	0.79	0.80	0.85	0.72	0.59	0.70	0.72	0.85	0.75	0.64	0.77	0.80
US	12.5	0.37	0.72	0.72	0.68	0.64	0.58	0.72	0.71	0.65	0.72	0.51	0.71	0.67	0.60	0.50	0.25	0.71	0.65	0.69	0.65	0.58	0.77	0.75	0.63	0.56	0.47	0.77	0.77	0.68	0.65	0.58
Interest rate																																
Canada	13.5	0.50	0.79	0.77	0.81	0.96	0.96	0.79	0.78	0.86	0.99	1.02	0.40	0.56	0.39	0.40	0.31	0.40	0.68	0.82	1.03	1.03	0.79	0.80	0.83	0.79	0.74	0.79	0.83	0.88	1.02	1.03
France	12.5	0.76	0.82	0.87	0.70	1.10	1.15	0.82	0.81	0.62	0.89	0.97	0.62	0.79	0.51	0.57	0.59	0.62	0.68	0.79	1.17	1.19	0.87	0.81	0.70	0.55	0.60	0.87	0.99	0.87	1.13	1.19
Germany	21.7	0.36	0.75	0.67	0.71	0.61	0.71	0.75	0.68	0.75	1.29	0.88	0.69	0.74	0.67	0.49	0.52	0.69	0.85	0.75	0.78	0.80	0.82	0.82	0.81	0.59	0.62	0.82	0.67	0.81	0.76	0.80
UK	15.7	0.49	0.87	0.80	0.88	0.87	0.96	0.87	0.90	1.23	3.74	3.93	0.55	0.67	0.19	0.01	0.00	0.55	0.99	1.43	3.11	4.46	1.07	1.20	1.23	1.95	3.21	1.07	1.17	1.37	2.71	4.46
US	13.3	0.71	1.01	0.90	0.91	0.94	0.93	1.01	0.72	0.94	0.83	0.67	0.80	0.84	0.72	0.74	0.71	0.80	0.86	1.02	1.00	0.98	1.22	0.76	0.76	0.63	0.64	1.22	0.88	0.96	1.00	0.98

Table 14: Out-of-sample performance ordered by variable: the table reports the ratios of root-MSFE for AR(2) models estimated over windows of 25 observations.

			$h=1$	2	4	8	12	1	2	4	8	12	1	2	4	8	12	1	2	4	8	12	1	2	4	8	12	1	2	4	8	12
Without Intercept Correction																																
	$\overline{k}$	$\overline{b}$	RMSFE IMS / σ					RMSFE IMS/DMS					RMSFE IMS/IMSpre					RMSFE IMS/DMSpre					RMSFE IMS/IMSpost					RMSFE IMS/DMSpost				
Inflation																																
Canada	13.1	0.65	0.54	0.69	0.98	1.15	1.57	1.00	1.05	0.94	0.59	0.69	0.28	0.06	0.00	0.00	0.00	0.28	0.43	0.48	0.53	0.73	0.41	0.45	0.22	0.01	0.00	0.41	0.47	0.58	0.53	0.73
France	12.6	0.66	0.58	0.85	1.50	4.84	17.28	1.00	0.80	0.80	3.45	3.39	0.15	0.03	0.00	0.00	0.00	0.15	0.36	0.77	2.23	8.11	0.38	0.54	0.97	3.72	12.24	0.38	0.52	0.88	2.23	8.11
Germany	14.4	0.55	1.06	0.97	1.23	1.34	1.81	1.00	0.98	0.97	0.73	0.86	0.40	0.42	0.40	0.12	0.10	0.40	0.43	0.64	0.65	0.88	0.78	0.69	0.81	0.65	0.49	0.78	0.63	0.64	0.65	0.88
Japan	12.6	0.42	0.54	0.71	0.86	0.87	0.87	1.00	0.93	0.84	0.53	0.55	0.43	0.68	0.60	0.10	0.01	0.43	0.62	0.91	1.01	1.15	0.74	0.84	0.77	0.70	0.10	0.74	0.82	1.10	1.01	1.15
UK	12.8	0.47	0.69	0.94	0.90	1.26	1.95	1.00	0.97	1.00	1.10	1.03	0.46	0.62	0.45	0.19	0.06	0.46	0.60	0.55	0.70	1.19	0.44	0.53	0.46	0.14	0.03	0.44	0.55	0.53	0.70	1.19
US	13.8	0.59	0.51	0.73	0.95	1.34	1.24	1.00	0.99	0.85	0.59	0.84	0.39	0.38	0.24	0.02	0.00	0.39	0.38	0.52	0.59	0.55	0.37	0.52	0.65	0.92	0.95	0.37	0.49	0.54	0.59	0.55
Industrial production growth																																
Canada	12.5	0.34	1.00	1.06	1.38	1.04	0.98	1.00	1.04	1.01	0.79	0.47	0.52	0.32	0.05	0.00	0.00	0.52	0.81	1.42	0.98	0.99	0.70	0.80	0.92	0.49	0.22	0.70	0.71	1.10	0.98	0.99
France	11.5	0.34	0.89	0.68	1.45	0.80	0.94	1.00	0.94	0.95	0.65	0.62	0.58	0.78	0.58	0.07	0.02	0.58	0.42	1.02	0.86	1.07	0.98	0.86	1.00	0.90	0.93	0.98	0.93	1.00	0.86	1.07
Germany	11.1	0.38	0.99	1.03	1.11	0.93	0.99	1.00	1.01	1.01	0.74	0.67	0.74	0.22	0.01	0.00	0.00	0.74	0.77	1.01	1.08	1.13	0.87	0.89	1.12	0.86	0.81	0.87	0.83	0.86	1.08	1.13
Japan	13.1	0.34	1.03	1.31	1.60	0.95	0.85	1.00	0.99	0.91	0.60	0.30	0.98	1.06	1.06	0.47	0.16	0.98	1.07	1.09	1.15	1.16	0.90	1.15	1.07	0.13	0.02	0.90	1.20	1.43	1.15	1.16
UK	12.0	0.32	1.35	1.29	1.01	0.95	0.86	1.00	0.87	0.86	0.83	0.83	1.21	1.14	1.29	1.24	1.06	1.21	0.92	1.15	1.28	0.95	1.06	0.92	0.82	0.66	0.30	1.06	0.93	0.99	1.28	0.95
US	11.6	0.27	0.73	0.72	1.04	0.95	0.92	1.00	0.99	0.94	0.74	0.63	0.93	0.69	0.66	0.18	0.06	0.93	0.81	1.12	0.93	1.00	0.92	0.80	0.83	0.93	0.91	0.92	0.73	0.85	0.93	1.00
Real GDP growth																																
Canada	12.8	0.34	1.11	1.22	1.01	0.99	1.01	1.00	1.02	0.89	0.86	0.65	0.57	0.74	0.67	0.16	0.03	0.57	0.74	0.75	0.70	0.72	0.69	0.65	0.40	0.08	0.01	0.69	0.79	0.70	0.70	0.72
Germany	11.9	0.44	0.87	0.99	0.98	0.93	0.91	1.00	1.03	0.90	0.71	0.58	0.71	0.92	0.74	0.28	0.06	0.71	0.74	0.95	1.02	1.11	0.89	0.80	0.73	0.62	0.31	0.89	0.78	0.85	1.02	1.11
Japan	12.9	0.47	0.77	0.65	0.60	0.56	0.54	1.00	0.93	0.77	0.60	0.34	0.62	0.80	0.65	0.45	0.18	0.62	0.62	0.63	0.65	0.62	1.00	0.85	0.76	0.80	0.75	1.00	0.80	0.59	0.65	0.62
UK	11.4	0.40	1.48	1.38	1.33	1.28	1.11	1.00	1.02	1.13	0.83	0.63	0.82	0.52	0.14	0.01	0.00	0.82	0.95	0.99	1.28	0.95	1.20	1.46	1.42	1.41	1.00	1.20	1.34	1.48	1.28	0.95
US	12.5	0.37	1.28	1.18	1.26	1.25	0.97	1.00	0.98	1.06	0.88	0.59	0.70	0.89	0.86	0.51	0.22	0.70	0.80	0.93	0.93	0.84	0.90	0.79	0.94	1.11	0.68	0.90	0.83	0.89	0.93	0.84
Interest rate																																
Canada	13.5	0.50	0.77	0.98	1.11	1.32	1.40	1.00	0.94	0.89	0.83	0.71	0.32	0.36	0.01	0.00	0.00	0.32	0.72	0.83	0.84	0.88	0.84	0.85	0.88	0.97	0.91	0.84	0.92	0.78	0.84	0.88
France	12.5	0.76	0.46	0.51	0.57	0.81	0.91	1.00	0.96	0.96	0.79	0.85	0.32	0.37	0.41	0.50	0.42	0.32	0.33	0.34	0.45	0.45	0.46	0.51	0.53	0.72	0.65	0.46	0.50	0.48	0.45	0.45
Germany	21.7	0.36	1.94	1.85	2.27	2.33	3.61	1.00	0.98	1.16	1.20	1.32	1.23	1.29	1.36	0.45	0.23	1.23	1.17	1.25	1.36	1.65	0.90	0.54	0.38	0.19	0.03	0.90	1.09	1.07	1.36	1.65
UK	15.7	0.49	1.05	1.45	2.05	3.52	7.99	1.00	1.09	1.25	2.56	3.93	0.77	1.06	0.93	0.19	0.04	0.77	1.07	1.47	2.88	7.65	0.86	1.07	1.51	3.94	8.32	0.86	1.04	1.57	2.88	7.65
US	13.3	0.71	0.79	0.94	1.15	1.99	3.40	1.00	0.98	1.01	1.20	1.50	0.47	0.77	0.64	0.18	0.12	0.47	0.71	1.43	2.25	2.58	0.86	1.09	1.48	2.21	2.49	0.86	0.99	1.38	2.25	2.58
With Intercept Correction																																
	$\overline{k}$	$\overline{b}$	RMSFE IMS/IMSIC					RMSFE IMS/DMSIC					RMSFE IMS/IMSpreIC					RMSFE IMS/DMSpreIC					RMSFE IMS/IMSpostIC					RMSFE IMS/DMSpostIC				
Inflation																																
Canada	13.1	0.65	0.80	0.80	0.96	0.86	0.93	0.80	0.87	0.98	0.64	0.76	0.37	0.06	0.00	0.00	0.00	0.37	0.84	0.84	1.08	1.25	0.84	0.54	0.22	0.01	0.00	0.84	1.03	1.16	1.08	1.25
France	12.6	0.66	0.89	0.91	0.86	0.95	0.96	0.89	0.78	0.74	3.92	3.56	0.18	0.03	0.00	0.00	0.00	0.18	0.63	1.94	6.11	16.90	1.02	0.84	0.99	2.78	8.39	1.02	1.41	1.77	6.11	16.90
Germany	14.4	0.55	1.02	0.87	1.04	0.91	0.87	1.02	0.87	1.04	0.78	0.85	0.49	0.46	0.41	0.12	0.09	0.49	0.48	1.13	1.00	1.22	1.40	0.71	0.67	0.48	0.41	1.40	0.89	1.08	1.00	1.22
Japan	12.6	0.42	0.94	1.07	1.59	1.09	1.36	0.94	0.99	1.23	0.50	0.59	0.68	0.66	0.45	0.10	0.01	0.68	0.83	1.27	1.19	1.39	0.81	0.79	0.57	0.51	0.10	0.81	1.18	1.64	1.19	1.39
UK	12.8	0.47	0.93	0.98	0.79	0.84	0.94	0.93	1.00	0.82	1.35	0.95	0.69	0.78	0.47	0.19	0.06	0.69	0.99	1.02	1.27	1.72	1.11	0.73	0.44	0.14	0.03	1.11	1.18	0.90	1.27	1.72
US	13.8	0.59	0.75	0.89	1.04	0.99	0.98	0.75	0.90	0.92	0.66	0.90	0.38	0.35	0.22	0.02	0.00	0.38	0.44	0.92	0.99	0.98	0.82	0.63	0.64	0.73	0.74	0.82	0.91	1.08	0.99	0.98
Industrial production growth																																
Canada	12.5	0.34	0.78	0.74	0.82	0.65	0.64	0.78	0.79	0.94	0.81	0.45	0.45	0.32	0.05	0.00	0.00	0.45	0.78	1.00	0.71	0.68	0.68	0.74	0.74	0.40	0.20	0.68	0.70	0.91	0.71	0.68
France	11.5	0.34	0.78	0.78	0.93	0.62	0.73	0.78	0.73	0.90	0.53	0.53	0.46	0.51	0.50	0.07	0.02	0.46	0.33	0.82	0.65	0.75	0.88	0.62	0.87	0.60	0.64	0.88	0.70	0.89	0.65	0.75
Germany	11.1	0.38	0.79	0.76	0.84	0.69	0.71	0.79	0.76	0.86	0.68	0.60	0.54	0.21	0.01	0.00	0.00	0.54	0.55	0.68	0.73	0.73	0.82	0.70	0.78	0.58	0.55	0.82	0.77	0.75	0.73	0.73
Japan	13.1	0.34	0.82	0.87	0.83	0.58	0.61	0.82	0.92	0.93	0.59	0.23	0.53	0.65	0.81	0.46	0.17	0.53	0.67	0.84	0.63	0.68	0.96	0.93	0.80	0.13	0.02	0.96	1.02	0.99	0.63	0.68
UK	12.0	0.32	0.92	0.71	0.75	0.62	0.68	0.92	0.65	0.65	0.57	0.71	0.91	0.75	0.75	0.69	0.70	0.91	0.64	0.74	0.69	0.70	1.03	0.72	0.66	0.48	0.27	1.03	0.75	0.81	0.69	0.70
US	11.6	0.27	0.73	0.68	0.83	0.68	0.70	0.73	0.70	0.86	0.61	0.47	0.62	0.55	0.58	0.18	0.06	0.62	0.64	1.01	0.73	0.72	0.83	0.77	0.83	0.70	0.65	0.83	0.69	0.86	0.73	0.72
Real GDP growth																																
Canada	12.8	0.34	0.96	0.72	0.75	0.66	0.64	0.96	0.74	0.77	0.84	0.53	0.70	0.65	0.61	0.16	0.03	0.70	0.75	0.78	0.71	0.70	0.74	0.54	0.37	0.08	0.01	0.74	0.68	0.71	0.71	0.70
Germany	11.9	0.44	0.76	0.81	0.75	0.75	0.64	0.76	0.84	0.67	0.58	0.53	0.60	0.72	0.55	0.25	0.06	0.60	0.62	0.83	0.79	0.71	0.75	0.71	0.64	0.48	0.31	0.75	0.72	0.71	0.79	0.71
Japan	12.9	0.47	0.86	0.69	0.78	0.68	0.61	0.86	0.67	0.74	0.57	0.28	0.65	0.64	0.56	0.35	0.18	0.65	0.63	0.79	0.72	0.62	0.88	0.78	0.90	0.56	0.51	0.88	0.73	0.63	0.72	0.62
UK	11.4	0.40	0.98	0.78	0.68	0.75	0.72	0.98	0.77	0.80	0.78	0.74	0.78	0.47	0.14	0.01	0.00	0.78	0.92	0.71	0.91	0.90	1.09	0.90	0.76	0.80	0.74	1.09	0.89	0.80	0.91	0.90
US	12.5	0.37	0.76	0.77	0.72	0.64	0.58	0.76	0.77	0.84	0.72	0.47	0.72	0.69	0.61	0.44	0.21	0.72	0.60	0.81	0.69	0.59	0.85	0.72	0.64	0.67	0.42	0.85	0.78	0.71	0.69	0.59
Interest rate																																
Canada	13.5	0.50	0.87	0.83	0.95	1.04	1.02	0.87	0.80	0.94	0.86	0.74	0.45	0.38	0.01	0.00	0.00	0.45	0.63	0.95	1.09	1.05	0.89	0.75	0.85	0.74	0.71	0.89	0.86	0.94	1.09	1.05
France	12.5	0.76	0.90	0.87	0.78	0.95	1.02	0.90	0.88	0.81	0.90	0.91	0.63	0.69	0.54	0.53	0.46	0.63	0.62	0.83	1.24	1.19	0.90	1.07	0.44	0.46	0.49	0.90	1.07	0.94	1.24	1.19
Germany	21.7	0.36	0.84	0.79	0.85	0.69	0.81	0.84	0.78	1.01	1.51	1.33	1.01	0.87	1.01	0.44	0.24	1.01	0.88	1.03	1.17	1.66	1.07	0.48	0.36	0.18	0.03	1.07	1.03	1.21	1.17	1.66
UK	15.7	0.49	0.96	0.87	0.90	0.91	0.98	0.96	0.97	1.13	3.67	3.85	1.01	1.04	0.84	0.18	0.04	1.01	1.21	1.54	3.33	6.21	1.27	1.08	1.26	2.39	4.45	1.27	1.24	1.46	3.33	6.21
US	13.3	0.71	0.95	0.86	0.85	1.04	1.11	0.95	0.83	0.97	1.14	1.40	0.75	0.74	0.60	0.18	0.12	0.75	0.86	1.41	2.17	2.41	0.98	0.99	1.10	1.48	1.69	0.98	0.98	1.52	2.17	2.41

Table 15: Out-of-sample performance ordered by variable: the table reports the ratios of root-MSFE for AR(4) models estimated over windows of 25 observations.

			$h=1$	2	4	8	12	1	2	4	8	12	1	2	4	8	12	1	2	4	8	12	1	2	4	8	12	1	2	4	8	12
Without Intercept Correction																																
	$\overline{k}$	$\overline{b}$	RMSFE IMS / σ					RMSFE IMS/DMS					RMSFE IMS/IMSpre					RMSFE IMS/DMSpre					RMSFE IMS/IMSpost					RMSFE IMS/DMSpost				
Inflation																																
Canada	13.1	0.65	0.52	0.65	0.82	1.02	1.11	1.00	1.06	0.89	0.66	0.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
France	12.6	0.66	0.49	0.68	0.91	0.94	1.18	1.00	0.96	1.04	0.97	0.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Germany	14.4	0.55	0.75	1.00	1.13	1.27	1.33	1.00	1.03	1.03	0.87	0.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Japan	12.6	0.42	0.49	0.67	0.70	0.71	0.82	1.00	1.07	0.82	0.69	0.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UK	12.8	0.47	0.53	0.75	0.78	0.87	1.11	1.00	0.98	0.99	0.95	0.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
US	13.8	0.59	0.52	0.79	0.96	1.42	1.40	1.00	0.99	0.95	0.87	0.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Industrial production growth																																
Canada	12.5	0.34	1.06	0.96	1.15	1.02	0.96	1.00	1.06	0.99	0.89	0.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
France	11.5	0.34	0.87	0.78	1.41	0.75	0.94	1.00	1.06	1.00	0.80	0.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Germany	11.1	0.38	0.92	0.97	1.08	0.88	0.90	1.00	0.99	1.00	1.00	0.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Japan	13.1	0.34	1.01	1.33	1.55	1.06	1.08	1.00	1.00	1.12	0.82	0.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UK	12.0	0.32	1.11	1.08	0.85	0.84	0.85	1.00	0.98	0.91	1.03	0.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
US	11.6	0.27	0.68	0.83	1.00	0.86	0.93	1.00	1.03	0.99	1.01	0.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Real GDP growth																																
Canada	12.8	0.34	1.01	1.09	0.99	0.90	0.89	1.00	1.01	1.02	0.95	0.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Germany	11.9	0.44	0.84	0.96	0.89	0.85	0.84	1.00	0.99	0.95	0.92	0.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Japan	12.9	0.47	0.79	0.63	0.62	0.56	0.55	1.00	1.02	1.02	0.85	0.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UK	11.4	0.40	1.16	1.07	1.08	1.10	0.98	1.00	0.98	0.93	0.91	0.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
US	12.5	0.37	1.22	1.03	1.05	1.15	0.91	1.00	0.96	0.91	1.01	0.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest rate																																
Canada	13.5	0.50	0.79	0.97	1.08	1.32	1.45	1.00	1.02	1.02	0.88	0.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.01	0.00	0.01	0.01	0.01	0.01	0.00	0.01	0.01	0.01	0.01
France	12.5	0.76	0.65	0.87	0.91	1.25	1.38	1.00	0.97	1.05	1.87	0.60	0.00	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.01	0.01	0.00	0.01	0.01	0.01	0.01	0.00	0.01	0.01	0.01	0.01
Germany	21.7	0.36	1.19	1.34	1.58	1.01	1.47	1.00	1.12	0.87	0.59	0.61	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UK	15.7	0.49	0.97	1.32	1.56	1.45	1.91	1.00	1.12	1.10	0.97	1.61	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.02	0.01	0.01	0.01	0.01	0.02
US	13.3	0.71	0.93	1.03	1.17	1.27	1.49	1.00	1.10	0.83	0.74	0.81	0.00	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.01	0.01	0.00	0.00	0.01	0.01	0.01	0.00	0.00	0.01	0.01	0.01
With Intercept Correction																																
	$\overline{k}$	$\overline{b}$	RMSFE IMS/IMSIC					RMSFE IMS/DMSIC					RMSFE IMS/IMSpreIC					RMSFE IMS/DMSpreIC					RMSFE IMS/IMSpostIC					RMSFE IMS/DMSpostIC				
Inflation																																
Canada	13.1	0.65	0.75	0.81	0.88	0.86	0.85	0.75	0.84	0.89	0.72	0.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
France	12.6	0.66	0.82	0.93	0.89	0.91	0.99	0.82	0.94	1.02	1.23	1.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Germany	14.4	0.55	0.93	0.95	1.09	0.93	0.89	0.93	0.94	1.01	0.85	0.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Japan	12.6	0.42	0.83	1.14	1.39	0.97	1.31	0.83	1.10	1.30	0.86	1.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UK	12.8	0.47	0.83	0.86	0.71	0.78	0.85	0.83	0.88	0.77	1.04	0.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
US	13.8	0.59	0.83	0.97	0.94	0.79	0.81	0.83	0.97	1.04	1.02	1.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Industrial production growth																																
Canada	12.5	0.34	0.74	0.79	0.71	0.69	0.66	0.74	0.80	0.82	0.81	0.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
France	11.5	0.34	0.72	0.79	0.87	0.61	0.75	0.72	0.78	0.89	0.52	0.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Germany	11.1	0.38	0.72	0.68	0.79	0.69	0.67	0.72	0.69	0.80	0.78	0.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Japan	13.1	0.34	0.77	0.88	0.74	0.54	0.71	0.77	0.88	0.93	1.05	0.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UK	12.0	0.32	0.88	0.64	0.62	0.61	0.69	0.88	0.63	0.68	0.60	0.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
US	11.6	0.27	0.67	0.71	0.84	0.64	0.72	0.67	0.76	0.87	0.76	0.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Real GDP growth																																
Canada	12.8	0.34	0.92	0.68	0.78	0.65	0.61	0.92	0.67	0.81	0.72	0.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Germany	11.9	0.44	0.69	0.78	0.76	0.71	0.65	0.69	0.77	0.66	0.70	0.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Japan	12.9	0.47	0.87	0.74	0.86	0.72	0.63	0.87	0.64	0.87	0.85	0.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UK	11.4	0.40	0.92	0.74	0.65	0.78	0.79	0.92	0.76	0.62	0.88	0.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
US	12.5	0.37	0.70	0.73	0.67	0.64	0.56	0.70	0.65	0.60	0.70	0.53	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest rate																																
Canada	13.5	0.50	0.87	0.87	0.94	1.08	1.08	0.87	0.83	0.91	0.90	0.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.01	0.00	0.01	0.01	0.01	0.01	0.00	0.01	0.01	0.01	0.01
France	12.5	0.76	1.32	1.66	1.35	1.98	1.80	1.32	1.31	0.63	1.18	0.60	0.00	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.01	0.01	0.00	0.01	0.01	0.01	0.01	0.00	0.01	0.01	0.01	0.01
Germany	21.7	0.36	0.63	0.61	0.77	0.48	0.67	0.63	0.69	0.59	0.50	0.75	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UK	15.7	0.49	0.99	0.88	0.82	0.83	0.87	0.99	0.95	0.86	1.60	1.39	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.02	0.01	0.01	0.01	0.01	0.02
US	13.3	0.71	1.16	1.13	1.10	1.09	1.06	1.16	0.75	0.76	0.67	0.71	0.00	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.01	0.01	0.00	0.00	0.01	0.01	0.01	0.00	0.00	0.01	0.01	0.01

Table 16: Out-of-sample performance ordered by variable: the table reports the ratios of root-MSFE for AR(p) models estimated over windows of 25 observations, wher p is chosen by the AIC.

2.2 Windows of 40 observations

			$h=1$	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20
Without Intercept Correction																																
	$\overline{k}$	$\overline{b}$	RMSFE IMS / σ					RMSFE IMS/DMS					RMSFE IMS/IMSpre					RMSFE IMS/DMSpre					RMSFE IMS/IMSpost					RMSFE IMS/DMSpost				
Inflation																																
Canada	19.4	0.87	0.54	0.69	0.90	1.02	1.17	1.00	1.03	0.96	0.93	0.79	0.52	0.57	0.59	0.60	0.63	0.52	0.52	0.48	0.55	0.56	1.16	1.20	1.20	1.18	1.18	1.16	1.04	0.76	0.75	0.61
France	20.3	0.73	0.47	0.64	0.88	1.04	1.10	1.00	1.03	1.05	1.01	0.85	0.47	0.48	0.55	0.60	0.63	0.47	0.39	0.48	0.49	0.49	1.03	1.02	1.03	1.06	0.93	1.03	0.79	0.85	0.67	0.52
Germany	22.3	0.57	0.97	1.06	1.04	1.14	1.04	1.00	1.00	1.03	0.87	0.82	0.74	0.77	0.79	0.90	0.86	0.74	0.70	0.68	0.68	0.58	1.14	1.14	1.06	0.97	0.86	1.14	1.02	0.70	0.62	0.56
Japan	19.0	0.32	0.84	1.29	0.79	0.71	0.88	1.00	0.97	1.00	0.61	0.77	0.48	0.69	0.55	0.51	0.59	0.48	0.69	0.69	0.76	1.06	0.60	0.64	0.22	0.08	0.04	0.60	0.63	0.54	0.61	1.03
UK	20.1	0.50	0.54	0.81	1.05	1.29	1.50	1.00	1.01	0.98	1.05	1.00	0.55	0.61	0.68	0.77	0.80	0.55	0.64	0.61	0.71	0.81	1.12	1.15	1.13	1.10	1.21	1.12	0.82	0.67	0.70	0.70
US	19.4	0.52	0.59	0.73	0.90	1.18	1.27	1.00	1.01	1.01	1.02	1.01	0.55	0.55	0.59	0.67	0.66	0.55	0.52	0.56	0.65	0.68	1.10	1.08	0.99	0.74	0.62	1.10	0.66	0.60	0.85	0.66
Industrial production growth																																
Canada	15.7	0.20	0.75	1.07	0.99	0.96	0.49	1.00	0.99	0.96	0.93	1.06	1.00	0.94	1.02	0.76	0.39	1.00	0.99	1.38	0.96	0.85	0.74	0.73	0.64	0.76	0.56	0.74	0.89	0.66	0.78	0.80
France	22.9	0.18	0.72	0.80	1.30	0.76	0.79	1.00	1.02	0.96	0.94	0.87	0.78	0.91	1.05	0.88	1.07	0.78	0.91	1.12	0.86	0.92	1.24	0.99	0.94	0.86	0.86	1.24	0.94	0.89	1.01	0.96
Germany	20.4	0.21	1.05	0.93	0.96	0.88	0.93	1.00	0.96	0.94	0.94	0.86	0.81	0.83	0.69	0.28	0.07	0.81	0.89	0.90	1.00	0.80	1.24	0.96	0.62	0.56	0.55	1.24	0.84	0.96	0.90	1.04
Japan	23.6	0.15	0.83	1.07	0.99	0.68	0.59	1.00	0.99	0.97	0.87	0.86	0.79	0.83	0.81	0.56	0.52	0.79	0.88	1.12	0.65	0.76	1.17	0.95	0.44	0.18	0.11	1.17	0.93	0.96	0.75	1.18
UK	18.9	0.09	0.66	0.47	0.50	0.67	0.44	1.00	1.04	1.30	0.91	0.88	0.68	1.15	0.74	1.29	1.18	0.68	0.97	1.22	1.12	1.09	1.24	0.56	0.58	0.65	0.47	1.24	0.44	0.89	0.84	0.85
US	17.4	0.15	0.88	0.74	0.44	0.56	0.40	1.00	1.01	0.96	0.75	1.13	1.09	1.09	0.65	1.01	0.66	1.09	1.14	0.73	0.79	0.76	1.00	0.78	0.50	0.50	0.48	1.00	0.91	0.83	0.62	0.91
Real GDP growth																																
Canada	21.5	0.16	0.81	0.93	0.65	0.93	0.76	1.00	1.03	0.93	0.87	0.89	0.78	0.83	0.82	0.77	0.60	0.78	0.96	0.97	0.91	0.74	0.96	0.65	0.41	0.58	0.51	0.96	0.68	0.50	0.77	0.61
Germany	20.3	0.44	0.83	0.78	0.80	0.91	0.72	1.00	0.97	0.90	0.98	1.01	0.81	0.86	0.84	0.88	0.82	0.81	0.81	0.83	0.98	0.93	1.30	0.97	0.87	0.87	0.77	1.30	0.94	0.94	0.96	0.89
Japan	20.7	0.60	0.63	0.78	0.54	0.68	0.75	1.00	1.08	1.12	0.94	0.99	0.54	0.81	0.65	0.71	0.75	0.54	0.84	0.64	0.73	0.75	1.33	1.20	1.17	1.09	1.01	1.33	1.11	0.83	1.02	0.91
UK	21.4	0.18	0.60	0.56	0.64	0.60	0.45	1.00	0.95	1.00	0.88	0.82	0.66	0.75	1.01	1.33	0.93	0.66	0.63	0.99	1.16	0.90	1.20	0.89	0.78	0.61	0.50	1.20	0.67	0.76	0.61	0.51
US	18.2	0.20	1.34	1.36	1.13	1.03	1.09	1.00	0.98	0.90	0.93	1.02	0.89	0.88	0.83	0.88	0.83	0.89	0.98	0.82	1.00	0.96	1.11	0.96	0.80	0.83	0.89	1.11	0.88	0.85	0.85	1.20
Interest rate																																
Canada	19.4	0.56	0.68	0.88	1.13	1.16	1.28	1.00	1.04	0.99	1.02	0.97	0.57	0.64	0.73	0.73	0.78	0.57	0.68	0.61	0.66	0.70	1.06	1.07	1.11	1.15	1.09	1.06	1.06	1.06	0.97	0.83
France	22.4	0.76	0.57	0.77	0.86	1.06	1.13	1.00	0.99	1.25	0.96	0.97	0.44	0.50	0.52	0.60	0.62	0.44	0.45	0.49	0.51	0.63	1.24	1.40	1.54	1.64	1.44	1.24	1.00	0.74	0.72	0.74
Germany	12.5	0.27	0.55	1.67	0.67	0.78	0.98	1.00	0.98	0.89	0.78	1.18	0.41	0.87	0.75	0.69	0.61	0.41	0.71	0.40	0.49	0.48	0.98	1.13	0.76	1.06	1.00	0.98	0.71	0.68	0.59	0.85
UK	19.8	0.56	0.62	0.89	1.23	1.04	1.11	1.00	1.14	1.06	1.34	1.27	0.45	0.59	0.67	0.62	0.63	0.45	0.62	0.58	0.76	0.75	1.02	1.19	1.22	1.52	1.52	1.02	1.34	1.17	1.43	1.07
US	19.8	0.74	0.91	1.13	1.14	1.40	1.45	1.00	1.01	1.08	0.91	0.94	0.61	0.67	0.67	0.80	0.85	0.61	0.53	0.71	0.75	0.90	1.09	1.13	1.13	1.07	1.03	1.09	1.06	1.00	0.92	1.01
With Intercept Correction																																
	$\overline{k}$	$\overline{b}$	RMSFE IMS/IMSIC					RMSFE IMS/DMSIC					RMSFE IMS/IMSpreIC					RMSFE IMS/DMSpreIC					RMSFE IMS/IMSpostIC					RMSFE IMS/DMSpostIC				
Inflation																																
Canada	19.4	0.87	0.72	0.82	0.94	1.00	1.00	0.72	0.80	0.89	0.99	1.05	0.54	0.70	0.70	0.61	0.56	0.54	0.81	1.01	1.05	1.07	0.80	0.85	0.73	0.58	0.60	0.80	0.98	1.05	1.12	1.07
France	20.3	0.73	0.74	0.92	0.97	1.01	1.03	0.74	0.91	0.93	0.99	0.97	0.50	0.79	0.90	0.67	0.58	0.50	0.67	0.95	1.07	1.05	0.81	0.74	0.60	0.56	0.56	0.81	1.03	1.18	1.20	1.19
Germany	22.3	0.57	0.68	0.74	0.83	0.75	0.72	0.68	0.72	0.74	0.74	0.75	0.65	0.79	0.76	0.65	0.54	0.65	0.76	0.83	0.81	0.82	0.77	0.77	0.67	0.52	0.42	0.77	0.83	0.85	0.81	0.75
Japan	19.0	0.32	0.53	0.85	0.49	0.48	0.57	0.53	0.75	0.51	0.94	0.42	0.92	0.87	0.39	0.33	0.37	0.92	1.04	0.78	0.69	0.40	0.47	0.40	0.15	0.06	0.04	0.47	0.97	0.56	0.50	0.58
UK	20.1	0.50	0.85	1.00	1.38	1.04	1.13	0.85	0.98	1.33	1.10	1.02	0.75	0.91	0.90	0.76	0.74	0.75	1.05	1.32	1.04	1.15	0.88	1.03	0.82	0.76	0.95	0.88	1.06	1.28	1.13	1.17
US	19.4	0.52	0.66	0.69	0.77	0.69	0.76	0.66	0.69	0.77	0.89	0.98	0.42	0.56	0.52	0.52	0.50	0.42	0.61	0.67	0.92	1.02	0.74	0.59	0.41	0.38	0.38	0.74	0.89	0.93	0.98	0.96
Industrial production growth																																
Canada	15.7	0.20	0.86	0.71	0.66	0.63	0.39	0.86	0.67	0.72	0.65	0.44	0.66	0.63	0.53	0.49	0.26	0.66	0.69	0.67	0.63	0.40	0.89	0.58	0.56	0.60	0.32	0.89	0.70	0.67	0.55	0.36
France	22.9	0.18	0.93	0.91	0.95	0.64	0.88	0.93	0.85	0.91	0.60	0.97	0.95	0.85	0.90	0.63	0.83	0.95	0.93	0.98	0.62	0.97	1.00	0.88	0.92	0.56	0.72	1.00	0.86	0.91	0.66	0.88
Germany	20.4	0.21	1.16	0.90	0.62	0.62	0.69	1.16	0.88	0.58	0.70	0.79	1.25	0.73	0.51	0.26	0.07	1.25	0.92	0.58	0.71	0.79	1.16	0.74	0.43	0.39	0.40	1.16	0.85	0.63	0.62	0.72
Japan	23.6	0.15	0.78	0.95	0.56	0.38	0.45	0.78	0.95	0.71	0.58	0.35	0.66	0.80	0.55	0.36	0.39	0.66	0.74	0.67	0.63	0.50	0.79	0.74	0.33	0.15	0.10	0.79	1.05	0.70	0.43	0.47
UK	18.9	0.09	0.87	0.45	0.38	0.67	0.36	0.87	0.44	0.45	0.56	0.36	0.93	0.42	0.34	0.65	0.34	0.93	0.45	0.46	0.56	0.38	1.04	0.38	0.30	0.47	0.27	1.04	0.38	0.38	0.67	0.36
US	17.4	0.15	0.73	0.72	0.38	0.41	0.38	0.73	0.82	0.42	0.42	0.38	0.63	0.57	0.34	0.41	0.36	0.63	0.78	0.42	0.43	0.41	0.79	0.53	0.25	0.29	0.23	0.79	0.73	0.39	0.41	0.38
Real GDP growth																																
Canada	21.5	0.16	0.84	0.56	0.42	0.54	0.45	0.84	0.57	0.44	0.54	0.42	0.82	0.51	0.36	0.46	0.36	0.82	0.60	0.43	0.56	0.42	0.86	0.51	0.34	0.44	0.38	0.86	0.56	0.41	0.56	0.46
Germany	20.3	0.44	1.07	0.77	0.74	0.73	0.59	1.07	0.71	0.58	0.69	0.62	1.10	0.76	0.68	0.67	0.53	1.10	0.73	0.61	0.72	0.60	1.06	0.72	0.67	0.64	0.52	1.06	0.74	0.68	0.73	0.62
Japan	20.7	0.60	0.92	1.06	0.87	0.86	0.86	0.92	0.98	0.81	0.95	0.82	0.98	0.98	0.57	0.50	0.52	0.98	1.04	0.87	0.95	0.87	0.93	0.98	0.74	0.64	0.65	0.93	1.06	0.88	0.87	0.86
UK	21.4	0.18	1.33	0.86	0.85	0.58	0.42	1.33	0.83	0.82	0.62	0.45	1.23	0.81	0.87	0.60	0.39	1.23	0.95	0.88	0.65	0.40	1.39	0.88	0.79	0.55	0.40	1.39	0.67	0.79	0.58	0.42
US	18.2	0.20	0.71	0.80	0.64	0.61	0.69	0.71	0.72	0.56	0.57	0.66	0.82	0.68	0.55	0.48	0.50	0.82	0.73	0.54	0.57	0.62	0.72	0.69	0.53	0.51	0.49	0.72	0.74	0.61	0.57	0.68
Interest rate																																
Canada	19.4	0.56	0.73	0.88	0.88	0.97	1.01	0.73	0.86	0.85	0.87	0.94	0.65	0.92	0.96	0.99	1.03	0.65	0.89	1.06	0.98	1.03	0.85	0.94	0.74	0.68	0.66	0.85	1.01	0.98	1.00	1.02
France	22.4	0.76	0.92	1.02	1.06	1.41	1.30	0.92	1.02	0.95	1.18	1.19	0.86	1.16	1.17	1.36	0.89	0.86	1.10	1.32	1.14	1.28	1.07	1.04	0.81	0.60	0.54	1.07	1.35	1.22	1.44	1.33
Germany	12.5	0.27	0.78	1.12	0.55	0.67	0.68	0.78	1.08	0.52	0.61	0.73	0.76	1.12	0.53	0.57	0.68	0.76	1.15	0.72	0.69	0.69	0.84	1.21	0.33	0.46	0.44	0.84	1.11	0.58	0.76	0.67
UK	19.8	0.56	0.89	1.26	1.54	1.49	2.13	0.89	1.16	1.43	1.30	1.62	0.73	1.18	1.35	1.40	1.36	0.73	1.12	1.40	1.38	1.83	1.03	1.30	1.39	1.41	1.21	1.03	1.24	1.23	1.54	2.31
US	19.8	0.74	0.76	0.82	1.01	0.97	0.97	0.76	0.81	0.83	0.88	0.81	0.79	0.95	1.01	0.92	0.86	0.79	1.00	1.00	0.98	0.97	0.87	0.91	0.91	0.80	0.68	0.87	0.99	1.02	1.01	0.98

Table 17: Out-of-sample performance ordered by variable: the table reports the ratios of root-MSFE for AR(1) models estimated over windows of 40 observations.

			$h=1$	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20
Without Intercept Correction																																
	$\overline{k}$	$\overline{b}$	RMSFE IMS / σ					RMSFE IMS/DMS					RMSFE IMS/IMSpre					RMSFE IMS/DMSpre					RMSFE IMS/IMSpost					RMSFE IMS/DMSpost				
Inflation																																
Canada	19.4	0.87	0.53	0.66	0.86	1.02	1.15	1.00	0.98	0.92	0.86	0.70	0.43	0.48	0.57	0.46	0.60	0.43	0.43	0.46	0.53	0.55	0.94	0.98	1.05	1.03	1.09	0.94	0.76	0.71	0.71	0.58
France	20.3	0.73	0.47	0.62	0.87	1.06	1.16	1.00	0.96	0.95	0.99	0.87	0.36	0.38	0.58	0.62	0.66	0.36	0.35	0.47	0.49	0.53	0.72	0.75	0.96	1.02	0.86	0.72	0.65	0.76	0.62	0.54
Germany	22.3	0.57	0.92	1.03	1.02	1.16	1.09	1.00	1.16	1.01	0.89	0.80	0.68	0.67	0.77	0.87	0.88	0.68	0.80	0.67	0.66	0.60	0.92	0.98	0.92	0.85	0.77	0.92	0.81	0.64	0.63	0.58
Japan	19.0	0.32	0.89	1.43	1.54	1.85	2.44	1.00	0.90	1.61	1.40	1.05	0.45	0.82	1.15	1.25	1.49	0.45	1.13	1.05	2.30	3.38	0.58	0.70	1.15	1.32	1.42	0.58	0.72	1.03	1.61	2.90
UK	20.1	0.50	0.54	0.78	1.02	1.27	1.50	1.00	0.99	1.00	1.07	1.01	0.54	0.63	0.66	0.78	0.83	0.54	0.62	0.56	0.70	0.78	0.70	0.80	0.93	1.04	1.16	0.70	0.57	0.62	0.67	0.69
US	19.4	0.52	0.61	0.74	0.93	1.25	1.29	1.00	1.04	0.99	1.03	0.95	0.51	0.52	0.64	0.77	0.72	0.51	0.50	0.60	0.66	0.69	0.60	0.66	0.78	0.98	0.92	0.60	0.52	0.60	0.84	0.67
Industrial production growth																																
Canada	15.7	0.20	0.78	1.10	1.00	0.94	0.51	1.00	1.02	1.04	0.80	1.01	1.13	1.02	0.97	0.69	0.34	1.13	1.17	1.48	0.91	0.68	0.65	0.92	0.75	0.74	0.77	0.65	0.95	0.69	0.76	0.81
France	22.9	0.18	0.70	0.78	1.30	0.76	0.80	1.00	0.98	0.94	0.88	0.80	0.72	0.92	1.13	0.85	1.23	0.72	0.94	1.12	0.80	0.89	1.04	0.90	0.92	0.83	0.84	1.04	0.86	0.92	0.99	0.97
Germany	20.4	0.21	1.11	0.96	0.97	0.88	0.94	1.00	0.99	0.92	0.89	0.86	0.77	0.98	0.98	1.09	1.07	0.77	0.91	0.97	0.90	0.79	1.06	0.85	0.69	0.67	0.72	1.06	0.95	0.94	0.94	1.11
Japan	23.6	0.15	0.81	1.06	1.06	0.76	0.64	1.00	0.96	1.00	1.02	0.82	0.77	0.89	0.86	0.60	0.53	0.77	0.97	1.13	0.72	0.81	0.93	0.91	0.71	0.46	0.45	0.93	0.92	1.16	0.84	1.30
UK	18.9	0.09	0.66	0.47	0.50	0.65	0.42	1.00	0.84	1.17	0.85	0.99	0.79	0.92	1.13	1.05	1.04	0.79	0.83	1.09	1.01	1.18	0.66	0.43	0.49	0.52	0.36	0.66	0.91	0.92	0.81	0.78
US	17.4	0.15	0.91	0.73	0.45	0.54	0.39	1.00	0.99	0.93	0.69	0.92	1.10	1.09	0.63	0.85	0.68	1.10	1.06	0.76	0.77	0.63	1.16	0.87	0.60	0.59	0.43	1.16	0.71	0.84	0.60	0.78
Real GDP growth																																
Canada	21.5	0.16	0.84	0.90	0.65	0.92	0.77	1.00	0.95	1.06	0.79	0.67	0.84	0.94	0.93	0.89	0.74	0.84	1.08	1.07	0.91	0.64	0.89	0.65	0.48	0.67	0.60	0.89	0.71	0.50	0.67	0.62
Germany	20.3	0.44	0.79	0.81	0.81	0.92	0.73	1.00	0.98	0.91	0.97	0.99	0.75	0.88	0.71	0.34	0.05	0.75	0.78	0.82	1.02	0.95	1.06	0.98	0.82	0.80	0.52	1.06	1.04	0.93	0.96	0.93
Japan	20.7	0.60	0.61	0.71	0.51	0.67	0.74	1.00	1.03	1.09	0.98	0.92	0.53	0.78	0.60	0.73	0.77	0.53	0.72	0.68	0.69	0.75	1.13	1.02	0.89	1.02	0.98	1.13	0.97	0.76	0.98	0.84
UK	21.4	0.18	0.63	0.60	0.63	0.61	0.44	1.00	1.13	0.98	0.82	0.68	0.58	0.67	0.87	1.30	1.04	0.58	0.71	1.02	1.15	0.78	1.06	0.75	0.75	0.56	0.45	1.06	0.95	0.75	0.64	0.51
US	18.2	0.20	1.27	1.39	1.21	1.05	1.07	1.00	1.00	0.98	0.97	0.93	0.85	1.04	1.03	0.85	0.88	0.85	0.92	1.07	0.86	0.92	1.00	0.90	0.84	0.83	0.92	1.00	0.93	0.88	0.84	1.13
Interest rate																																
Canada	19.4	0.56	0.66	0.83	1.08	1.11	1.22	1.00	1.00	0.97	0.90	0.79	0.48	0.69	0.65	0.71	0.71	0.48	0.70	0.62	0.63	0.69	0.94	0.98	1.06	1.11	1.03	0.94	0.80	0.97	0.88	0.73
France	22.4	0.76	0.57	0.77	0.82	1.01	1.09	1.00	1.05	1.26	0.89	1.12	0.41	0.44	0.52	0.59	0.62	0.41	0.44	0.44	0.49	0.65	0.80	0.99	1.16	1.17	1.22	0.80	0.84	0.62	0.66	0.69
Germany	12.5	0.27	0.56	1.70	0.73	0.81	0.95	1.00	1.03	1.01	0.74	1.19	0.27	0.75	0.85	0.64	0.55	0.27	0.75	0.51	0.52	0.46	0.45	0.72	0.75	0.60	0.90	0.45	0.72	0.74	0.60	0.82
UK	19.8	0.56	0.54	0.75	1.09	0.92	1.02	1.00	1.00	0.97	1.31	1.19	0.43	0.50	0.57	0.56	0.58	0.43	0.48	0.47	0.65	0.76	1.08	1.13	1.15	1.61	1.74	1.08	1.05	1.01	1.16	0.93
US	19.8	0.74	0.93	1.12	1.09	1.37	1.45	1.00	1.10	1.00	0.87	0.93	0.48	0.49	0.69	0.80	0.85	0.48	0.52	0.63	0.79	0.95	1.01	1.03	1.08	1.04	0.99	1.01	1.00	0.90	0.93	1.02
With Intercept Correction																																
	$\overline{k}$	$\overline{b}$	RMSFE IMS/IMSIC					RMSFE IMS/DMSIC					RMSFE IMS/IMSpreIC					RMSFE IMS/DMSpreIC					RMSFE IMS/IMSpostIC					RMSFE IMS/DMSpostIC				
Inflation																																
Canada	19.4	0.87	0.76	0.78	0.86	0.85	0.85	0.76	0.79	0.88	0.95	0.89	0.48	0.55	0.67	0.51	0.54	0.48	0.63	0.89	1.04	1.05	0.89	0.79	0.53	0.53	0.56	0.89	0.94	1.03	1.11	1.06
France	20.3	0.73	0.76	0.87	0.89	0.91	0.93	0.76	0.87	0.83	0.96	0.97	0.45	0.61	0.71	0.69	0.58	0.45	0.60	0.86	1.07	1.18	0.81	0.63	0.60	0.59	0.55	0.81	1.00	1.14	1.22	1.25
Germany	22.3	0.57	0.69	0.72	0.79	0.75	0.72	0.69	0.80	0.77	0.83	0.82	0.67	0.61	0.68	0.60	0.55	0.67	0.67	0.81	0.82	0.82	0.74	0.79	0.64	0.50	0.43	0.74	0.84	0.85	0.87	0.79
Japan	19.0	0.32	0.62	0.85	0.62	0.60	0.76	0.62	0.79	1.14	2.32	0.79	0.96	0.91	0.79	0.85	0.99	0.96	1.00	1.82	1.63	1.17	0.89	0.69	0.65	0.68	0.79	0.89	1.13	1.08	1.31	1.61
UK	20.1	0.50	0.85	0.94	1.29	1.00	1.10	0.85	0.95	1.38	1.09	1.04	0.74	0.91	0.83	0.79	0.80	0.74	1.15	1.25	0.96	1.17	0.91	0.84	0.87	0.84	1.05	0.91	1.03	1.21	1.11	1.15
US	19.4	0.52	0.70	0.70	0.77	0.67	0.72	0.70	0.79	0.80	0.91	0.90	0.44	0.51	0.52	0.59	0.53	0.44	0.60	0.62	0.98	1.01	0.79	0.56	0.48	0.51	0.53	0.79	0.99	0.92	1.03	0.97
Industrial production growth																																
Canada	15.7	0.20	0.88	0.71	0.66	0.62	0.41	0.88	0.72	0.80	0.63	0.48	0.64	0.59	0.54	0.45	0.24	0.64	0.70	0.74	0.62	0.38	0.88	0.73	0.68	0.63	0.40	0.88	0.67	0.67	0.56	0.36
France	22.9	0.18	0.85	0.86	0.95	0.64	0.89	0.85	0.81	0.87	0.58	0.99	0.87	0.84	0.97	0.62	0.96	0.87	0.75	0.97	0.58	0.94	0.99	0.82	0.89	0.55	0.69	0.99	0.84	0.94	0.65	0.88
Germany	20.4	0.21	1.20	0.91	0.62	0.63	0.70	1.20	0.83	0.58	0.76	0.82	1.17	0.86	0.65	0.65	0.73	1.17	0.80	0.63	0.76	0.80	1.07	0.77	0.48	0.46	0.49	1.07	0.89	0.63	0.63	0.73
Japan	23.6	0.15	0.79	0.91	0.57	0.39	0.46	0.79	0.98	0.83	0.61	0.37	0.71	0.71	0.54	0.38	0.40	0.71	0.81	0.76	0.68	0.51	0.90	0.68	0.48	0.31	0.28	0.90	0.98	0.76	0.48	0.51
UK	18.9	0.09	0.87	0.45	0.38	0.65	0.34	0.87	0.39	0.50	0.69	0.36	1.14	0.45	0.38	0.65	0.34	1.14	0.40	0.47	0.72	0.37	1.00	0.30	0.29	0.42	0.24	1.00	0.45	0.38	0.65	0.34
US	17.4	0.15	0.75	0.72	0.40	0.40	0.37	0.75	0.67	0.38	0.41	0.33	0.74	0.83	0.37	0.41	0.39	0.74	0.71	0.41	0.45	0.37	0.85	0.66	0.29	0.33	0.25	0.85	0.72	0.39	0.40	0.37
Real GDP growth																																
Canada	21.5	0.16	0.85	0.53	0.42	0.52	0.45	0.85	0.52	0.49	0.49	0.37	0.90	0.51	0.38	0.49	0.41	0.90	0.53	0.50	0.54	0.38	0.87	0.50	0.40	0.52	0.44	0.87	0.52	0.38	0.52	0.48
Germany	20.3	0.44	1.00	0.76	0.73	0.73	0.59	1.00	0.76	0.61	0.71	0.60	0.83	0.69	0.58	0.31	0.05	0.83	0.78	0.64	0.75	0.60	1.03	0.76	0.66	0.61	0.41	1.03	0.79	0.70	0.73	0.63
Japan	20.7	0.60	0.82	0.87	0.80	0.84	0.85	0.82	0.88	0.77	0.92	0.71	0.89	0.77	0.51	0.51	0.51	0.89	0.93	0.74	0.91	0.86	0.96	0.94	0.71	0.66	0.67	0.96	0.98	0.80	0.86	0.85
UK	21.4	0.18	1.36	0.90	0.85	0.59	0.42	1.36	0.79	0.78	0.60	0.49	1.31	1.05	0.73	0.60	0.42	1.31	1.00	0.79	0.60	0.43	1.39	0.68	0.71	0.50	0.36	1.39	0.89	0.81	0.59	0.42
US	18.2	0.20	0.71	0.75	0.66	0.61	0.67	0.71	0.73	0.62	0.60	0.62	0.79	0.70	0.59	0.51	0.52	0.79	0.68	0.60	0.63	0.62	0.78	0.73	0.63	0.60	0.56	0.78	0.76	0.61	0.61	0.67
Interest rate																																
Canada	19.4	0.56	0.77	0.83	0.81	0.89	0.93	0.77	0.86	0.84	0.83	0.82	0.56	0.80	0.80	0.81	0.80	0.56	0.75	0.90	0.93	0.97	0.86	0.87	0.71	0.62	0.63	0.86	0.96	0.95	0.97	0.96
France	22.4	0.76	0.93	1.00	0.98	1.33	1.26	0.93	1.00	0.88	1.05	1.14	0.84	1.07	1.13	1.39	0.82	0.84	1.02	1.10	1.07	1.29	1.17	0.87	0.77	0.57	0.53	1.17	1.20	1.19	1.36	1.28
Germany	12.5	0.27	0.85	1.10	0.57	0.68	0.65	0.85	1.15	0.61	0.63	0.71	0.68	1.20	0.46	0.56	0.63	0.68	1.15	0.68	0.73	0.67	0.97	1.14	0.63	0.70	0.47	0.97	1.12	0.67	0.76	0.64
UK	19.8	0.56	0.83	1.02	1.32	1.24	1.96	0.83	1.04	1.35	1.11	1.56	0.69	1.01	1.20	1.23	1.25	0.69	1.12	1.07	1.39	1.76	0.94	1.10	1.26	1.12	1.04	0.94	1.01	1.10	1.37	2.03
US	19.8	0.74	0.78	0.80	0.93	0.92	0.94	0.78	0.86	0.80	0.82	0.75	0.78	0.85	0.91	0.86	0.85	0.78	0.89	0.85	0.93	0.96	0.92	0.89	0.83	0.74	0.65	0.92	1.03	0.95	1.00	0.97

Table 18: Out-of-sample performance ordered by variable: the table reports the ratios of root-MSFE for AR(2) models estimated over windows of 40 observations.

			$h=1$	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20
Without Intercept Correction																																
	$\overline{k}$	$\overline{b}$	RMSFE IMS / σ					RMSFE IMS/DMS					RMSFE IMS/IMSpre					RMSFE IMS/DMSpre					RMSFE IMS/IMSpost					RMSFE IMS/DMSpost				
Inflation																																
Canada	19.4	0.87	0.55	0.72	0.94	1.09	1.19	1.00	0.99	0.91	0.79	0.59	0.29	0.38	0.39	0.13	0.03	0.29	0.40	0.44	0.57	0.57	0.64	0.78	0.85	0.42	0.15	0.64	0.65	0.73	0.71	0.57
France	20.3	0.73	0.48	0.66	0.91	1.25	1.63	1.00	0.96	0.96	1.06	1.06	0.09	0.02	0.00	0.00	0.00	0.09	0.34	0.48	0.56	0.75	0.52	0.67	0.72	0.36	0.12	0.52	0.65	0.71	0.67	0.74
Germany	22.3	0.57	0.87	0.88	0.95	1.12	1.16	1.00	0.96	0.93	0.82	0.72	0.53	0.33	0.13	0.02	0.00	0.53	0.54	0.59	0.58	0.62	0.61	0.56	0.12	0.00	0.00	0.61	0.60	0.54	0.57	0.60
Japan	19.0	0.32	1.06	1.59	2.79	6.46	16.9	1.00	1.08	2.32	4.99	4.51	0.66	1.08	2.35	9.78	23.55	0.66	1.03	2.72	4.06	19.13	0.66	0.79	1.70	5.35	10.99	0.66	0.75	1.92	5.58	19.32
UK	20.1	0.50	0.55	0.76	1.01	1.31	1.61	1.00	1.02	1.01	1.14	1.05	0.43	0.47	0.53	0.76	0.48	0.43	0.47	0.52	0.73	0.82	0.42	0.51	0.58	0.15	0.04	0.42	0.51	0.59	0.68	0.74
US	19.4	0.52	0.60	0.77	0.98	1.18	1.10	1.00	1.03	0.95	0.80	0.75	0.44	0.37	0.43	0.56	0.36	0.44	0.42	0.51	0.63	0.56	0.42	0.45	0.29	0.04	0.00	0.42	0.44	0.62	0.72	0.57
Industrial production growth																																
Canada	15.7	0.20	0.87	1.01	0.99	0.98	0.49	1.00	0.98	1.04	0.81	0.74	0.88	1.06	1.26	0.96	0.55	0.88	1.11	1.37	0.91	0.73	0.84	0.84	0.69	0.79	0.72	0.84	0.86	0.70	0.80	0.68
France	22.9	0.18	0.68	0.82	1.40	0.78	0.85	1.00	0.98	0.96	0.87	0.66	0.75	0.99	1.17	0.86	1.09	0.75	0.82	1.14	0.78	1.08	0.96	0.83	0.77	0.42	0.85	0.96	0.93	1.03	0.96	1.10
Germany	20.4	0.21	1.06	0.95	1.13	0.91	0.94	1.00	0.93	0.94	0.79	0.70	0.79	0.28	0.01	0.00	0.00	0.79	0.95	1.18	0.91	0.73	0.42	0.58	0.24	0.00	0.00	0.42	1.02	1.07	0.95	1.17
Japan	23.6	0.15	0.90	1.02	0.98	0.65	0.68	1.00	0.92	1.06	0.86	0.68	0.89	0.92	1.02	0.82	0.43	0.89	0.89	1.05	0.63	0.96	0.69	0.81	0.66	0.07	0.01	0.69	0.88	1.24	0.71	1.25
UK	18.9	0.09	0.67	0.47	0.39	0.66	0.43	1.00	1.02	0.58	0.99	0.90	0.64	0.73	0.99	1.15	1.08	0.64	0.65	0.70	1.10	0.73	1.22	0.95	0.68	0.84	0.84	1.22	0.88	0.67	0.88	0.72
US	17.4	0.15	1.02	0.84	0.59	0.70	0.38	1.00	0.90	0.86	0.72	0.37	0.92	0.97	0.98	0.95	0.77	0.92	0.76	1.21	0.82	0.42	0.99	0.82	0.87	0.76	0.64	0.99	0.78	1.01	0.81	0.74
Real GDP growth																																
Canada	21.5	0.16	0.89	0.98	0.71	0.96	0.73	1.00	0.99	0.90	0.64	0.70	0.67	1.20	1.05	0.96	0.88	0.67	1.23	0.92	0.87	0.70	1.04	0.70	0.53	0.68	0.54	1.04	0.59	0.51	0.70	0.55
Germany	20.3	0.44	0.75	0.83	0.89	0.98	0.77	1.00	1.05	1.02	0.90	0.99	0.72	0.98	0.79	0.30	0.07	0.72	0.79	0.87	1.01	0.80	0.93	0.89	0.84	0.32	0.07	0.93	1.13	0.98	0.95	0.92
Japan	20.7	0.60	0.60	0.70	0.46	0.65	0.72	1.00	1.00	0.87	0.98	0.78	0.25	0.68	0.32	0.09	0.05	0.25	0.80	0.55	0.56	0.65	0.93	0.93	0.67	0.78	0.54	0.93	0.87	0.66	0.95	0.81
UK	21.4	0.18	0.51	0.50	0.64	0.70	0.50	1.00	0.89	0.91	0.97	0.44	0.48	0.53	0.99	1.46	1.33	0.48	0.55	1.08	1.29	0.71	0.36	0.47	0.28	0.03	0.00	0.36	0.67	0.73	0.73	0.54
US	18.2	0.20	1.28	1.42	1.33	1.12	1.05	1.00	1.03	1.11	1.00	0.85	0.88	0.89	0.91	0.68	0.86	0.88	0.90	1.07	0.92	0.90	0.93	0.92	0.99	0.94	0.87	0.93	0.91	0.85	0.86	0.99
Interest rate																																
Canada	19.4	0.56	0.68	0.88	1.17	1.16	1.25	1.00	1.02	0.98	0.83	0.61	0.36	0.58	0.48	0.58	0.46	0.36	0.40	0.58	0.49	0.68	0.68	0.79	0.90	0.45	0.19	0.68	0.80	0.94	0.85	0.72
France	22.4	0.76	0.54	0.71	0.64	0.76	0.78	1.00	0.96	0.98	0.58	0.68	0.30	0.28	0.23	0.04	0.00	0.30	0.34	0.31	0.37	0.46	0.59	0.76	0.64	0.64	0.16	0.59	0.62	0.45	0.49	0.47
Germany	12.5	0.27	0.58	1.66	0.76	0.85	0.93	1.00	0.95	0.87	0.73	1.15	0.02	0.01	0.00	0.00	0.00	0.02	0.61	0.57	0.54	0.45	0.46	0.71	0.76	0.63	0.87	0.46	0.71	0.72	0.62	0.60
UK	19.8	0.56	0.54	0.76	1.10	0.92	0.99	1.00	1.00	1.08	1.35	1.26	0.35	0.44	0.52	0.32	0.10	0.35	0.36	0.51	0.67	0.79	1.07	1.02	1.05	1.53	1.72	1.07	0.99	1.05	1.00	0.88
US	19.8	0.74	0.88	1.05	1.07	1.48	1.69	1.00	0.95	0.83	0.95	1.00	0.46	0.45	0.67	0.85	0.93	0.46	0.40	0.59	0.96	1.14	0.78	0.88	0.91	1.05	1.10	0.78	0.80	0.83	1.02	1.20
With Intercept Correction																																
	$\overline{k}$	$\overline{b}$	RMSFE IMS/IMSIC					RMSFE IMS/DMSIC					RMSFE IMS/IMSpreIC					RMSFE IMS/DMSpreIC					RMSFE IMS/IMSpostIC					RMSFE IMS/DMSpostIC				
Inflation																																
Canada	19.4	0.87	0.82	0.81	0.93	0.91	0.91	0.82	0.83	0.92	0.94	0.75	0.39	0.50	0.47	0.12	0.03	0.39	0.62	0.69	0.96	1.08	0.93	0.69	0.55	0.35	0.14	0.93	1.05	0.98	1.18	1.13
France	20.3	0.73	0.77	0.91	0.87	0.89	0.95	0.77	0.90	0.88	1.12	1.18	0.10	0.02	0.00	0.00	0.00	0.10	0.48	0.87	1.20	1.65	0.80	0.74	0.59	0.35	0.12	0.80	1.06	1.10	1.47	1.74
Germany	22.3	0.57	0.69	0.70	0.71	0.71	0.72	0.69	0.69	0.72	0.82	0.83	0.51	0.30	0.12	0.02	0.00	0.51	0.54	0.73	0.77	0.85	0.65	0.43	0.11	0.00	0.00	0.65	0.69	0.76	0.80	0.84
Japan	19.0	0.32	0.82	0.99	0.78	0.79	1.01	0.82	1.04	1.79	5.43	4.20	1.06	1.28	2.39	4.07	9.25	1.06	1.46	2.20	7.28	8.26	0.90	0.99	1.18	3.21	6.62	0.90	1.11	2.02	4.58	11.06
UK	20.1	0.50	0.85	0.94	1.21	0.94	1.05	0.85	0.97	1.29	1.11	1.11	0.69	0.66	0.67	0.87	0.46	0.69	0.80	0.92	0.93	1.26	0.80	0.60	0.56	0.14	0.04	0.80	0.98	1.20	1.16	1.24
US	19.4	0.52	0.72	0.77	0.79	0.71	0.73	0.72	0.82	0.83	0.80	0.78	0.37	0.36	0.37	0.43	0.29	0.37	0.49	0.54	0.82	0.85	0.78	0.47	0.29	0.04	0.00	0.78	0.73	1.03	0.96	0.83
Industrial production growth																																
Canada	15.7	0.20	0.99	0.66	0.70	0.63	0.38	0.99	0.66	0.77	0.61	0.43	0.90	0.66	0.69	0.59	0.36	0.90	0.67	0.70	0.63	0.38	0.94	0.62	0.65	0.64	0.40	0.94	0.62	0.63	0.57	0.35
France	22.9	0.18	0.90	0.91	0.98	0.64	0.91	0.90	0.91	0.92	0.60	0.83	0.66	0.68	0.96	0.60	0.89	0.66	0.63	0.92	0.54	1.00	0.85	0.82	0.76	0.38	0.67	0.85	0.90	1.01	0.64	0.95
Germany	20.4	0.21	1.10	0.85	0.65	0.60	0.68	1.10	0.81	0.63	0.81	0.76	1.07	0.27	0.01	0.00	0.00	1.07	0.74	0.74	0.83	0.80	0.44	0.68	0.25	0.00	0.00	0.44	0.93	0.71	0.66	0.73
Japan	23.6	0.15	0.79	0.98	0.65	0.43	0.53	0.79	1.03	0.78	0.52	0.32	0.75	0.75	0.62	0.41	0.37	0.75	0.73	0.61	0.54	0.52	0.91	0.88	0.52	0.07	0.01	0.91	0.99	0.73	0.41	0.51
UK	18.9	0.09	0.90	0.44	0.33	0.64	0.35	0.90	0.45	0.37	0.75	0.37	0.97	0.51	0.34	0.61	0.35	0.97	0.52	0.37	0.76	0.33	0.96	0.44	0.30	0.66	0.35	0.96	0.44	0.30	0.67	0.34
US	17.4	0.15	0.81	0.84	0.49	0.50	0.35	0.81	0.81	0.49	0.47	0.22	0.83	0.80	0.53	0.52	0.38	0.83	0.73	0.51	0.76	0.27	0.95	0.76	0.45	0.48	0.31	0.95	0.83	0.52	0.55	0.35
Real GDP growth																																
Canada	21.5	0.16	0.93	0.60	0.48	0.56	0.43	0.93	0.62	0.49	0.43	0.36	0.88	0.62	0.48	0.55	0.43	0.88	0.68	0.60	0.54	0.40	0.88	0.55	0.41	0.51	0.39	0.88	0.49	0.43	0.54	0.40
Germany	20.3	0.44	0.96	0.83	0.70	0.71	0.57	0.96	0.86	0.73	0.72	0.62	0.78	0.74	0.57	0.28	0.07	0.78	0.71	0.75	0.84	0.62	0.80	0.73	0.66	0.29	0.07	0.80	0.90	0.73	0.72	0.64
Japan	20.7	0.60	0.82	0.89	0.71	0.79	0.81	0.82	0.87	0.66	0.83	0.66	0.29	0.79	0.35	0.09	0.05	0.29	0.84	0.54	0.73	0.81	0.84	0.83	0.59	0.56	0.44	0.84	0.89	0.69	0.82	0.82
UK	21.4	0.18	1.49	0.86	0.85	0.65	0.46	1.49	0.85	0.74	0.84	0.48	0.95	1.00	0.92	0.62	0.52	0.95	0.93	0.64	0.58	0.47	0.37	0.52	0.27	0.03	0.00	0.37	0.70	0.80	0.68	0.47
US	18.2	0.20	0.74	0.77	0.69	0.61	0.65	0.74	0.83	0.76	0.66	0.63	0.72	0.65	0.53	0.46	0.51	0.72	0.72	0.60	0.68	0.67	0.77	0.77	0.71	0.63	0.52	0.77	0.77	0.64	0.70	0.67
Interest rate																																
Canada	19.4	0.56	0.86	0.83	0.86	0.92	0.94	0.86	0.86	0.89	0.78	0.66	0.53	0.64	0.64	0.55	0.46	0.53	0.37	0.79	0.71	0.93	0.90	0.76	0.75	0.37	0.19	0.90	0.97	0.99	0.95	0.95
France	22.4	0.76	0.86	0.85	0.70	0.84	0.81	0.86	0.86	0.69	0.70	0.70	0.38	0.33	0.30	0.04	0.00	0.38	0.65	0.63	0.83	0.84	0.92	0.89	0.51	0.42	0.14	0.92	1.02	0.95	1.03	0.92
Germany	12.5	0.27	0.94	1.11	0.60	0.72	0.63	0.94	1.08	0.63	0.68	0.68	0.02	0.01	0.00	0.00	0.00	0.02	1.06	0.73	0.76	0.68	0.97	1.10	0.67	0.73	0.44	0.97	1.11	0.69	0.72	0.65
UK	19.8	0.56	0.87	1.05	1.34	1.19	1.85	0.87	1.07	1.33	1.00	1.52	0.71	0.92	0.96	0.31	0.10	0.71	0.78	0.95	1.21	1.87	0.89	0.96	1.01	0.96	0.92	0.89	0.96	1.13	1.36	1.96
US	19.8	0.74	0.81	0.85	0.83	0.83	0.87	0.81	0.83	0.78	0.97	0.87	0.76	0.80	0.75	0.90	0.95	0.76	0.68	0.72	1.01	1.13	0.81	0.85	0.77	0.78	0.76	0.81	0.88	0.87	1.07	1.13

Table 19: Out-of-sample performance ordered by variable: the table reports the ratios of root-MSFE for AR(4) models estimated over windows of 40 observations.

			$h=1$	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20
Without Intercept Correction																																
	$\overline{k}$	$\overline{b}$	RMSFE IMS / σ					RMSFE IMS/DMS					RMSFE IMS/IMSpre					RMSFE IMS/DMSpre					RMSFE IMS/IMSpost					RMSFE IMS/DMSpost				
Inflation																																
Canada	19.4	0.87	0.54	0.69	0.90	1.03	1.17	1.00	1.03	0.96	0.93	0.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
France	20.3	0.73	0.47	0.64	0.88	1.04	1.10	1.00	1.03	1.04	1.01	0.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Germany	22.3	0.57	0.97	1.06	1.04	1.14	1.04	1.00	0.97	1.03	0.87	0.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Japan	19.0	0.32	0.84	1.28	0.79	0.68	0.84	1.00	0.97	1.02	0.59	0.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UK	20.1	0.50	0.55	0.83	1.10	1.29	1.50	1.00	1.04	1.01	1.03	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
US	19.4	0.52	0.61	0.75	0.93	1.19	1.28	1.00	1.00	1.03	1.03	1.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Industrial production growth																																
Canada	15.7	0.20	0.75	1.07	0.99	0.96	0.49	1.00	0.99	0.96	0.93	1.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
France	22.9	0.18	0.72	0.79	1.30	0.76	0.79	1.00	1.02	0.96	0.94	0.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Germany	20.4	0.21	1.05	0.93	0.96	0.88	0.93	1.00	0.96	0.94	0.93	0.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Japan	23.6	0.15	0.83	1.07	0.99	0.68	0.59	1.00	0.99	0.97	0.87	0.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UK	18.9	0.09	0.66	0.47	0.50	0.67	0.44	1.00	1.04	1.30	0.91	0.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
US	17.4	0.15	0.87	0.74	0.46	0.54	0.37	1.00	1.01	1.05	0.73	1.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Real GDP growth																																
Canada	21.5	0.16	0.81	0.93	0.65	0.93	0.76	1.00	1.03	0.93	0.87	0.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Germany	20.3	0.44	0.84	0.77	0.82	0.91	0.71	1.00	0.98	0.92	0.98	0.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Japan	20.7	0.60	0.63	0.78	0.54	0.68	0.75	1.00	1.08	1.12	0.94	0.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UK	21.4	0.18	0.60	0.55	0.64	0.58	0.42	1.00	0.93	1.01	0.85	0.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
US	18.2	0.20	1.34	1.36	1.14	1.04	1.07	1.00	0.98	0.90	0.94	1.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest rate																																
Canada	19.4	0.56	0.70	0.94	1.19	1.23	1.38	1.00	1.00	0.92	0.96	0.89	0.01	0.02	0.02	0.02	0.02	0.01	0.02	0.02	0.02	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
France	22.4	0.76	0.64	0.89	1.04	1.25	1.36	1.00	0.85	0.94	1.09	1.16	0.01	0.01	0.01	0.01	0.02	0.01	0.01	0.01	0.01	0.02	0.00	0.01	0.01	0.01	0.01	0.00	0.01	0.01	0.01	0.01
Germany	12.5	0.27	0.78	1.69	0.83	0.75	1.34	1.00	1.04	0.96	1.02	1.57	0.00	0.01	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.01	0.00	0.01	0.00	0.00	0.01	0.00	0.01	0.00	0.00	0.01
UK	19.8	0.56	0.80	1.05	1.32	1.07	1.15	1.00	1.24	1.12	1.32	1.48	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.02	0.02	0.02	0.02	0.01	0.02	0.02	0.02	0.02
US	19.8	0.74	0.91	1.13	1.14	1.35	1.41	1.00	0.95	1.09	0.94	0.89	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
With Intercept Correction																																
	$\overline{k}$	$\overline{b}$	RMSFE IMS/IMSIC					RMSFE IMS/DMSIC					RMSFE IMS/IMSpreIC					RMSFE IMS/DMSpreIC					RMSFE IMS/IMSpostIC					RMSFE IMS/DMSpostIC				
Inflation																																
Canada	19.4	0.87	0.72	0.82	0.94	1.00	1.01	0.72	0.79	0.90	0.99	1.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
France	20.3	0.73	0.74	0.92	0.97	1.01	1.03	0.74	0.91	0.93	0.99	0.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Germany	22.3	0.57	0.68	0.74	0.83	0.75	0.72	0.68	0.73	0.74	0.74	0.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Japan	19.0	0.32	0.53	0.85	0.49	0.46	0.55	0.53	0.90	0.51	0.86	0.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UK	20.1	0.50	0.87	1.03	1.44	1.04	1.13	0.87	0.99	1.42	1.05	0.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
US	19.4	0.52	0.68	0.71	0.80	0.69	0.77	0.68	0.68	0.83	0.88	0.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Industrial production growth																																
Canada	15.7	0.20	0.86	0.71	0.66	0.63	0.39	0.86	0.67	0.72	0.65	0.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
France	22.9	0.18	0.93	0.91	0.95	0.64	0.88	0.93	0.84	0.90	0.59	0.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Germany	20.4	0.21	1.16	0.90	0.62	0.62	0.69	1.16	0.88	0.58	0.70	0.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Japan	23.6	0.15	0.78	0.95	0.56	0.38	0.45	0.78	0.95	0.71	0.58	0.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UK	18.9	0.09	0.87	0.45	0.38	0.67	0.36	0.87	0.44	0.45	0.56	0.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
US	17.4	0.15	0.73	0.72	0.40	0.40	0.35	0.73	0.80	0.43	0.40	0.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Real GDP growth																																
Canada	21.5	0.16	0.84	0.56	0.42	0.54	0.45	0.84	0.57	0.44	0.54	0.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Germany	20.3	0.44	0.99	0.77	0.75	0.73	0.58	0.99	0.71	0.59	0.68	0.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Japan	20.7	0.60	0.92	1.05	0.87	0.86	0.86	0.92	0.97	0.81	0.93	0.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UK	21.4	0.18	1.27	0.84	0.85	0.56	0.40	1.27	0.82	0.84	0.58	0.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
US	18.2	0.20	0.71	0.80	0.64	0.62	0.68	0.71	0.72	0.56	0.57	0.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest rate																																
Canada	19.4	0.56	0.82	1.01	0.99	1.06	1.10	0.82	0.98	0.97	0.95	0.95	0.01	0.02	0.02	0.02	0.02	0.01	0.02	0.02	0.02	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
France	22.4	0.76	1.09	1.24	1.34	1.67	1.56	1.09	1.15	0.97	1.37	1.50	0.01	0.01	0.01	0.01	0.02	0.01	0.01	0.01	0.01	0.02	0.00	0.01	0.01	0.01	0.01	0.00	0.01	0.01	0.01	0.01
Germany	12.5	0.27	1.17	1.15	0.71	0.64	0.92	1.17	1.07	0.61	0.47	0.86	0.00	0.01	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.01	0.00	0.01	0.00	0.00	0.01	0.00	0.01	0.00	0.00	0.01
UK	19.8	0.56	1.27	1.57	1.63	1.56	2.20	1.27	1.33	1.48	1.53	1.49	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.02	0.02	0.02	0.02	0.01	0.02	0.02	0.02	0.02
US	19.8	0.74	0.77	0.84	1.03	0.95	0.95	0.77	0.90	0.76	0.88	0.75	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01

Table 20: Out-of-sample performance ordered by variable: the table reports the ratios of root-MSFE for AR(p) models estimated over windows of 40 observations, where p is chosen by the AIC.

2.3 Expanding windows of observations

			$h=1$	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20
Without Intercept Correction																																
	$\overline{k}$	$\overline{b}$	RMSFE IMS / σ					RMSFE IMS/DMS					RMSFE IMS/IMSpre					RMSFE IMS/DMSpre					RMSFE IMS/IMSpost					RMSFE IMS/DMSpost				
Inflation																																
Canada	21.0	0.15	0.53	0.79	1.42	1.80	1.88	1.00	1.18	1.23	1.17	1.17	0.40	0.57	0.77	0.82	0.83	0.40	0.52	0.89	0.70	0.70	0.96	1.03	1.11	1.14	1.16	0.96	1.13	1.12	1.04	0.70
France	31.2	0.48	0.57	0.75	1.06	1.29	1.29	1.00	0.99	1.08	0.99	0.85	0.55	0.53	0.64	0.77	0.90	0.55	0.48	0.63	0.58	0.59	1.03	1.04	1.05	1.07	1.01	1.03	1.00	1.06	0.80	0.55
Germany	29.0	0.01	0.32	0.16	0.37	0.80	1.60	1.00	0.89	1.06	1.01	0.98	0.68	7.89	1.62	1.22	1.10	0.68	7.22	1.92	1.48	0.60	1.39	0.41	0.50	0.69	0.82	1.39	0.32	0.26	0.43	0.60
Japan	7.0	0.16	1.04	1.69	1.97	1.99	0.86	1.00	0.99	1.00	0.99	1.03	0.59	0.92	0.89	0.88	0.83	0.59	0.87	0.71	0.70	0.52	1.00	1.01	1.01	1.02	1.02	1.00	0.98	1.00	0.98	0.59
UK	32.0	0.14	0.59	0.90	1.48	2.17	2.27	1.00	1.00	1.07	1.14	1.03	0.69	0.72	0.82	0.90	0.93	0.69	0.70	0.76	0.92	0.77	1.11	1.14	1.19	1.17	1.14	1.11	1.09	1.09	0.81	0.77
US	30.0	1.00	0.62	0.78	1.04	1.24	1.20	1.00	1.01	0.99	1.03	0.80	0.45	0.50	0.64	0.77	0.79	0.45	0.77	1.02	0.90	0.62	1.00	0.99	0.97	0.99	0.99	1.00	0.99	0.95	0.80	0.55
Industrial production growth																																
Canada	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
France	6.0	0.67	0.96	1.02	0.75	0.98	0.93	1.00	1.02	1.00	1.02	1.02	0.45	0.94	0.52	0.72	0.72	0.45	1.03	0.87	1.06	0.92	1.01	1.01	1.01	1.02	1.01	1.01	1.02	1.01	1.01	0.98
Germany	34.0	0.03	0.66	0.57	0.63	0.83	2.02	1.00	0.94	1.13	1.05	1.05	0.92	0.98	1.32	1.06	1.09	0.92	0.92	1.55	1.05	1.51	0.83	0.67	0.53	0.70	0.79	0.83	0.53	2.20	0.95	1.51
Japan	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
UK	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
US	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Real GDP growth																																
Canada	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Germany	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Japan	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
UK	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
US	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Interest rate																																
Canada	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
France	8.0	0.58	0.40	0.60	1.00	1.10	0.60	1.00	1.04	1.26	1.26	0.64	0.73	0.69	0.72	0.76	0.77	0.73	0.48	0.47	0.58	0.51	1.02	1.02	1.03	1.03	1.01	1.02	1.09	1.32	1.27	0.53
Germany	14.0	1.00	1.33	1.44	1.32	1.32	1.30	1.00	0.96	0.98	1.01	0.90	0.75	0.83	0.79	0.80	0.85	0.75	0.82	0.74	0.63	0.66	1.03	1.05	1.02	1.02	1.00	1.03	1.01	1.02	0.99	0.68
UK	20.3	0.42	1.10	1.28	1.92	2.70	7.81	1.00	1.07	1.31	1.88	4.29	1.05	1.21	1.43	2.66	8.23	1.05	1.10	1.40	2.36	6.49	0.98	0.94	0.91	0.79	0.62	0.98	1.03	1.27	1.70	4.37
US	30.3	0.30	0.95	1.18	1.38	1.56	1.75	1.00	1.04	1.02	0.98	0.87	0.64	0.86	0.96	1.03	1.11	0.64	0.97	1.06	1.00	1.01	1.02	1.01	1.00	0.99	0.95	1.02	1.01	0.99	0.98	0.91
With Intercept Correction																																
	$\overline{k}$	$\overline{b}$	RMSFE IMS/IMSIC					RMSFE IMS/DMSIC					RMSFE IMS/IMSpreIC					RMSFE IMS/DMSpreIC					RMSFE IMS/IMSpostIC					RMSFE IMS/DMSpostIC				
Inflation																																
Canada	21.0	0.15	0.91	1.39	1.44	1.21	1.23	0.91	1.23	1.38	1.28	1.37	1.16	1.39	1.41	1.48	1.54	1.16	1.30	1.53	1.21	1.23	1.06	1.40	1.43	1.15	1.90	1.06	1.36	1.37	1.25	1.23
France	31.2	0.48	0.75	0.87	1.04	1.04	0.91	0.75	0.87	0.98	0.92	0.65	0.58	0.97	1.17	1.09	0.67	0.58	1.06	1.17	1.12	0.92	0.77	0.89	0.95	1.11	0.76	0.77	0.89	1.00	0.95	0.74
Germany	29.0	0.01	1.03	0.96	0.98	0.99	1.00	1.03	0.86	1.03	1.00	0.98	1.00	0.95	0.98	0.99	4.04	1.00	0.94	1.08	1.16	1.00	9.36	0.78	1.18	9.18	1.79	9.36	0.52	0.98	0.99	1.00
Japan	7.0	0.16	1.02	1.24	1.03	0.96	0.62	1.02	1.24	1.02	0.99	0.67	1.04	1.24	1.08	1.05	0.52	1.04	1.23	1.03	0.96	0.62	1.05	1.24	1.03	0.96	0.62	1.05	1.24	1.01	0.95	0.67
UK	32.0	0.14	1.00	1.13	1.47	1.26	1.18	1.00	1.13	1.62	1.38	1.18	0.95	1.26	1.45	1.26	1.39	0.95	1.26	1.33	1.28	1.18	1.02	1.16	1.49	1.62	1.36	1.02	1.16	1.55	1.25	1.18
US	30.0	1.00	0.68	0.68	0.77	0.74	0.87	0.68	0.67	0.73	0.72	0.61	0.86	0.97	0.98	0.93	0.82	0.86	0.64	0.61	0.81	0.93	0.69	0.71	0.76	0.76	0.74	0.69	0.72	0.94	1.00	0.67
Industrial production growth																																
Canada	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
France	6.0	0.67	0.84	0.93	0.72	0.84	0.78	0.84	0.87	0.77	0.79	0.75	0.83	0.67	0.43	0.56	0.56	0.83	0.94	0.72	0.84	0.78	0.85	0.93	0.72	0.84	0.78	0.85	0.88	0.78	0.78	0.76
Germany	34.0	0.03	0.73	0.57	0.54	0.65	0.89	0.73	0.52	0.58	0.70	0.93	0.68	0.56	0.54	0.65	0.72	0.68	0.49	0.57	0.66	0.89	0.72	0.37	0.27	0.37	0.57	0.72	0.53	0.54	0.65	0.89
Japan	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
UK	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
US	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Real GDP growth																																
Canada	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Germany	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Japan	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
UK	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
US	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Interest rate																																
Canada	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
France	8.0	0.58	0.88	1.02	1.09	1.26	0.48	0.88	1.01	0.89	0.79	0.30	0.28	0.50	0.88	0.96	0.37	0.28	0.74	1.34	1.30	0.49	0.88	1.02	1.09	1.26	0.48	0.88	1.01	0.87	0.78	0.27
Germany	14.0	1.00	0.66	0.66	0.72	0.71	0.72	0.66	0.63	0.65	0.69	0.62	0.89	0.79	0.76	0.66	0.64	0.89	0.81	0.79	0.72	0.72	0.70	0.71	0.75	0.72	0.64	0.70	0.68	0.78	0.83	0.63
UK	20.3	0.42	0.67	0.72	0.81	0.94	1.03	0.67	0.75	0.99	1.53	4.35	0.68	0.87	1.21	2.29	5.50	0.68	0.97	1.24	2.02	4.74	0.70	0.74	0.79	0.82	0.59	0.70	0.80	1.20	1.91	4.43
US	30.3	0.30	0.75	0.83	0.94	0.91	0.85	0.75	0.78	0.79	0.77	0.70	1.03	1.00	0.98	0.91	0.91	1.03	0.89	0.85	0.95	0.85	0.77	0.84	0.93	0.87	0.81	0.77	0.86	0.90	0.84	0.81

Table 21: Out-of-sample performance ordered by variable: the table reports the ratios of root-MSFE for AR(1) models estimated over expanding windows of observations.

			$h=1$	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20
Without Intercept Correction																																
	$\overline{k}$	$\overline{b}$	RMSFE IMS / σ					RMSFE IMS/DMS					RMSFE IMS/IMSpre					RMSFE IMS/DMSpre					RMSFE IMS/IMSpost					RMSFE IMS/DMSpost				
Inflation																																
Canada	21.0	0.15	0.49	0.64	1.22	1.73	1.82	1.00	1.00	1.07	1.14	1.24	0.35	0.42	0.65	0.78	0.79	0.35	0.41	0.67	0.67	0.67	0.90	0.95	1.03	1.12	1.15	0.90	0.92	0.94	0.92	0.67
France	31.2	0.48	0.57	0.75	1.05	1.29	1.32	1.00	1.00	1.07	0.98	0.85	0.51	0.47	0.62	0.77	0.93	0.51	0.43	0.67	0.57	0.61	1.00	1.00	1.03	1.05	0.99	1.00	0.97	0.99	0.77	0.55
Germany	29.0	0.01	0.35	0.18	0.39	0.82	1.62	1.00	0.42	1.38	1.19	1.20	0.58	7.68	1.56	1.19	1.09	0.58	0.57	2.99	1.54	0.61	1.28	0.38	0.53	0.70	0.82	1.28	0.38	0.27	0.44	0.61
Japan	7.0	0.16	1.06	1.70	1.97	1.99	0.86	1.00	1.05	1.02	0.99	0.98	0.60	0.89	0.89	0.87	0.83	0.60	0.68	0.72	0.70	0.52	0.98	0.99	1.01	1.02	1.02	0.98	1.03	1.01	0.98	0.55
UK	32.0	0.14	0.60	0.89	1.44	2.14	2.26	1.00	1.00	1.05	1.16	1.02	0.65	0.68	0.80	0.90	0.93	0.65	0.74	0.71	0.90	0.76	1.06	1.09	1.15	1.17	1.14	1.06	1.03	1.02	0.75	0.76
US	30.0	1.00	0.63	0.77	1.09	1.42	1.38	1.00	1.03	1.03	1.11	0.85	0.79	0.87	0.85	0.95	0.95	0.79	1.06	1.06	1.17	0.72	0.99	0.96	1.01	1.14	1.15	0.99	1.00	0.97	0.87	0.62
Industrial production growth																																
Canada	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
France	6.0	0.67	0.94	1.00	0.75	0.98	0.93	1.00	1.00	0.99	1.02	1.00	1.01	1.01	0.87	1.06	0.92	1.01	1.01	0.87	1.06	0.92	1.01	1.01	1.01	1.02	1.01	1.01	1.01	1.00	1.03	0.98
Germany	34.0	0.03	0.70	0.61	0.64	0.82	2.01	1.00	1.04	1.12	1.02	0.96	0.94	0.99	1.38	1.06	1.11	0.94	1.01	1.19	1.01	1.50	0.60	0.57	0.50	1.06	0.76	0.60	0.50	2.20	0.94	1.50
Japan	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
UK	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
US	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Real GDP growth																																
Canada	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Germany	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Japan	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
UK	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
US	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Interest rate																																
Canada	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
France	8.0	0.58	0.39	0.57	0.93	1.04	0.62	1.00	1.03	1.20	1.17	0.64	0.49	0.39	0.48	0.64	0.68	0.49	0.27	0.44	0.55	0.53	1.03	1.05	1.07	1.07	1.01	1.03	1.07	1.23	1.16	0.53
Germany	14.0	1.00	1.41	1.50	1.34	1.36	1.31	1.00	0.99	1.03	1.02	0.89	0.77	0.85	0.80	0.83	0.86	0.77	0.85	0.63	0.65	0.67	1.04	1.05	1.04	1.04	1.01	1.04	1.03	1.04	0.99	0.66
UK	20.3	0.42	1.11	1.27	2.06	3.52	14.85	1.00	1.01	1.42	2.13	8.11	0.98	1.05	1.49	3.48	15.92	0.98	1.07	1.24	3.10	12.34	0.98	0.96	0.94	0.88	0.83	0.98	0.99	1.36	1.94	8.28
US	30.3	0.30	0.98	1.10	1.38	1.55	1.77	1.00	1.07	0.99	0.94	0.80	0.77	0.89	0.95	1.03	1.12	0.77	1.03	1.01	1.00	1.02	1.00	0.94	0.99	0.98	0.94	1.00	1.02	0.94	0.95	0.89
With Intercept Correction																																
	$\overline{k}$	$\overline{b}$	RMSFE IMS/IMSIC					RMSFE IMS/DMSIC					RMSFE IMS/IMSpreIC					RMSFE IMS/DMSpreIC					RMSFE IMS/IMSpostIC					RMSFE IMS/DMSpostIC				
Inflation																																
Canada	21.0	0.15	0.96	1.04	1.25	1.12	1.18	0.96	1.01	1.19	1.24	1.43	1.00	1.06	1.21	1.41	1.47	1.00	1.02	1.20	1.16	1.18	1.05	1.13	1.25	1.13	1.76	1.05	1.10	1.14	1.19	1.18
France	31.2	0.48	0.78	0.87	1.01	1.01	0.92	0.78	0.88	0.98	0.92	0.67	0.63	1.08	1.16	1.09	0.69	0.63	1.06	1.13	1.11	0.95	0.80	0.90	0.95	1.10	0.75	0.80	0.90	0.95	0.96	0.78
Germany	29.0	0.01	0.89	1.14	1.03	1.02	1.01	0.89	0.44	1.44	1.22	1.21	0.61	3.48	1.05	1.02	3.81	0.61	0.52	1.56	1.25	1.01	5.85	0.62	1.17	7.29	1.77	5.85	0.63	1.03	1.02	1.01
Japan	7.0	0.16	1.04	1.26	1.03	0.97	0.62	1.04	1.33	1.04	0.98	0.67	1.03	1.22	1.08	1.04	0.53	1.03	1.24	1.03	0.96	0.62	1.06	1.25	1.03	0.97	0.66	1.06	1.31	1.02	0.96	0.68
UK	32.0	0.14	1.04	1.10	1.44	1.25	1.17	1.04	1.11	1.59	1.38	1.17	1.05	1.25	1.40	1.24	1.38	1.05	1.25	1.21	1.24	1.17	1.07	1.17	1.27	1.84	1.35	1.07	1.09	1.52	1.21	1.17
US	30.0	1.00	0.72	0.69	0.75	0.70	0.86	0.72	0.74	0.80	0.79	0.72	0.59	0.63	0.88	1.02	0.92	0.59	0.45	0.67	0.64	1.08	0.72	0.70	0.79	0.89	0.83	0.72	0.76	0.99	1.10	0.75
Industrial production growth																																
Canada	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
France	6.0	0.67	0.85	0.87	0.71	0.84	0.78	0.85	0.88	0.76	0.79	0.74	0.89	0.92	0.72	0.84	0.78	0.89	0.92	0.72	0.84	0.78	0.85	0.88	0.71	0.84	0.76	0.85	0.88	0.77	0.79	0.76
Germany	34.0	0.03	0.72	0.57	0.53	0.64	0.89	0.72	0.59	0.59	0.68	0.83	0.54	0.42	0.53	0.64	0.73	0.54	0.44	0.50	0.60	0.89	0.86	0.37	0.29	0.45	0.58	0.86	0.60	0.54	0.64	0.89
Japan	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
UK	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
US	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Real GDP growth																																
Canada	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Germany	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Japan	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
UK	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
US	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Interest rate																																
Canada	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
France	8.0	0.58	0.91	0.95	0.97	1.16	0.48	0.91	0.98	0.82	0.74	0.31	0.33	0.65	1.26	1.05	0.42	0.33	1.22	1.25	1.23	0.50	0.92	0.95	0.97	1.16	0.48	0.92	0.99	0.82	0.76	0.29
Germany	14.0	1.00	0.72	0.67	0.69	0.68	0.71	0.72	0.70	0.72	0.70	0.62	0.96	0.84	0.72	0.68	0.65	0.96	0.86	0.78	0.74	0.72	0.77	0.73	0.74	0.72	0.63	0.77	0.77	0.85	0.76	0.62
UK	20.3	0.42	0.69	0.71	0.81	0.99	1.05	0.69	0.74	1.09	1.82	8.16	0.70	0.97	1.34	3.02	10.56	0.70	1.01	1.26	2.63	9.02	0.71	0.74	0.83	0.95	0.79	0.71	0.78	1.36	2.18	8.40
US	30.3	0.30	0.78	0.75	0.86	0.85	0.84	0.78	0.80	0.79	0.74	0.66	0.97	0.85	0.99	0.90	0.92	0.97	0.79	0.90	0.94	0.85	0.81	0.80	0.91	0.86	0.80	0.81	0.87	0.89	0.82	0.82

Table 22: Out-of-sample performance ordered by variable: the table reports the ratios of root-MSFE for AR(2) models estimated over expanding windows of observations.

			$h=1$	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20
Without Intercept Correction																																
	$\overline{k}$	$\overline{b}$	RMSFE IMS / σ					RMSFE IMS/DMS					RMSFE IMS/IMSpre					RMSFE IMS/DMSpre					RMSFE IMS/IMSpost					RMSFE IMS/DMSpost				
Inflation																																
Canada	21.0	0.15	0.50	0.64	1.18	1.66	1.66	1.00	0.94	1.06	1.10	1.28	0.50	0.49	0.64	0.77	0.73	0.50	0.56	0.55	0.64	0.62	0.89	0.91	0.89	1.06	1.03	0.89	0.84	0.89	0.81	0.62
France	31.2	0.48	0.58	0.75	1.03	1.32	1.42	1.00	1.00	1.03	0.95	0.82	0.41	0.39	0.56	0.77	0.98	0.41	0.44	0.64	0.53	0.65	0.94	0.93	0.87	0.66	0.17	0.94	0.86	0.83	0.71	0.57
Germany	29.0	0.01	0.39	0.37	0.44	0.78	1.59	1.00	1.22	2.87	1.05	1.28	0.66	1.57	1.92	1.40	1.17	0.66	2.45	8.11	1.19	0.59	3.20	0.63	0.87	0.78	0.84	3.20	0.69	0.30	0.42	0.59
Japan	7.0	0.16	1.02	1.69	2.02	2.00	0.86	1.00	0.98	1.06	0.99	0.97	0.51	0.68	0.73	0.70	0.52	0.51	0.68	0.73	0.70	0.52	0.95	0.97	1.01	1.01	1.01	0.95	0.97	1.06	1.00	0.54
UK	32.0	0.14	0.63	0.91	1.36	2.10	2.24	1.00	0.99	0.99	1.25	1.00	0.74	0.73	0.73	0.89	0.93	0.74	0.71	0.59	0.98	0.76	0.99	1.00	1.10	1.16	1.07	0.99	0.90	0.90	0.72	0.76
US	30.0	1.00	0.60	0.75	1.07	1.35	1.17	1.00	0.98	1.01	0.98	0.74	0.88	1.03	1.09	1.10	0.94	0.88	0.63	1.03	0.74	0.61	1.00	0.97	1.00	1.13	0.94	1.00	0.93	0.86	0.72	0.53
Industrial production growth																																
Canada	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
France	6.0	0.67	0.95	1.02	0.75	0.97	0.93	1.00	0.98	1.00	1.00	0.99	1.03	1.03	0.87	1.05	0.92	1.03	1.03	0.87	1.05	0.92	1.00	1.00	1.01	1.01	1.01	1.00	0.98	1.01	1.00	0.97
Germany	34.0	0.03	0.62	0.58	0.64	0.81	1.95	1.00	1.13	1.34	1.12	0.92	0.88	1.03	1.56	1.04	1.13	0.88	1.02	1.49	0.98	1.46	0.42	0.35	0.06	0.01	0.00	0.42	0.66	2.22	0.93	1.46
Japan	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
UK	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
US	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Real GDP growth																																
Canada	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Germany	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Japan	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
UK	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
US	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Interest rate																																
Canada	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
France	8.0	0.58	0.38	0.54	0.79	0.89	0.85	1.00	0.97	1.02	0.90	0.78	0.18	0.26	0.38	0.47	0.73	0.18	0.26	0.38	0.47	0.73	1.01	1.02	1.05	1.03	0.86	1.01	0.98	1.02	0.87	0.68
Germany	14.0	1.00	1.50	1.56	1.35	1.49	1.42	1.00	1.01	1.05	1.04	0.97	0.48	0.52	0.76	0.60	0.95	0.48	0.51	0.63	0.71	0.72	1.01	1.01	1.01	1.05	1.05	1.01	1.00	1.09	0.98	0.66
UK	20.3	0.42	1.20	1.42	2.10	3.92	18.85	1.00	1.01	1.46	2.19	9.43	1.07	1.31	1.61	3.95	20.39	1.07	1.23	1.11	3.44	15.66	0.96	0.94	0.88	0.76	0.55	0.96	0.99	1.31	2.16	9.90
US	30.3	0.30	0.98	1.08	1.51	1.74	2.31	1.00	0.99	1.00	0.95	0.86	0.72	0.83	1.04	1.16	1.46	0.72	0.89	1.11	1.10	1.33	0.97	0.94	0.89	0.76	0.35	0.97	0.92	0.88	0.86	1.13
With Intercept Correction																																
	$\overline{k}$	$\overline{b}$	RMSFE IMS/IMSIC					RMSFE IMS/DMSIC					RMSFE IMS/IMSpreIC					RMSFE IMS/DMSpreIC					RMSFE IMS/IMSpostIC					RMSFE IMS/DMSpostIC				
Inflation																																
Canada	21.0	0.15	0.98	1.00	1.16	1.04	1.11	0.98	1.05	1.18	1.18	1.35	0.95	1.09	1.19	1.37	1.36	0.95	1.00	0.96	1.11	1.08	1.01	1.19	1.13	1.22	1.68	1.01	1.21	1.03	1.11	1.08
France	31.2	0.48	0.79	0.88	0.95	0.95	0.91	0.79	0.88	0.99	0.91	0.67	0.84	0.97	1.15	1.11	0.75	0.84	1.05	1.15	1.05	1.02	0.77	0.83	0.75	0.65	0.16	0.77	0.82	0.82	0.89	0.81
Germany	29.0	0.01	0.79	1.27	1.29	0.95	0.98	0.79	1.65	7.96	1.00	1.26	5.12	0.39	0.84	0.89	5.39	5.12	0.43	1.27	0.80	0.99	1.61	0.43	0.78	11.77	1.93	1.61	0.45	1.15	0.96	0.99
Japan	7.0	0.16	1.08	1.34	1.02	0.96	0.62	1.08	1.30	1.06	0.95	0.69	1.01	1.23	1.06	0.97	0.62	1.01	1.23	1.06	0.97	0.62	1.12	1.31	1.01	0.96	0.63	1.12	1.29	1.04	0.94	0.71
UK	32.0	0.14	0.98	1.03	1.36	1.22	1.16	0.98	1.05	1.45	1.49	1.16	0.98	1.21	1.23	1.21	1.38	0.98	1.18	0.93	1.36	1.16	1.04	1.05	0.97	1.47	1.13	1.04	1.01	1.38	1.22	1.16
US	30.0	1.00	0.76	0.70	0.76	0.70	0.79	0.76	0.71	0.79	0.73	0.60	0.48	0.52	0.67	0.81	0.68	0.48	0.34	0.65	0.43	0.92	0.74	0.70	0.78	0.93	0.76	0.74	0.71	0.94	0.94	0.64
Industrial production growth																																
Canada	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
France	6.0	0.67	0.84	0.86	0.72	0.83	0.78	0.84	0.85	0.77	0.77	0.74	0.91	0.93	0.72	0.83	0.78	0.91	0.93	0.72	0.83	0.78	0.83	0.86	0.73	0.83	0.75	0.83	0.85	0.77	0.77	0.75
Germany	34.0	0.03	0.72	0.58	0.52	0.62	0.86	0.72	0.62	1.00	0.79	0.78	0.54	0.45	0.53	0.63	0.73	0.54	0.43	0.70	0.62	0.87	0.48	0.35	0.06	0.01	0.00	0.48	0.59	0.54	0.63	0.87
Japan	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
UK	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
US	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Real GDP growth																																
Canada	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Germany	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Japan	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
UK	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
US	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Interest rate																																
Canada	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
France	8.0	0.58	0.93	0.97	0.77	0.89	0.57	0.93	1.00	0.75	0.73	0.47	1.15	1.17	1.07	1.05	0.69	1.15	1.17	1.07	1.05	0.69	0.94	0.98	0.78	0.89	0.57	0.94	1.00	0.76	0.76	0.49
Germany	14.0	1.00	0.77	0.71	0.70	0.68	0.72	0.77	0.73	0.74	0.77	0.71	0.66	0.67	0.46	0.98	0.66	0.66	0.65	0.78	0.81	0.78	0.79	0.76	0.75	0.72	0.63	0.79	0.77	0.89	0.79	0.61
UK	20.3	0.42	0.74	0.80	0.81	1.01	1.03	0.74	0.83	1.11	2.09	10.45	0.71	0.99	1.21	3.28	13.47	0.71	0.97	1.43	2.93	11.44	0.76	0.81	0.81	0.68	0.54	0.76	0.87	1.27	2.50	10.29
US	30.3	0.30	0.88	0.86	0.86	0.83	0.87	0.88	0.84	0.87	0.80	0.78	0.93	0.79	1.06	1.00	1.20	0.93	0.79	0.98	1.04	1.12	0.84	0.88	0.79	0.66	0.33	0.84	0.82	0.91	0.78	1.07

Table 23: Out-of-sample performance ordered by variable: the table reports the ratios of root-MSFE for AR(4) models estimated over expanding windows of observations.

			$h=1$	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20
Without Intercept Correction																																
	$\overline{k}$	$\overline{b}$	$h=1$	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20	1	2	5	10	20
Without Intercept Correction																																
	$\overline{k}$	$\overline{b}$	RMSFE IMS / σ					RMSFE IMS/DMS					RMSFE IMS/IMSpre					RMSFE IMS/DMSpre					RMSFE IMS/IMSpost					RMSFE IMS/DMSpost				
Inflation																																
Canada	21.0	0.15	0.53	0.79	1.42	1.80	1.88	1.00	1.18	1.23	1.17	1.17	0.40	0.57	0.77	0.82	0.83	0.40	0.52	0.89	0.70	0.70	0.96	1.03	1.11	1.14	1.16	0.96	1.13	1.12	0.92	0.70
France	31.2	0.48	0.57	0.75	1.06	1.29	1.29	1.00	0.99	1.08	0.99	0.85	0.55	0.53	0.64	0.77	0.90	0.55	0.48	0.63	0.58	0.59	1.03	1.04	1.05	1.07	1.01	1.03	0.97	1.01	0.76	0.53
Germany	29.0	0.01	0.32	0.16	0.37	0.80	1.60	1.00	0.89	1.06	1.01	0.98	0.68	7.89	1.62	1.22	1.10	0.68	7.22	1.92	1.48	0.60	1.39	0.41	0.50	0.69	0.82	1.39	0.32	0.26	0.43	0.60
Japan	7.0	0.16	1.04	1.69	1.97	1.99	0.86	1.00	0.99	1.00	0.99	1.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.01	1.01	1.02	1.02	1.00	0.98	1.00	0.98	0.53
UK	32.0	0.14	0.59	0.90	1.48	2.17	2.27	1.00	1.00	1.07	1.14	1.03	0.69	0.72	0.82	0.90	0.93	0.69	0.70	0.76	0.92	0.77	1.11	1.14	1.19	1.17	1.14	1.11	1.03	1.00	0.74	0.77
US	30.0	1.00	0.62	0.78	1.04	1.24	1.20	1.00	0.99	0.99	1.03	0.94	0.45	0.50	0.64	0.77	0.79	0.45	0.77	1.02	0.90	0.62	1.00	0.99	0.97	0.99	0.99	1.00	0.97	0.94	0.78	0.60
Industrial production growth																																
Canada	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
France	6.0	0.67	0.96	1.02	0.75	0.98	0.93	1.00	1.02	1.00	1.02	1.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.01	1.01	1.01	1.02	1.01	1.01	1.02	1.01	1.01	0.98
Germany	34.0	0.03	0.66	0.57	0.63	0.83	2.02	1.00	0.94	1.13	1.05	1.05	0.92	0.98	1.32	1.06	1.09	0.92	0.92	1.55	1.05	1.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Japan	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
UK	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
US	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Real GDP growth																																
Canada	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Germany	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Japan	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
UK	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
US	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Interest rate																																
Canada	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
France	8.0	0.58	0.72	1.15	1.69	1.66	0.96	1.00	0.80	1.44	1.59	0.93	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.01	0.01	0.00	0.96	0.97	1.01	1.04	1.08	0.96	0.81	1.36	1.45	1.11
Germany	14.0	1.00	1.36	1.54	1.59	1.56	1.49	1.00	1.03	1.14	1.20	0.97	0.76	0.89	0.95	0.95	0.98	0.76	0.88	0.74	0.74	0.76	1.10	1.19	1.18	1.22	1.16	1.10	1.16	1.16	1.05	0.70
UK	20.3	0.42	1.10	1.20	1.56	1.43	1.64	1.00	1.07	1.05	1.02	0.80	1.03	1.09	1.13	1.41	1.85	1.03	0.97	1.00	1.25	1.36	0.95	0.90	0.88	0.73	0.64	0.95	0.97	0.98	0.90	0.95
US	30.3	0.30	0.90	1.14	1.34	1.52	1.78	1.00	1.03	1.00	0.95	0.80	0.60	0.83	0.93	1.00	1.13	0.60	0.97	1.00	0.97	1.03	0.95	0.98	0.96	0.95	0.94	0.95	0.99	0.91	0.93	0.93
With Intercept Correction																																
	$\overline{k}$	$\overline{b}$	RMSFE IMS/IMSIC					RMSFE IMS/DMSIC					RMSFE IMS/IMSpreIC					RMSFE IMS/DMSpreIC					RMSFE IMS/IMSpostIC					RMSFE IMS/DMSpostIC				
Inflation																																
Canada	21.0	0.15	0.91	1.39	1.44	1.21	1.23	0.91	1.23	1.38	1.28	1.37	1.16	1.39	1.41	1.48	1.54	1.16	1.30	1.53	1.21	1.23	1.06	1.40	1.43	1.32	1.90	1.06	1.36	1.37	1.24	1.23
France	31.2	0.48	0.75	0.87	1.04	1.04	0.91	0.75	0.87	0.98	0.92	0.65	0.58	0.97	1.17	1.09	0.67	0.58	1.06	1.17	1.12	0.92	0.77	0.87	0.93	1.10	0.73	0.77	0.89	1.00	0.95	0.75
Germany	29.0	0.01	1.03	0.96	0.98	0.99	1.00	1.03	0.86	1.03	1.00	0.98	1.00	0.95	0.98	0.99	4.04	1.00	0.94	1.08	1.16	1.00	9.36	0.78	1.18	9.18	1.79	9.36	0.52	0.98	0.99	1.00
Japan	7.0	0.16	1.02	1.24	1.03	0.96	0.62	1.02	1.24	1.02	0.99	0.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.05	1.24	1.03	0.96	0.62	1.05	1.24	1.01	0.95	0.67
UK	32.0	0.14	1.00	1.13	1.47	1.26	1.18	1.00	1.13	1.62	1.38	1.18	0.95	1.26	1.45	1.26	1.39	0.95	1.26	1.33	1.28	1.18	1.02	1.13	1.12	1.67	1.36	1.02	1.16	1.54	1.26	1.18
US	30.0	1.00	0.68	0.68	0.77	0.74	0.87	0.68	0.66	0.73	0.73	0.70	0.86	0.97	0.98	0.93	0.82	0.86	0.64	0.61	0.81	0.93	0.69	0.70	0.72	0.76	0.70	0.69	0.72	0.94	1.00	0.82
Industrial production growth																																
Canada	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
France	6.0	0.67	0.84	0.93	0.72	0.84	0.78	0.84	0.87	0.77	0.79	0.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.85	0.93	0.72	0.84	0.75	0.85	0.88	0.78	0.78	0.76
Germany	34.0	0.03	0.73	0.57	0.54	0.65	0.89	0.73	0.52	0.58	0.70	0.93	0.68	0.56	0.54	0.65	0.72	0.68	0.49	0.57	0.66	0.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Japan	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
UK	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
US	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Real GDP growth																																
Canada	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Germany	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Japan	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
UK	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
US	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Interest rate																																
Canada	0.0	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
France	8.0	0.58	1.77	2.19	2.15	1.96	0.78	1.77	1.93	1.54	1.16	0.34	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.01	0.01	0.00	1.80	2.24	2.19	1.96	0.78	1.80	2.08	1.67	1.34	0.37
Germany	14.0	1.00	0.72	0.77	0.91	0.84	0.82	0.72	0.74	0.78	0.73	0.61	0.91	0.85	0.85	0.78	0.74	0.91	0.97	0.92	0.84	0.82	0.73	0.78	0.91	0.83	0.68	0.73	0.78	0.88	0.74	0.58
UK	20.3	0.42	0.68	0.71	0.76	0.86	0.87	0.68	0.73	0.76	0.81	0.73	0.69	0.83	0.99	1.24	1.20	0.69	0.97	1.08	1.06	1.00	0.71	0.74	0.77	0.64	0.50	0.71	0.75	0.89	1.07	0.94
US	30.3	0.30	0.79	0.92	0.95	0.89	0.86	0.79	0.89	0.81	0.79	0.71	0.97	0.97	0.95	0.89	0.93	0.97	0.84	0.82	0.92	0.86	0.72	0.81	0.91	0.84	0.80	0.72	0.91	0.88	0.82	0.85

Table 24: Out-of-sample performance ordered by variable: the table reports the ratios of root-MSFE for AR(p) models estimated over expanding windows of observations, where p is chosen by the AIC.

3 Median ratios of Absolute Forecast Errors and Ratios of average square-root MSFE ordered according to break dates

3.1 Windows of 25 observations

Median Ratios of Absolute Forecast Errors

	$h \in$	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]
Without Intercept Correction																									
$k \in$	$mediank$	mAFE IMS / σ				mRAFE IMS/DMS				mRAFE IMS/IMSpre				mRAFE IMS/DMSpre				mRAFE IMS/IMSpost				mRAFE IMS/DMSpost			
[1, 3]	3.0	0.41	0.59	0.51	0.63	1.00	0.98	0.92	0.82	0.79	0.94	0.83	0.81	0.79	0.92	0.70	0.63	0.95	0.85	0.81	0.86	0.95	0.75	0.67	0.64
[4, 7]	5.0	0.46	0.45	0.53	0.58	1.00	0.99	0.95	0.89	0.65	0.74	0.72	0.72	0.65	0.63	0.64	0.60	1.00	0.93	0.98	1.01	1.00	0.86	0.83	0.67
[8, 11]	9.0	0.36	0.47	0.57	0.68	1.00	1.01	0.98	0.95	0.63	0.76	0.75	0.72	0.63	0.67	0.63	0.63	0.88	1.02	0.89	0.96	0.88	0.90	0.83	0.69
[12, 15]	13.0	0.44	0.53	0.61	0.69	1.00	1.01	1.00	0.99	0.67	0.69	0.80	0.87	0.67	0.58	0.77	0.63	1.06	0.96	0.90	0.95	1.06	0.84	0.70	0.63
[16, 19]	18.0	0.45	0.57	0.60	0.51	1.00	0.99	0.97	0.91	0.77	0.86	0.85	0.85	0.77	0.81	0.77	0.59	0.99	0.92	0.91	0.85	0.99	0.73	0.74	0.58
With Intercept Correction																									
		mRAFE IMS/IMSIC				mRAFE IMS/DMSIC				mRAFE IMS/IMSpreIC				mRAFE IMS/DMSpreIC				mRAFE IMS/IMSpostIC				mRAFE IMS/DMSpostIC			
[1, 3]	3.0	1.00	0.86	0.83	0.67	0.73	0.75	0.76	0.93	0.63	0.58	0.64	0.57	0.63	0.67	0.81	0.95	0.83	1.00	0.60	0.48	0.83	0.99	0.83	0.94
[4, 7]	5.0	0.88	0.90	0.83	0.69	0.70	0.79	0.87	0.93	0.57	0.60	0.67	0.60	0.57	0.79	0.87	0.88	0.71	0.65	0.65	0.51	0.71	0.74	0.82	0.86
[8, 11]	9.0	1.06	0.84	0.70	0.63	0.81	0.85	0.95	0.96	0.56	0.71	0.60	0.53	0.56	0.81	0.89	0.93	0.80	0.83	0.73	0.60	0.80	0.86	0.80	0.92
[12, 15]	13.0	0.99	0.73	0.74	0.58	0.93	1.02	0.92	0.89	0.89	0.70	0.67	0.60	0.89	0.76	0.85	0.91	0.91	0.78	0.65	0.60	0.91	0.93	0.86	0.92
[16, 19]	18.0	0.97	0.83	0.77	0.69	0.99	1.05	0.94	0.81	0.75	0.70	0.70	0.51	0.75	0.77	0.80	0.75	0.98	0.79	0.70	0.50	0.98	0.99	0.89	0.75

Ratios of the Root Mean Square Errors

	$h \in$	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]
Without Intercept Correction																									
$k \in$	$\overline{k}$	RMSFE IMS / σ				RMSFE IMS/DMS				RMSFE IMS/IMSpre				RMSFE IMS/DMSpre				RMSFE IMS/IMSpost				RMSFE IMS/DMSpost			
[1, 3]	3.0	0.82	1.04	0.96	1.04	1.00	0.96	0.91	0.79	0.74	0.94	0.82	0.24	0.74	0.79	0.73	0.69	0.78	0.57	0.23	0.02	0.78	0.89	0.74	0.70
[4, 7]	5.4	0.82	0.90	1.00	1.02	1.00	1.00	1.00	0.82	0.66	0.75	0.47	0.01	0.66	0.68	0.68	0.64	0.90	0.92	0.91	0.93	0.90	0.84	0.77	0.69
[8, 11]	9.5	0.76	0.90	1.20	1.89	1.00	1.03	1.21	1.57	0.67	0.71	0.24	0.01	0.67	0.72	0.79	1.17	0.74	0.88	1.04	1.60	0.74	0.85	0.96	1.21
[12, 15]	13.4	0.67	0.75	0.97	1.12	1.00	0.97	0.98	0.91	0.55	0.64	0.75	0.87	0.55	0.52	0.70	0.67	0.79	0.79	0.86	0.88	0.79	0.62	0.71	0.68
[16, 19]	17.6	0.79	0.95	1.06	0.93	1.00	1.00	0.95	0.82	0.68	0.83	0.84	0.82	0.68	0.77	0.75	0.66	0.84	0.90	0.94	0.88	0.84	0.82	0.76	0.66
With Intercept Correction																									
		RMSFE IMS/IMSIC				RMSFE IMS/DMSIC				RMSFE IMS/IMSpreIC				RMSFE IMS/DMSpreIC				RMSFE IMS/IMSpostIC				RMSFE IMS/DMSpostIC			
[1, 3]	3.0	0.76	0.76	0.80	0.81	0.56	0.62	0.68	0.84	0.50	0.53	0.64	0.24	0.50	0.57	0.73	0.80	0.57	0.39	0.21	0.02	0.57	0.76	0.74	0.75
[4, 7]	5.4	0.85	0.79	0.86	0.92	0.76	0.76	0.87	0.81	0.57	0.62	0.43	0.01	0.57	0.66	0.76	0.86	0.75	0.67	0.63	0.55	0.75	0.78	0.80	0.84
[8, 11]	9.5	0.93	0.91	0.87	0.81	0.85	0.82	1.03	1.50	0.60	0.60	0.23	0.01	0.60	0.69	0.88	1.54	0.85	0.75	0.77	0.99	0.85	0.85	0.91	1.49
[12, 15]	13.4	0.84	0.83	0.88	0.75	0.93	0.92	0.89	0.90	0.71	0.58	0.58	0.61	0.71	0.59	0.75	0.85	0.89	0.57	0.53	0.52	0.89	0.88	0.92	0.96
[16, 19]	17.6	0.82	0.79	0.79	0.76	0.84	0.80	0.83	0.72	0.67	0.54	0.56	0.57	0.67	0.57	0.59	0.77	0.78	0.72	0.65	0.51	0.78	0.86	0.86	0.80

Table 25: Out-of-sample performance ordered by post-break window size: the table reports the median ratios of Absolute Forecast Errors and the ratios of square-root Mean Square Forecast Errors (the latter weighted by the variances of the variables) for AR(1) models estimated over windows of 25 observation.

Median Ratios of Absolute Forecast Errors

	$h \in$	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]
Without Intercept Correction																									
$k \in$	*mediank*	mAFE IMS / σ				mRAFE IMS/DMS				mRAFE IMS/IMSpre				mRAFE IMS/DMSpre				mRAFE IMS/IMSpost				mRAFE IMS/DMSpost			
[1, 3]	3.0	0.44	0.63	0.56	0.70	1.00	0.98	0.88	0.86	0.66	0.92	0.87	0.81	0.66	0.85	0.66	0.70	0.89	0.83	0.76	1.01	0.89	0.87	0.69	0.74
[4, 7]	5.0	0.45	0.48	0.55	0.62	1.00	0.99	0.93	0.85	0.62	0.69	0.68	0.70	0.62	0.68	0.59	0.61	0.88	0.93	0.92	1.00	0.88	0.84	0.77	0.66
[8, 11]	9.0	0.35	0.47	0.53	0.68	1.00	1.00	0.97	0.91	0.51	0.67	0.67	0.70	0.51	0.63	0.62	0.63	0.84	0.89	0.84	0.95	0.84	0.94	0.82	0.65
[12, 15]	13.0	0.43	0.48	0.60	0.68	1.00	1.02	0.99	0.97	0.58	0.63	0.82	0.90	0.58	0.65	0.75	0.60	0.78	0.78	0.79	0.89	0.78	0.72	0.68	0.60
[16, 19]	18.0	0.49	0.58	0.60	0.53	1.00	0.99	0.93	0.86	0.73	0.85	0.86	0.88	0.73	0.79	0.71	0.58	0.85	0.80	0.84	0.83	0.85	0.76	0.74	0.59
With Intercept Correction																									
		mRAFE IMS/IMSIC				mRAFE IMS/DMSIC				mRAFE IMS/IMSpreIC				mRAFE IMS/DMSpreIC				mRAFE IMS/IMSpostIC				mRAFE IMS/DMSpostIC			
[1, 3]	3.0	0.88	0.84	0.77	0.66	0.66	0.85	0.82	0.96	0.51	0.62	0.59	0.53	0.51	0.79	0.92	1.01	0.76	0.93	0.74	0.60	0.76	0.87	0.87	1.01
[4, 7]	5.0	0.84	0.94	0.82	0.65	0.75	0.75	0.86	0.86	0.72	0.75	0.75	0.68	0.72	0.80	0.91	0.93	0.91	0.88	0.83	0.56	0.91	0.85	0.90	0.93
[8, 11]	9.0	0.78	0.72	0.68	0.60	0.83	0.79	0.94	0.92	0.73	0.81	0.76	0.63	0.73	0.90	0.97	0.94	0.87	0.91	0.85	0.64	0.87	0.97	0.97	0.94
[12, 15]	13.0	0.85	0.76	0.74	0.59	0.93	0.98	0.91	0.88	0.88	0.82	0.74	0.63	0.88	0.91	1.00	0.96	1.09	0.88	0.82	0.69	1.09	1.10	1.00	0.96
[16, 19]	18.0	0.88	0.87	0.77	0.68	0.88	0.97	0.89	0.79	0.95	0.95	0.76	0.51	0.95	0.91	0.99	0.81	0.94	0.98	0.82	0.55	0.94	1.05	0.94	0.81

Ratios of the Root Mean Square Errors

	$h \in$	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]
Without Intercept Correction																									
$k \in$	$\overline{k}$	RMSFE IMS / σ				RMSFE IMS/DMS				RMSFE IMS/IMSpre				RMSFE IMS/DMSpre				RMSFE IMS/IMSpost				RMSFE IMS/DMSpost			
[1, 3]	3.0	0.79	1.10	1.05	1.25	1.00	1.13	0.94	0.88	0.48	0.76	0.44	0.03	0.48	0.91	0.74	0.82	0.81	0.96	0.89	1.01	0.81	0.98	0.79	0.82
[4, 7]	5.4	0.88	0.92	1.04	1.11	1.00	0.92	0.98	0.79	0.60	0.50	0.07	0.00	0.60	0.70	0.68	0.70	0.80	0.86	0.93	1.01	0.80	0.72	0.76	0.72
[8, 11]	9.5	0.75	0.91	1.23	2.18	1.00	1.04	1.21	1.67	0.59	0.73	0.89	1.38	0.59	0.67	0.80	1.34	0.70	0.84	1.02	1.67	0.70	0.87	0.93	1.36
[12, 15]	13.4	0.71	0.77	1.00	1.28	1.00	1.02	0.90	0.94	0.50	0.53	0.76	0.96	0.50	0.53	0.70	0.76	0.59	0.63	0.79	0.98	0.59	0.56	0.70	0.76
[16, 19]	17.6	0.79	0.96	1.06	0.99	1.00	0.96	0.92	0.73	0.56	0.77	0.73	0.22	0.56	0.69	0.73	0.69	0.75	0.83	0.84	0.77	0.75	0.73	0.74	0.69
With Intercept Correction																									
		RMSFE IMS/IMSIC				RMSFE IMS/DMSIC				RMSFE IMS/IMSpreIC				RMSFE IMS/DMSpreIC				RMSFE IMS/IMSpostIC				RMSFE IMS/DMSpostIC			
[1, 3]	3.0	0.81	0.77	0.80	0.80	0.58	0.74	0.74	0.93	0.42	0.57	0.41	0.03	0.42	0.71	0.75	0.92	0.72	0.81	0.65	0.61	0.72	0.82	0.83	0.93
[4, 7]	5.4	0.85	0.79	0.86	0.95	0.81	0.74	0.88	0.79	0.59	0.48	0.07	0.00	0.59	0.74	0.89	0.95	0.86	0.83	0.74	0.64	0.86	0.78	0.87	0.94
[8, 11]	9.5	0.95	0.93	0.84	0.82	0.85	0.84	1.05	1.64	0.69	0.75	0.76	1.05	0.69	0.83	1.09	1.77	0.99	0.93	0.86	1.13	0.99	1.01	1.14	1.77
[12, 15]	13.4	0.86	0.83	0.85	0.74	0.95	0.91	0.84	0.96	0.81	0.72	0.68	0.70	0.81	0.73	0.98	1.13	1.06	0.71	0.69	0.75	1.06	1.03	1.03	1.12
[16, 19]	17.6	0.83	0.78	0.78	0.75	0.86	0.79	0.82	0.70	0.75	0.75	0.65	0.22	0.75	0.72	0.88	0.85	0.85	0.79	0.68	0.53	0.85	0.85	0.90	0.84

Table 26: Out-of-sample performance ordered by post-break window size: the table reports the median ratios of Absolute Forecast Errors and the ratios of square-root Mean Square Forecast Errors (the latter weighted by the variances of the variables) for AR(2) models estimated over windows of 25 observation.

Median Ratios of Absolute Forecast Errors																									
$h \in$		$\{1\}$	$\{2\}$	$[3,6]$	$[7,12]$	$\{1\}$	$\{2\}$	$[3,6]$	$[7,12]$	$\{1\}$	$\{2\}$	$[3,6]$	$[7,12]$	$\{1\}$	$\{2\}$	$[3,6]$	$[7,12]$	$\{1\}$	$\{2\}$	$[3,6]$	$[7,12]$	$\{1\}$	$\{2\}$	$[3,6]$	$[7,12]$
Without Intercept Correction																									
$k \in$	$mediank$	mAFE IMS / σ				mRAFE IMS/DMS				mRAFE IMS/IMSpre				mRAFE IMS/DMSpre				mRAFE IMS/IMSpost				mRAFE IMS/DMSpost			
$[1,3]$	3.0	0.48	0.63	0.65	0.78	1.00	0.99	0.91	0.85	0.58	0.65	0.70	0.73	0.58	0.63	0.69	0.79	0.89	0.86	0.86	1.00	0.89	0.82	0.75	0.80
$[4,7]$	5.0	0.46	0.56	0.60	0.66	1.00	0.94	0.91	0.86	0.52	0.66	0.63	0.65	0.52	0.57	0.62	0.68	0.86	0.90	0.91	0.98	0.86	0.76	0.78	0.70
$[8,11]$	9.0	0.35	0.54	0.60	0.69	1.00	1.00	1.00	0.91	0.46	0.56	0.68	0.68	0.46	0.54	0.60	0.63	0.86	0.89	0.97	0.99	0.86	0.85	0.79	0.63
$[12,15]$	13.0	0.49	0.45	0.61	0.67	1.00	1.00	0.96	0.90	0.49	0.64	0.74	0.81	0.49	0.56	0.68	0.57	0.64	0.69	0.80	0.86	0.64	0.70	0.70	0.58
$[16,19]$	18.0	0.53	0.65	0.67	0.59	1.00	1.01	0.95	0.85	0.68	0.80	0.83	0.85	0.68	0.70	0.69	0.67	0.73	0.79	0.86	0.88	0.73	0.75	0.71	0.67
With Intercept Correction																									
		mRAFE IMS/IMSIC				mRAFE IMS/DMSIC				mRAFE IMS/IMSpreIC				mRAFE IMS/DMSpreIC				mRAFE IMS/IMSpostIC				mRAFE IMS/DMSpostIC			
$[1,3]$	3.0	0.86	0.76	0.78	0.70	0.86	0.70	0.90	0.95	0.60	0.64	0.75	0.74	0.60	0.65	1.06	1.16	0.90	0.76	0.74	0.57	0.90	0.87	0.91	1.16
$[4,7]$	5.0	0.86	0.85	0.79	0.63	0.82	0.78	0.84	0.83	0.78	0.84	0.70	0.63	0.78	0.95	0.93	0.93	0.91	0.84	0.81	0.53	0.91	0.87	0.88	0.94
$[8,11]$	9.0	0.64	0.70	0.70	0.58	0.87	0.77	0.91	0.85	0.65	0.76	0.80	0.72	0.65	0.81	0.98	0.93	0.90	0.93	0.84	0.60	0.90	0.88	0.98	0.93
$[12,15]$	13.0	0.73	0.75	0.71	0.67	0.89	0.92	0.89	0.85	0.74	0.82	0.76	0.61	0.74	0.86	0.99	0.95	0.97	1.01	0.80	0.68	0.97	1.00	0.99	0.94
$[16,19]$	18.0	0.77	0.90	0.73	0.73	0.93	0.97	0.94	0.80	0.86	0.87	0.83	0.55	0.86	0.93	1.05	0.89	1.00	1.00	0.86	0.61	1.00	1.04	1.05	0.89
Ratios of Root Mean Square Errors																									
$h \in$		$\{1\}$	$\{2\}$	$[3,6]$	$[7,12]$	$\{1\}$	$\{2\}$	$[3,6]$	$[7,12]$	$\{1\}$	$\{2\}$	$[3,6]$	$[7,12]$	$\{1\}$	$\{2\}$	$[3,6]$	$[7,12]$	$\{1\}$	$\{2\}$	$[3,6]$	$[7,12]$	$\{1\}$	$\{2\}$	$[3,6]$	$[7,12]$
Without Intercept Correction																									
$k \in$	$\overline{k}$	RMSFE IMS / σ				RMSFE IMS/DMS				RMSFE IMS/IMSpre				RMSFE IMS/DMSpre				RMSFE IMS/IMSpost				RMSFE IMS/DMSpost			
$k \in$	$\overline{k}$	RMSFE IMS / σ				RMSFE IMS/DMS				RMSFE IMS/IMSpre				RMSFE IMS/DMSpre				RMSFE IMS/IMSpost				RMSFE IMS/DMSpost			
$[1,3]$	3.0	0.90	1.07	1.29	1.73	1.00	1.01	1.05	0.96	0.65	0.75	0.62	0.10	0.65	0.68	0.84	1.12	0.85	0.89	1.02	0.86	0.85	0.84	0.92	1.12
$[4,7]$	5.4	1.01	1.06	1.09	1.27	1.00	0.97	0.85	0.75	0.68	0.66	0.07	0.00	0.68	0.68	0.66	0.79	0.79	0.65	0.55	0.06	0.79	0.78	0.73	0.80
$[8,11]$	9.5	0.91	0.97	1.34	2.82	1.00	1.01	1.09	1.67	0.57	0.55	0.15	0.01	0.57	0.56	0.84	1.72	0.82	0.92	1.10	1.95	0.82	0.87	0.95	1.73
$[12,15]$	13.4	0.73	0.83	1.55	6.94	1.00	0.90	1.01	3.38	0.37	0.10	0.00	0.00	0.37	0.46	1.08	4.09	0.52	0.56	0.18	0.01	0.52	0.59	1.05	4.10
$[16,19]$	17.6	0.83	1.03	1.21	1.31	1.00	1.02	0.93	0.67	0.41	0.45	0.00	0.00	0.41	0.69	0.75	0.91	0.68	0.75	0.76	0.36	0.68	0.78	0.80	0.91
With Intercept Correction																									
		RMSFE IMS/IMSIC				RMSFE IMS/DMSIC				RMSFE IMS/IMSpreIC				RMSFE IMS/DMSpreIC				RMSFE IMS/IMSpostIC				RMSFE IMS/DMSpostIC			
$[1,3]$	3.0	0.84	0.81	0.85	0.87	0.66	0.71	0.95	1.03	0.52	0.65	0.55	0.10	0.52	0.62	0.96	1.28	0.84	0.66	0.73	0.65	0.84	0.74	0.99	1.28
$[4,7]$	5.4	0.93	0.80	0.87	0.98	0.84	0.80	0.81	0.72	0.76	0.66	0.07	0.00	0.76	0.75	0.86	1.06	0.91	0.60	0.49	0.06	0.91	0.88	0.84	1.07
$[8,11]$	9.5	0.96	0.94	0.94	0.99	0.93	0.82	0.97	1.67	0.74	0.56	0.15	0.01	0.74	0.72	1.14	2.27	1.18	0.93	0.88	1.37	1.18	1.04	1.21	2.29
$[12,15]$	13.4	0.86	0.85	0.88	0.83	0.96	0.87	0.95	3.48	0.47	0.10	0.00	0.00	0.47	0.55	1.51	6.05	1.04	0.79	0.18	0.01	1.04	1.06	1.57	6.09
$[16,19]$	17.6	0.91	0.83	0.83	0.77	0.86	0.87	0.91	0.65	0.50	0.42	0.00	0.00	0.50	0.66	0.93	1.12	0.84	0.73	0.68	0.33	0.84	0.91	1.00	1.12

Table 27: Out-of-sample performance ordered by post-break window size: the table reports the median ratios of Absolute Forecast Errors and the ratios of square-root Mean Square Forecast Errors (the latter weighted by the variances of the variables) for AR(4) models estimated over windows of 25 observation.

Median Ratios of Absolute Forecast Errors

	$h \in$	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]
Without Intercept Correction																									
$k \in$	$mediank$	mAFE IMS / σ				mRAFE IMS/DMS				mRAFE IMS/IMSpre				mRAFE IMS/DMSpre				mRAFE IMS/IMSpost				mRAFE IMS/DMSpost			
[1, 3]	3.0	0.42	0.60	0.53	0.66	1.00	0.99	0.95	0.82	0.48	0.78	0.46	0.49	0.48	0.72	0.30	0.32	0.68	0.73	0.68	0.69	0.68	0.65	0.48	0.48
[4, 7]	5.0	0.47	0.52	0.57	0.61	1.00	0.98	0.96	0.90	0.30	0.22	0.25	0.21	0.30	0.17	0.20	0.16	0.77	0.79	0.82	0.76	0.77	0.68	0.61	0.43
[8, 11]	9.0	0.36	0.53	0.64	0.73	1.00	1.02	0.98	0.93	0.28	0.44	0.46	0.53	0.28	0.49	0.35	0.35	0.70	0.81	0.77	0.79	0.70	0.80	0.58	0.43
[12, 15]	13.0	0.45	0.53	0.66	0.75	1.00	1.02	0.99	0.96	0.49	0.55	0.67	0.72	0.49	0.48	0.54	0.47	0.64	0.57	0.51	0.59	0.64	0.43	0.29	0.23
[16, 19]	18.0	0.52	0.65	0.68	0.52	1.00	1.00	0.97	0.86	0.54	0.79	0.78	0.67	0.54	0.68	0.63	0.44	0.54	0.63	0.59	0.51	0.54	0.45	0.32	0.23
With Intercept Correction																									
		mRAFE IMS/IMSIC				mRAFE IMS/DMSIC				mRAFE IMS/IMSpreIC				mRAFE IMS/DMSpreIC				mRAFE IMS/IMSpostIC				mRAFE IMS/DMSpostIC			
[1, 3]	3.0	0.77	0.68	0.61	0.43	0.76	0.84	0.74	0.89	0.28	0.33	0.25	0.18	0.28	0.32	0.31	0.28	0.50	0.55	0.40	0.29	0.50	0.67	0.63	0.77
[4, 7]	5.0	0.70	0.80	0.58	0.43	0.80	0.81	0.90	0.92	0.13	0.11	0.12	0.09	0.13	0.14	0.24	0.25	0.55	0.50	0.50	0.30	0.55	0.58	0.68	0.65
[8, 11]	9.0	0.64	0.43	0.29	0.23	0.84	0.91	0.96	0.95	0.26	0.41	0.25	0.27	0.26	0.48	0.51	0.55	0.61	0.70	0.54	0.32	0.61	0.77	0.76	0.78
[12, 15]	13.0	0.54	0.45	0.32	0.23	0.91	1.08	0.90	0.87	0.59	0.58	0.43	0.33	0.59	0.76	0.70	0.73	0.50	0.36	0.27	0.22	0.50	0.45	0.44	0.48
[16, 19]	18.0	0.53	0.54	0.35	0.28	1.07	1.09	0.99	0.75	0.61	0.67	0.49	0.27	0.61	0.85	0.78	0.54	0.34	0.36	0.27	0.17	0.34	0.47	0.47	0.38

Ratios of Root Mean Square Errors

	$h \in$	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]
Without Intercept Correction																									
$k \in$	$\overline{k}$	RMSFE IMS / σ				RMSFE IMS/DMS				RMSFE IMS/IMSpre				RMSFE IMS/DMSpre				RMSFE IMS/IMSpost				RMSFE IMS/DMSpost			
[1, 3]	3.0	0.79	1.01	0.98	1.12	1.00	1.06	0.87	0.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
[4, 7]	5.4	0.84	0.93	1.04	1.11	1.00	1.00	0.95	0.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
[8, 11]	9.5	0.78	0.91	1.10	1.28	1.00	1.05	1.03	0.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
[12, 15]	13.4	0.72	0.82	1.05	1.17	1.00	1.02	0.88	0.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
[16, 19]	17.6	0.83	1.01	1.13	0.98	1.00	1.02	0.88	0.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
With Intercept Correction																									
		RMSFE IMS/IMSIC				RMSFE IMS/DMSIC				RMSFE IMS/IMSpreIC				RMSFE IMS/DMSpreIC				RMSFE IMS/IMSpostIC				RMSFE IMS/DMSpostIC			
[1, 3]	3.0	0.77	0.79	0.84	0.89	0.55	0.68	0.57	0.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
[4, 7]	5.4	0.87	0.82	0.87	0.89	0.77	0.79	0.83	0.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
[8, 11]	9.5	1.01	0.99	0.94	0.86	0.87	0.84	0.87	0.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
[12, 15]	13.4	0.89	0.89	0.95	0.80	1.01	0.94	0.74	0.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
[16, 19]	17.6	0.83	0.81	0.80	0.75	0.89	0.87	0.80	0.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Table 28: Out-of-sample performance ordered by post-break window size: the table reports the median ratios of Absolute Forecast Errors and the ratios of square-root Mean Square Forecast Errors (the latter weighted by the variances of the variables) for AR(p) models estimated over windows of 25 observation, where p is chosen by the AIC.

3.2 Windows of 40 observations

Median Ratios of Absolute Forecast Errors

	$h \in$	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]
Without Intercept Correction																									
$k \in$	*mediank*	mAFE IMS / σ				mRAFE IMS/DMS				mRAFE IMS/IMSpre				mRAFE IMS/DMSpre				mRAFE IMS/IMSpost				mRAFE IMS/DMSpost			
[4, 7]	6.0	0.73	0.70	0.68	0.62	1.00	0.99	0.95	0.89	0.78	0.87	0.88	0.90	0.78	0.87	0.89	0.84	1.50	1.35	0.76	0.66	1.50	0.72	0.64	0.62
[8, 11]	9.0	0.53	0.62	0.65	0.62	1.00	1.01	1.03	0.88	0.66	0.79	0.79	0.83	0.66	0.77	0.79	0.74	1.39	1.50	1.35	0.82	1.39	1.33	0.67	0.62
[12, 15]	13.0	0.38	0.43	0.52	0.70	1.00	1.03	1.05	0.97	0.54	0.60	0.66	0.74	0.54	0.59	0.62	0.69	1.15	1.18	1.24	1.14	1.15	1.05	0.76	0.68
[16, 19]	18.0	0.38	0.38	0.58	0.70	1.00	1.04	1.12	1.08	0.53	0.48	0.53	0.57	0.53	0.50	0.51	0.52	1.13	1.36	1.38	1.38	1.13	1.17	1.23	0.61
[20, 29]	25.0	0.33	0.46	0.52	0.73	1.00	1.02	1.07	1.09	0.40	0.47	0.46	0.52	0.40	0.46	0.43	0.53	1.04	1.14	1.17	1.23	1.04	1.17	1.13	0.98
[30, 39]	32.5	0.41	0.49	0.53	0.58	1.00	1.03	1.02	1.09	0.37	0.42	0.39	0.40	0.37	0.41	0.52	0.60	1.02	1.05	1.02	1.12	1.02	0.98	0.95	1.06
With Intercept Correction																									
		mRAFE IMS/IMSIC				mRAFE IMS/DMSIC				mRAFE IMS/IMSpreIC				mRAFE IMS/DMSpreIC				mRAFE IMS/IMSpostIC				mRAFE IMS/DMSpostIC			
[1, 3]	6.0	0.73	0.70	0.68	0.62	1.30	1.14	0.68	0.73	1.32	1.24	0.68	0.69	1.32	1.16	0.71	0.72	1.34	0.74	0.37	0.38	1.34	1.21	0.74	0.72
[4, 7]	9.0	0.53	0.62	0.65	0.62	1.03	0.90	0.98	0.89	1.08	0.96	1.10	0.84	1.08	0.94	1.08	0.96	1.08	1.08	0.63	0.38	1.08	1.37	1.11	0.85
[8, 11]	13.0	0.38	0.43	0.52	0.70	0.77	0.86	0.66	0.81	0.61	0.73	0.81	0.92	0.61	0.70	0.85	0.99	0.89	1.05	0.77	0.51	0.89	0.95	0.85	0.98
[12, 15]	18.0	0.38	0.38	0.58	0.70	0.71	0.87	0.87	1.13	0.63	0.88	0.98	1.00	0.63	0.92	0.95	1.09	0.78	1.04	1.04	0.77	0.78	1.06	0.97	1.13
[16, 19]	25.0	0.33	0.46	0.52	0.73	0.72	0.78	0.95	1.01	0.67	0.93	0.98	0.72	0.67	0.87	1.00	1.07	0.85	0.92	1.07	0.96	0.85	0.95	1.07	1.08
[30, 39]	33.0	0.41	0.49	0.53	0.58	0.70	0.80	1.09	0.94	0.64	0.68	0.41	0.36	0.64	0.81	1.04	0.99	0.75	0.88	1.08	0.98	0.75	0.88	1.09	1.01

Ratios of Root Mean Square Errors

	$h \in$	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]
Without Intercept Correction																									
$k \in$	$\overline{k}$	RMSFE IMS / σ				RMSFE IMS/DMS				RMSFE IMS/IMSpre				RMSFE IMS/DMSpre				RMSFE IMS/IMSpost				RMSFE IMS/DMSpost			
[4, 7]	6.4	1.03	1.39	1.07	1.07	1.00	1.00	0.92	0.88	0.79	0.89	0.92	0.95	0.79	0.88	0.90	0.86	1.10	0.93	0.43	0.14	1.10	0.74	0.64	0.71
[8, 11]	9.4	0.82	0.87	1.03	0.99	1.00	1.01	1.05	0.80	0.73	0.78	0.81	0.85	0.73	0.74	0.78	0.74	1.11	0.97	0.93	0.83	1.11	0.93	0.65	0.65
[12, 15]	13.5	0.59	0.79	0.87	1.14	1.00	1.05	1.09	0.93	0.62	0.67	0.68	0.79	0.62	0.63	0.64	0.69	1.07	1.10	1.08	0.99	1.07	1.04	0.85	0.69
[16, 19]	17.6	0.58	0.73	0.90	1.11	1.00	1.03	1.06	1.06	0.58	0.60	0.63	0.69	0.58	0.54	0.58	0.62	1.09	1.08	1.07	1.19	1.09	1.05	0.98	0.68
[20, 29]	24.6	0.65	0.78	0.96	1.17	1.00	1.02	1.05	1.06	0.53	0.57	0.61	0.69	0.53	0.50	0.56	0.65	1.02	1.04	1.05	1.04	1.02	1.02	1.04	0.87
[30, 39]	32.5	0.76	0.87	1.00	0.94	1.00	0.98	0.97	0.99	0.53	0.59	0.60	0.27	0.53	0.53	0.63	0.67	1.03	1.04	0.99	1.01	1.03	0.98	0.94	1.00
With Intercept Correction																									
		RMSFE IMS/IMSIC				RMSFE IMS/DMSIC				RMSFE IMS/IMSpreIC				RMSFE IMS/DMSpreIC				RMSFE IMS/IMSpostIC				RMSFE IMS/DMSpostIC			
[4, 7]	6.4	0.97	1.00	0.67	0.68	0.97	0.97	0.66	0.69	1.01	1.03	0.73	0.75	1.01	1.06	0.70	0.74	0.91	0.59	0.28	0.13	0.91	1.04	0.75	0.75
[8, 11]	9.4	0.82	0.75	0.87	0.77	0.82	0.71	0.84	0.83	0.75	0.73	0.91	0.87	0.75	0.72	0.89	0.94	0.89	0.80	0.48	0.38	0.89	0.82	0.94	0.88
[12, 15]	13.5	0.80	0.92	0.98	0.98	0.80	0.89	0.82	0.90	0.61	0.89	0.98	0.94	0.61	0.90	0.95	0.99	0.90	1.01	0.72	0.57	0.90	0.98	0.96	1.00
[16, 19]	17.6	0.70	0.80	0.96	1.04	0.70	0.79	0.84	0.91	0.57	0.78	0.96	0.81	0.57	0.80	0.90	1.02	0.80	0.89	1.01	0.65	0.80	0.89	0.95	1.06
[20, 29]	24.6	0.67	0.78	0.91	0.93	0.67	0.75	0.85	0.88	0.63	0.84	0.79	0.64	0.63	0.79	0.89	0.94	0.74	0.85	0.95	0.83	0.74	0.88	0.96	0.95
[30, 39]	32.5	0.68	0.76	0.94	0.86	0.68	0.74	0.90	0.88	0.68	0.61	0.50	0.25	0.68	0.77	0.96	0.87	0.75	0.82	0.98	0.87	0.75	0.82	0.93	0.89

Table 29: Out-of-sample performance ordered by post-break window size: the table reports the median ratios of Absolute Forecast Errors and the ratios of square-root Mean Square Forecast Errors (the latter weighted by the variances of the variables) for AR(1) models estimated over windows of 40 observation.

Median Ratios of Absolute Forecast Errors

$h \in$		{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]
Without Intercept Correction																									
$k \in$	*mediank*	mAFE IMS / σ				mRAFE IMS/DMS				mRAFE IMS/IMSpre				mRAFE IMS/DMSpre				mRAFE IMS/IMSpost				mRAFE IMS/DMSpost			
[4, 7]	6.0	0.70	0.68	0.70	0.65	1.00	1.00	0.91	0.85	0.76	0.84	0.89	0.91	0.76	0.86	0.91	0.83	0.84	0.80	0.68	0.68	0.84	0.67	0.65	0.68
[8, 11]	9.0	0.46	0.56	0.63	0.66	1.00	1.03	0.99	0.78	0.61	0.72	0.77	0.83	0.61	0.80	0.74	0.72	1.22	1.07	1.10	0.85	1.22	0.92	0.59	0.65
[12, 15]	13.0	0.37	0.48	0.48	0.68	1.00	1.00	0.98	0.90	0.52	0.54	0.63	0.74	0.52	0.60	0.59	0.69	1.10	1.00	1.04	0.90	1.10	1.02	0.63	0.61
[16, 19]	18.0	0.38	0.35	0.51	0.66	1.00	0.98	0.99	1.02	0.55	0.42	0.52	0.54	0.55	0.50	0.45	0.49	0.98	0.95	1.02	1.26	0.98	0.95	0.87	0.51
[20, 29]	25.0	0.33	0.43	0.49	0.66	1.00	1.03	1.02	1.03	0.33	0.42	0.44	0.48	0.33	0.40	0.39	0.48	0.98	0.99	1.07	1.14	0.98	1.02	1.01	0.82
[30, 39]	32.5	0.40	0.48	0.53	0.57	1.00	1.03	0.97	1.04	0.34	0.42	0.44	0.46	0.34	0.50	0.52	0.59	0.97	0.97	0.97	1.05	0.97	0.95	0.93	1.02
With Intercept Correction																									
		mRAFE IMS/IMSIC				mRAFE IMS/DMSIC				mRAFE IMS/IMSpreIC				mRAFE IMS/DMSpreIC				mRAFE IMS/IMSpostIC				mRAFE IMS/DMSpostIC			
[1, 3]	6.0	0.70	0.68	0.70	0.65	1.24	1.07	0.79	0.81	1.31	1.09	0.74	0.77	1.31	1.06	0.78	0.86	1.43	1.09	0.60	0.58	1.43	1.22	0.86	0.78
[4, 7]	9.0	0.46	0.56	0.63	0.66	1.06	0.97	0.98	0.81	0.97	0.84	0.98	0.85	0.97	0.79	1.09	1.03	1.01	0.97	0.47	0.37	1.01	1.07	1.13	0.87
[8, 11]	13.0	0.37	0.48	0.48	0.68	0.81	0.80	0.67	0.75	0.71	0.75	0.68	0.77	0.71	0.66	0.70	0.92	0.92	0.90	0.61	0.46	0.92	0.90	0.82	0.92
[12, 15]	18.0	0.38	0.35	0.51	0.66	0.65	0.82	0.83	0.90	0.65	0.61	0.84	0.76	0.65	0.65	0.77	1.02	0.79	0.97	0.94	0.60	0.79	0.91	0.92	1.03
[16, 19]	25.0	0.33	0.43	0.49	0.66	0.72	0.76	0.84	0.94	0.60	0.75	0.76	0.64	0.60	0.73	0.88	1.00	0.89	0.88	0.97	0.82	0.89	0.85	0.97	0.98
[30, 39]	33.0	0.40	0.48	0.53	0.57	0.68	0.80	1.02	0.88	0.77	0.66	0.56	0.50	0.77	0.90	1.03	0.92	0.72	0.94	1.02	0.91	0.72	0.98	1.01	0.93

Ratios of Root Mean Square Errors

$h \in$		{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]
Without Intercept Correction																									
$k \in$	$\overline{k}$	RMSFE IMS / σ				RMSFE IMS/DMS				RMSFE IMS/IMSpre				RMSFE IMS/DMSpre				RMSFE IMS/IMSpost				RMSFE IMS/DMSpost			
[4, 7]	6.4	1.01	1.39	1.26	1.47	1.00	0.99	1.00	1.06	0.74	0.88	1.08	1.30	0.74	0.95	1.03	1.11	0.68	0.74	0.79	0.92	0.68	0.64	0.74	0.98
[8, 11]	9.4	0.82	0.86	1.00	1.02	1.00	1.08	0.98	0.73	0.69	0.72	0.77	0.87	0.69	0.79	0.72	0.73	1.01	0.92	0.92	0.87	1.01	0.78	0.59	0.67
[12, 15]	13.5	0.58	0.74	0.82	1.11	1.00	1.00	1.01	0.84	0.57	0.58	0.65	0.78	0.57	0.61	0.58	0.65	1.02	0.95	0.97	0.91	1.02	0.93	0.69	0.68
[16, 19]	17.6	0.56	0.70	0.87	1.07	1.00	1.02	1.02	1.00	0.49	0.50	0.61	0.66	0.49	0.51	0.52	0.58	1.02	1.00	1.01	1.14	1.02	0.96	0.87	0.62
[20, 29]	24.6	0.64	0.76	0.93	1.14	1.00	1.02	1.02	1.03	0.43	0.48	0.59	0.63	0.43	0.45	0.52	0.63	0.95	0.98	1.01	1.01	0.95	0.98	0.99	0.78
[30, 39]	32.5	0.75	0.88	0.98	0.92	1.00	1.06	0.95	0.97	0.47	0.53	0.59	0.22	0.47	0.53	0.63	0.66	0.96	0.99	0.97	0.99	0.96	1.00	0.91	0.97
With Intercept Correction																									
		RMSFE IMS/IMSIC				RMSFE IMS/DMSIC				RMSFE IMS/IMSpreIC				RMSFE IMS/DMSpreIC				RMSFE IMS/IMSpostIC				RMSFE IMS/DMSpostIC			
[4, 7]	6.4	0.97	0.97	0.67	0.70	0.97	0.94	0.77	0.88	1.00	1.05	0.84	1.01	1.00	1.02	0.82	1.00	1.19	0.81	0.61	0.65	1.19	1.07	0.88	1.03
[8, 11]	9.4	0.83	0.72	0.81	0.72	0.83	0.75	0.82	0.79	0.74	0.70	0.86	0.89	0.74	0.69	0.86	0.94	0.93	0.55	0.43	0.39	0.93	0.88	0.93	0.90
[12, 15]	13.5	0.81	0.85	0.89	0.90	0.81	0.84	0.79	0.85	0.59	0.80	0.88	0.85	0.59	0.76	0.82	0.91	0.94	0.96	0.54	0.53	0.94	0.94	0.95	0.98
[16, 19]	17.6	0.72	0.77	0.90	0.96	0.72	0.78	0.84	0.87	0.57	0.70	0.88	0.71	0.57	0.71	0.77	0.96	0.82	0.86	0.87	0.59	0.82	0.85	0.93	1.02
[20, 29]	24.6	0.70	0.73	0.86	0.89	0.70	0.75	0.83	0.86	0.57	0.69	0.65	0.57	0.57	0.66	0.83	0.91	0.77	0.86	0.93	0.76	0.77	0.85	0.90	0.92
[30, 39]	32.5	0.70	0.75	0.92	0.84	0.70	0.82	0.90	0.87	0.70	0.53	0.53	0.21	0.70	0.74	0.96	0.85	0.75	0.81	0.96	0.85	0.75	0.83	0.89	0.86

Table 30: Out-of-sample performance ordered by post-break window size: the table reports the median ratios of Absolute Forecast Errors and the ratios of square-root Mean Square Forecast Errors (the latter weighted by the variances of the variables) for AR(2) models estimated over windows of 40 observation.

Median Ratios of Absolute Forecast Errors

$h \in$		{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]
Without Intercept Correction																									
$k \in$	*mediank*	mAFE IMS / σ				mRAFE IMS/DMS				mRAFE IMS/IMSpre				mRAFE IMS/DMSpre				mRAFE IMS/IMSpost				mRAFE IMS/DMSpost			
[4, 7]	6.0	0.70	0.87	0.79	0.72	1.00	0.96	0.91	0.77	0.76	0.87	0.97	0.94	0.76	0.86	0.92	0.75	0.62	0.72	0.76	0.71	0.62	0.72	0.76	0.71
[8, 11]	9.0	0.43	0.44	0.61	0.61	1.00	0.96	0.87	0.53	0.56	0.69	0.77	0.83	0.56	0.70	0.70	0.62	0.74	0.67	0.64	0.56	0.74	0.56	0.54	0.60
[12, 15]	13.0	0.34	0.51	0.51	0.71	1.00	0.99	0.95	0.76	0.53	0.58	0.59	0.80	0.53	0.56	0.56	0.68	0.89	0.90	0.82	0.85	0.89	0.80	0.58	0.68
[16, 19]	18.0	0.34	0.39	0.53	0.67	1.00	1.00	0.98	0.96	0.40	0.36	0.47	0.56	0.40	0.35	0.40	0.51	0.87	0.88	0.95	1.09	0.87	0.91	0.74	0.50
[20, 29]	25.0	0.33	0.44	0.51	0.68	1.00	1.02	1.02	1.02	0.25	0.33	0.39	0.46	0.25	0.29	0.38	0.46	0.87	0.93	0.97	1.04	0.87	0.97	0.95	0.68
[30, 39]	32.5	0.39	0.45	0.52	0.53	1.00	1.01	0.96	0.98	0.33	0.44	0.44	0.47	0.33	0.41	0.50	0.56	0.98	0.93	0.97	0.97	0.98	0.97	0.91	0.91
With Intercept Correction																									
		mRAFE IMS/IMSIC				mRAFE IMS/DMSIC				mRAFE IMS/IMSpreIC				mRAFE IMS/DMSpreIC				mRAFE IMS/IMSpostIC				mRAFE IMS/DMSpostIC			
[1, 3]	6.0	0.70	0.87	0.79	0.72	1.32	1.21	0.92	0.79	1.20	1.14	0.97	0.91	1.20	1.16	0.99	0.88	1.47	1.30	1.05	0.97	1.47	1.30	1.05	0.97
[4, 7]	9.0	0.43	0.44	0.61	0.61	0.96	0.72	0.79	0.62	0.84	0.63	0.87	0.80	0.84	0.62	0.84	0.81	1.06	0.52	0.44	0.38	1.06	0.93	1.02	0.84
[8, 11]	13.0	0.34	0.51	0.51	0.71	0.81	0.79	0.72	0.71	0.59	0.71	0.81	0.70	0.59	0.69	0.70	0.90	0.86	0.92	0.50	0.49	0.86	0.84	0.84	0.96
[12, 15]	18.0	0.34	0.39	0.53	0.67	0.78	0.88	0.87	0.84	0.66	0.71	0.87	0.68	0.66	0.66	0.61	1.00	0.83	1.00	0.91	0.51	0.83	0.97	0.93	1.01
[16, 19]	25.0	0.33	0.44	0.51	0.68	0.72	0.72	0.82	0.94	0.51	0.60	0.62	0.54	0.51	0.49	0.80	0.97	0.87	0.87	0.96	0.73	0.87	0.86	0.89	0.96
[30, 39]	33.0	0.39	0.45	0.52	0.53	0.75	0.82	1.00	0.87	0.80	0.76	0.78	0.65	0.80	0.93	0.99	0.85	0.78	0.88	0.98	0.85	0.78	0.92	0.93	0.87

Ratios of Root Mean Square Errors

$h \in$		{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]
Without Intercept Correction																									
$k \in$	$\overline{k}$	RMSFE IMS / σ				RMSFE IMS/DMS				RMSFE IMS/IMSpre				RMSFE IMS/DMSpre				RMSFE IMS/IMSpost				RMSFE IMS/DMSpost			
[4, 7]	6.4	1.03	1.43	1.89	5.35	1.00	0.99	1.33	3.21	0.81	0.94	1.59	4.71	0.81	0.92	1.47	3.73	0.56	0.66	1.12	3.56	0.56	0.66	1.12	3.56
[8, 11]	9.4	0.76	0.80	0.93	0.94	1.00	0.94	0.77	0.52	0.65	0.66	0.69	0.81	0.65	0.64	0.60	0.61	0.42	0.48	0.03	0.00	0.42	0.49	0.54	0.62
[12, 15]	13.5	0.58	0.76	0.81	1.13	1.00	0.98	0.93	0.71	0.55	0.59	0.58	0.78	0.55	0.57	0.50	0.61	0.80	0.87	0.65	0.19	0.80	0.74	0.58	0.69
[16, 19]	17.6	0.54	0.68	0.87	1.06	1.00	0.97	0.97	0.91	0.40	0.41	0.52	0.66	0.40	0.37	0.43	0.57	0.91	0.89	0.93	1.09	0.91	0.86	0.70	0.60
[20, 29]	24.6	0.66	0.76	0.95	1.15	1.00	1.01	1.01	1.00	0.32	0.38	0.43	0.11	0.32	0.32	0.48	0.63	0.90	0.93	0.99	1.01	0.90	0.93	0.91	0.72
[30, 39]	32.5	0.76	0.85	1.01	0.92	1.00	0.99	0.97	0.97	0.09	0.01	0.00	0.00	0.09	0.57	0.65	0.66	0.95	0.93	0.97	0.96	0.95	0.91	0.93	0.90
With Intercept Correction																									
		RMSFE IMS/IMSIC				RMSFE IMS/DMSIC				RMSFE IMS/IMSpreIC				RMSFE IMS/DMSpreIC				RMSFE IMS/IMSpostIC				RMSFE IMS/DMSpostIC			
[4, 7]	6.4	1.06	1.01	0.77	0.94	1.06	1.06	1.21	2.89	1.00	1.08	1.24	3.64	1.00	1.11	1.30	3.66	1.24	1.09	1.32	3.74	1.24	1.09	1.32	3.74
[8, 11]	9.4	0.84	0.72	0.73	0.64	0.84	0.69	0.72	0.56	0.70	0.65	0.78	0.77	0.70	0.63	0.75	0.79	0.49	0.34	0.03	0.00	0.49	0.72	0.86	0.83
[12, 15]	13.5	0.82	0.87	0.83	0.85	0.82	0.85	0.78	0.78	0.57	0.78	0.81	0.79	0.57	0.73	0.69	0.83	0.79	0.87	0.40	0.18	0.79	0.76	0.85	1.00
[16, 19]	17.6	0.77	0.77	0.89	0.95	0.77	0.77	0.84	0.84	0.50	0.62	0.79	0.65	0.50	0.52	0.56	0.87	0.87	0.86	0.67	0.58	0.87	0.83	0.83	1.02
[20, 29]	24.6	0.72	0.75	0.84	0.89	0.72	0.77	0.84	0.86	0.44	0.52	0.44	0.11	0.44	0.40	0.71	0.93	0.76	0.83	0.91	0.72	0.76	0.84	0.86	0.92
[30, 39]	32.5	0.73	0.80	0.94	0.84	0.73	0.81	0.94	0.87	0.09	0.01	0.00	0.00	0.09	0.84	0.99	0.85	0.75	0.81	0.93	0.81	0.75	0.78	0.89	0.82

Table 31: Out-of-sample performance ordered by post-break window size: the table reports the median ratios of Absolute Forecast Errors and the ratios of square-root Mean Square Forecast Errors (the latter weighted by the variances of the variables) for AR(4) models estimated over windows of 40 observation.

Median Ratios of Absolute Forecast Errors

$h \in$		{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]
Without Intercept Correction																									
$k \in$	*mediank*	mAFE IMS / σ				mRAFE IMS/DMS				mRAFE IMS/IMSpre				mRAFE IMS/DMSpre				mRAFE IMS/IMSpost				mRAFE IMS/DMSpost			
[4, 7]	6.0	0.74	0.72	0.68	0.63	1.00	0.99	0.95	0.89	0.80	0.88	0.88	0.90	0.80	0.88	0.91	0.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
[8, 11]	9.0	0.50	0.62	0.63	0.65	1.00	0.99	1.01	0.88	0.68	0.80	0.78	0.79	0.68	0.78	0.77	0.73	0.81	0.61	0.51	0.36	0.81	0.33	0.37	0.37
[12, 15]	13.0	0.38	0.50	0.52	0.72	1.00	1.02	1.05	0.97	0.58	0.65	0.63	0.71	0.58	0.62	0.63	0.71	1.15	0.91	0.81	0.82	1.15	1.05	0.62	0.70
[16, 19]	18.0	0.37	0.40	0.60	0.70	1.00	0.99	1.13	1.09	0.50	0.48	0.55	0.56	0.50	0.49	0.55	0.57	1.13	1.09	1.08	1.18	1.13	0.96	0.71	0.59
[20, 29]	25.0	0.35	0.47	0.56	0.81	1.00	1.01	1.09	1.10	0.41	0.50	0.48	0.59	0.41	0.47	0.51	0.63	1.01	1.07	1.08	1.16	1.01	1.11	1.01	0.75
[30, 39]	32.5	0.45	0.51	0.62	0.62	1.00	1.03	1.03	1.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.02	1.06	1.07	1.14	1.02	1.04	1.02	1.06
With Intercept Correction																									
		mRAFE IMS/IMSIC				mRAFE IMS/DMSIC				mRAFE IMS/IMSpreIC				mRAFE IMS/DMSpreIC				mRAFE IMS/IMSpostIC				mRAFE IMS/DMSpostIC			
[1, 3]	6.0	1.28	1.17	0.64	0.61	1.28	1.16	0.67	0.71	1.31	1.19	0.67	0.69	1.31	1.14	0.67	0.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
[4, 7]	9.0	1.00	0.97	1.00	0.81	1.00	0.87	0.91	0.85	1.05	0.91	1.04	0.82	1.05	0.84	1.00	0.95	0.58	0.26	0.20	0.16	0.58	0.63	0.66	0.47
[8, 11]	13.0	0.84	0.93	0.90	0.95	0.84	0.87	0.75	0.81	0.64	0.75	0.83	0.72	0.64	0.73	0.83	0.99	0.94	0.97	0.45	0.47	0.94	0.94	0.90	0.99
[12, 15]	18.0	0.74	0.93	0.97	1.03	0.74	0.91	0.84	1.09	0.64	0.75	0.97	0.51	0.64	0.98	0.89	1.09	0.85	1.14	0.89	0.61	0.85	0.98	0.89	1.10
[16, 19]	25.0	0.80	0.81	1.04	1.06	0.80	0.78	0.97	0.98	0.73	0.92	0.77	0.71	0.73	0.86	1.02	1.06	0.86	0.90	1.10	0.78	0.86	0.98	1.01	1.03
[30, 39]	33.0	0.73	0.95	1.22	0.97	0.73	0.93	1.21	0.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.77	1.00	1.23	0.97	0.77	0.91	1.10	0.92

Ratios of the Root Mean Square Errors

$h \in$		{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]
Without Intercept Correction																									
$k \in$	$\overline{k}$	RMSFE IMS / σ				RMSFE IMS/DMS				RMSFE IMS/IMSpre				RMSFE IMS/DMSpre				RMSFE IMS/IMSpost				RMSFE IMS/DMSpost			
[4, 7]	6.4	1.03	1.37	1.08	1.08	1.00	0.99	0.90	0.87	0.80	0.88	0.92	0.94	0.80	0.86	0.89	0.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
[8, 11]	9.4	0.81	0.86	1.02	0.98	1.00	0.98	1.00	0.80	0.74	0.78	0.80	0.79	0.74	0.73	0.76	0.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
[12, 15]	13.5	0.62	0.83	0.90	1.15	1.00	1.00	1.12	0.92	0.67	0.73	0.69	0.73	0.67	0.69	0.66	0.70	0.90	1.00	0.88	0.79	0.90	1.03	0.68	0.70
[16, 19]	17.6	0.60	0.77	0.93	1.09	1.00	0.97	1.08	1.07	0.55	0.57	0.60	0.60	0.55	0.51	0.58	0.61	1.04	1.02	1.00	0.98	1.04	1.09	0.81	0.62
[20, 29]	24.6	0.69	0.83	0.98	1.21	1.00	1.03	1.07	1.09	0.49	0.59	0.58	0.55	0.49	0.52	0.58	0.67	0.93	0.95	0.94	0.99	0.93	1.04	1.01	0.77
[30, 39]	32.5	0.77	0.89	1.04	0.96	1.00	0.97	0.99	0.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.02	1.02	1.01	1.04	1.02	1.00	0.95	0.99
With Intercept Correction																									
		RMSFE IMS/IMSIC				RMSFE IMS/DMSIC				RMSFE IMS/IMSpreIC				RMSFE IMS/DMSpreIC				RMSFE IMS/IMSpostIC				RMSFE IMS/DMSpostIC			
[4, 7]	6.4	0.97	0.99	0.68	0.68	0.97	1.01	0.66	0.69	1.01	1.02	0.73	0.75	1.01	1.06	0.70	0.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
[8, 11]	9.4	0.82	0.75	0.87	0.77	0.82	0.73	0.80	0.80	0.72	0.70	0.90	0.82	0.72	0.72	0.84	0.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
[12, 15]	13.5	0.85	0.99	1.03	0.99	0.85	0.95	0.86	0.89	0.58	0.85	0.99	0.79	0.58	0.91	0.97	0.97	0.96	1.05	0.47	0.48	0.96	0.94	1.02	1.01
[16, 19]	17.6	0.75	0.87	1.01	1.03	0.75	0.87	0.88	0.92	0.59	0.81	0.97	0.61	0.59	0.84	0.77	0.99	0.88	0.94	0.70	0.52	0.88	0.88	0.88	1.05
[20, 29]	24.6	0.73	0.83	0.94	0.96	0.73	0.82	0.86	0.89	0.64	0.85	0.62	0.52	0.64	0.73	0.86	0.98	0.77	0.88	0.97	0.71	0.77	0.91	0.90	0.96
[30, 39]	32.5	0.68	0.79	0.99	0.89	0.68	0.75	0.93	0.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.76	0.84	1.02	0.87	0.76	0.82	0.89	0.84

Table 32: Out-of-sample performance ordered by post-break window size: the table reports the median ratios of Absolute Forecast Errors and the ratios of square-root Mean Square Forecast Errors (the latter weighted by the variances of the variables) for AR(p) models estimated over windows of 40 observation, where p is chosen by the AIC.

3.3 Expanding windows of observations

Median Ratios of Absolute Forecast Errors

	$h \in$	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]
Without Intercept Correction																									
$k \in$	$mediank$	mAFE IMS / σ				mRAFE IMS/DMS				mRAFE IMS/IMSpre				mRAFE IMS/DMSpre				mRAFE IMS/IMSpost				mRAFE IMS/DMSpost			
[4, 7]	6.5	0.37	0.33	0.71	0.54	1.00	0.55	1.03	1.33	13.56	1.08	1.31	1.26	13.56	0.67	1.32	1.98	0.33	0.28	0.55	0.46	0.33	0.24	1.52	1.62
[8, 11]	10.0	0.38	0.44	0.58	0.36	1.00	0.98	1.03	0.94	0.80	0.84	0.90	0.76	0.80	0.82	0.93	0.69	1.64	1.73	1.32	1.34	1.64	1.58	0.60	0.43
[12, 15]	14.0	0.41	0.37	0.25	0.54	1.00	0.98	0.98	0.98	0.58	0.71	0.67	0.78	0.58	0.76	0.66	0.71	0.98	1.37	1.34	1.40	0.98	1.26	0.74	0.48
[16, 19]	18.0	0.26	0.21	0.41	1.73	1.00	0.99	1.05	1.05	0.58	0.43	0.68	0.88	0.58	0.66	0.71	0.87	1.27	1.30	1.42	1.27	1.27	1.33	1.35	0.73
[20, 29]	25.0	0.56	0.74	1.31	1.24	1.00	1.03	1.08	1.06	0.57	0.65	0.77	0.83	0.57	0.70	0.76	0.79	1.05	1.09	1.16	1.17	1.05	1.07	1.20	1.09
[30, 39]	32.1	0.48	0.74	0.75	0.95	1.00	1.02	0.99	1.13	0.51	0.62	0.68	0.68	0.51	0.64	0.69	0.60	0.98	1.00	0.84	1.12	0.98	1.14	0.85	1.03
[35, ∞)	58.5	0.39	0.50	0.64	0.75	1.00	1.03	1.05	1.02	0.43	0.60	0.60	0.70	0.43	0.64	0.56	0.68	1.01	0.98	1.01	0.94	1.01	0.98	0.97	0.89
With Intercept Correction																									
		mRAFE IMS/IMSIC				mRAFE IMS/DMSIC				mRAFE IMS/IMSpreIC				mRAFE IMS/DMSpreIC				mRAFE IMS/IMSpostIC				mRAFE IMS/DMSpostIC			
[4, 7]	6.5	0.37	0.33	0.71	0.54	0.83	0.22	0.41	0.50	0.50	0.24	0.43	0.37	0.50	0.21	0.40	0.44	0.43	0.22	0.24	0.19	0.43	0.20	0.43	0.37
[8, 11]	10.0	0.38	0.44	0.58	0.36	1.16	0.93	1.09	0.88	2.38	1.72	1.17	0.90	2.38	0.97	1.25	0.86	1.03	1.49	0.64	0.37	1.03	1.39	1.20	0.90
[12, 15]	14.0	0.41	0.37	0.25	0.54	0.62	1.17	0.47	1.07	0.75	1.20	0.55	1.29	0.75	0.72	0.50	1.36	0.65	1.42	0.47	0.58	0.65	1.63	0.59	1.29
[16, 19]	18.0	0.26	0.21	0.41	1.73	0.79	0.91	1.08	1.25	0.80	0.84	1.21	1.15	0.80	0.82	1.14	1.14	1.01	1.02	1.17	1.92	1.01	1.26	1.21	1.15
[20, 29]	25.0	0.56	0.74	1.31	1.24	1.09	1.05	1.25	1.09	1.17	1.18	1.24	1.13	1.17	1.26	1.25	1.10	1.08	1.19	1.17	1.11	1.08	1.17	1.28	1.17
[30, 39]	32.1	0.48	0.74	0.75	0.95	0.88	0.71	0.55	0.72	0.89	0.98	0.79	1.08	0.89	0.88	0.91	1.00	0.97	0.72	0.60	0.83	0.97	0.74	0.75	0.93
[35, ∞)	58.5	0.39	0.50	0.64	0.75	0.74	0.73	0.93	0.91	0.74	0.83	0.91	0.89	0.74	0.80	1.05	1.03	0.76	0.78	1.04	1.01	0.76	0.78	1.00	0.99

Ratios of Root Mean Square Forecast Errors

	$h \in$	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]
Without Intercept Correction																									
$k \in$	$\overline{k}$	RMSFE IMS / σ				RMSFE IMS/DMS				RMSFE IMS/IMSpre				RMSFE IMS/DMSpre				RMSFE IMS/IMSpost				RMSFE IMS/DMSpost			
[4, 7]	6.5	0.50	0.42	0.75	0.75	1.00	0.78	1.05	1.24	0.85	1.41	1.06	1.11	0.85	0.92	1.05	1.21	0.95	0.41	0.66	0.62	0.95	0.35	0.88	1.04
[8, 11]	10.0	0.48	0.49	0.70	0.67	1.00	1.10	1.06	0.85	0.71	0.65	0.85	0.93	0.71	0.83	0.90	0.90	0.95	1.20	0.97	0.91	0.95	0.99	0.63	0.52
[12, 15]	13.7	0.54	0.59	0.49	0.95	1.00	0.96	0.80	0.96	0.64	0.66	0.70	0.82	0.64	0.78	0.72	0.80	1.19	1.23	1.04	1.28	1.19	1.20	0.74	0.60
[16, 19]	17.5	0.34	0.39	0.96	1.88	1.00	1.02	1.02	1.06	0.62	0.65	0.82	0.89	0.62	0.64	0.79	0.87	0.95	0.97	1.13	1.22	0.95	0.96	1.10	0.78
[20, 29]	24.5	0.86	1.27	1.90	2.67	1.00	1.07	1.21	1.60	0.64	0.78	0.95	1.34	0.64	0.83	0.92	1.26	1.02	1.03	1.02	0.86	1.02	1.07	1.29	1.44
[30, 34]	32.1	0.74	1.01	1.09	1.34	1.00	1.02	0.97	1.09	0.46	0.64	0.77	0.77	0.46	0.71	0.73	0.69	1.01	1.01	0.97	1.03	1.01	1.04	0.96	0.93
[35, ∞)	67.3	0.90	1.05	1.12	1.29	1.00	1.00	1.03	1.02	0.58	0.75	0.72	0.84	0.58	0.80	0.67	0.77	1.01	1.00	0.98	0.97	1.01	1.00	0.98	0.95
With Intercept Correction																									
		RMSFE IMS/IMSIC				RMSFE IMS/DMSIC				RMSFE IMS/IMSpreIC				RMSFE IMS/DMSpreIC				RMSFE IMS/IMSpostIC				RMSFE IMS/DMSpostIC			
[4, 7]	6.5	0.79	0.34	0.54	0.51	0.79	0.30	0.55	0.62	0.56	0.33	0.54	0.51	0.56	0.28	0.53	0.59	0.74	0.20	0.28	0.27	0.74	0.29	0.54	0.51
[8, 11]	10.0	0.74	0.98	1.24	0.93	0.74	0.91	1.00	0.68	0.76	0.98	1.26	0.95	0.76	0.88	1.20	0.94	0.76	0.94	0.61	0.47	0.76	1.19	1.21	0.95
[12, 15]	13.7	0.94	1.04	0.78	1.24	0.94	0.90	0.54	0.85	1.07	1.06	0.82	1.27	1.07	0.74	0.68	1.23	1.02	1.04	0.51	0.65	1.02	1.15	0.73	1.27
[16, 19]	17.5	0.69	0.70	1.13	1.17	0.69	0.66	1.06	1.21	0.67	0.78	1.15	1.16	0.67	0.77	1.07	1.15	0.77	0.74	1.11	1.52	0.77	0.75	1.09	1.17
[20, 29]	24.5	0.89	0.89	0.91	0.90	0.89	0.92	1.07	1.38	0.81	1.10	1.28	1.60	0.81	1.18	1.28	1.57	0.92	0.89	0.88	0.78	0.92	0.97	1.22	1.63
[30, 34]	32.1	0.83	0.75	0.76	0.80	0.83	0.72	0.65	0.72	0.79	0.94	0.88	1.02	0.79	0.76	0.83	0.99	0.85	0.76	0.76	0.78	0.85	0.77	0.79	0.95
[35, ∞)	67.3	0.71	0.78	0.89	0.86	0.71	0.76	0.83	0.81	0.78	0.82	0.84	0.83	0.78	0.84	0.93	0.91	0.74	0.82	0.91	0.88	0.74	0.80	0.90	0.90

Table 33: Out-of-sample performance ordered by post-break window size: the table reports the median ratios of Absolute Forecast Errors and the ratios of square-root Mean Square Forecast Errors (the latter weighted by the variances of the variables) for AR(1) models estimated over expanding windows of observation.

Median Ratios of Absolute Forecast Errors

$h \in$		{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]
Without Intercept Correction																									
$k \in$	*mediank*	mAFE IMS / σ				mRAFE IMS/DMS				mRAFE IMS/IMSpre				mRAFE IMS/DMSpre				mRAFE IMS/IMSpost				mRAFE IMS/DMSpost			
[4, 7]	6.5	0.52	0.49	0.70	0.53	1.00	1.32	1.13	1.87	1.31	1.29	1.33	1.35	1.31	2.90	1.00	1.37	0.41	0.43	1.02	0.54	0.41	2.33	1.59	1.60
[8, 11]	10.0	0.24	0.28	0.48	0.46	1.00	1.01	0.99	0.82	0.78	0.84	0.92	0.86	0.78	0.85	0.87	0.76	1.22	1.01	1.25	1.30	1.22	0.99	0.55	0.48
[12, 15]	14.0	0.41	0.48	0.38	0.71	1.00	1.06	0.87	0.94	0.72	0.86	0.83	0.85	0.72	0.99	0.76	0.76	0.94	1.23	1.33	1.30	0.94	1.24	0.74	0.57
[16, 19]	18.0	0.21	0.19	0.42	1.72	1.00	0.97	1.02	1.06	0.55	0.53	0.71	0.88	0.55	0.76	0.68	0.85	1.16	1.10	1.28	1.26	1.16	0.98	1.09	0.69
[20, 29]	25.0	0.64	0.73	1.32	1.33	1.00	0.99	1.06	1.06	0.63	0.68	0.78	0.84	0.63	0.78	0.76	0.78	1.00	0.96	1.14	1.18	1.00	0.88	1.18	0.97
[30, 39]	32.1	0.59	0.69	0.81	1.02	1.00	1.00	0.97	1.10	0.41	0.54	0.74	0.71	0.41	0.61	0.64	0.62	0.90	0.98	1.01	1.12	0.90	1.06	0.81	0.96
[35, ∞)	59.0	0.38	0.52	0.61	0.74	1.00	1.02	1.01	0.99	0.58	0.66	0.60	0.77	0.58	0.75	0.56	0.67	1.01	1.01	0.98	0.94	1.01	1.00	0.94	0.86
With Intercept Correction																									
		mRAFE IMS/IMSIC				mRAFE IMS/DMSIC				mRAFE IMS/IMSpreIC				mRAFE IMS/DMSpreIC				mRAFE IMS/IMSpostIC				mRAFE IMS/DMSpostIC			
[4, 7]	6.5	1.14	0.38	0.45	0.37	1.14	0.39	0.44	0.58	0.35	0.24	0.41	0.37	0.35	0.25	0.39	0.50	0.70	0.24	0.34	0.29	0.70	0.39	0.44	0.37
[8, 11]	10.0	1.17	0.85	1.03	0.86	1.17	0.83	1.06	0.82	1.02	1.71	0.99	0.89	1.02	0.84	0.98	0.95	1.45	1.09	0.51	0.36	1.45	1.50	1.11	0.98
[12, 15]	14.0	0.71	1.05	0.80	1.18	0.71	1.13	0.65	0.88	0.83	0.74	0.66	1.10	0.83	0.57	0.83	1.33	1.26	1.18	0.68	0.55	1.26	1.29	0.91	1.11
[16, 19]	18.0	0.77	0.73	1.17	1.13	0.77	0.76	1.25	1.19	0.76	0.82	1.16	1.15	0.76	0.41	1.05	1.11	0.81	1.07	1.16	2.36	0.81	1.03	1.31	1.14
[20, 29]	25.0	0.94	1.00	1.11	0.98	0.94	1.05	1.16	1.01	1.19	1.01	1.21	1.16	1.19	1.08	1.15	1.07	1.24	1.09	1.14	1.03	1.24	1.12	1.23	1.17
[30, 39]	32.1	0.85	0.84	0.63	0.67	0.85	0.78	0.64	0.76	0.81	0.79	0.84	1.18	0.81	0.75	0.93	0.98	1.06	0.82	0.79	0.87	1.06	0.85	0.84	0.78
[35, ∞)	59.0	0.72	0.74	0.92	0.93	0.72	0.77	0.90	0.89	0.67	0.76	0.99	0.97	0.67	0.82	0.92	0.96	0.75	0.80	0.96	0.98	0.75	0.81	0.94	0.99

Ratios of Root Mean Square Forecast Errors

$h \in$		{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]
Without Intercept Correction																									
$k \in$	$\overline{k}$	RMSFE IMS / σ				RMSFE IMS/DMS				RMSFE IMS/IMSpre				RMSFE IMS/DMSpre				RMSFE IMS/IMSpost				RMSFE IMS/DMSpost			
[4, 7]	6.5	0.52	0.55	0.74	0.75	1.00	1.09	1.11	1.20	0.88	1.20	1.09	1.13	0.88	1.45	1.00	1.09	0.41	0.48	0.67	0.66	0.41	1.12	0.88	1.03
[8, 11]	10.0	0.49	0.43	0.67	0.73	1.00	0.99	0.95	0.78	0.84	0.77	0.91	1.04	0.84	0.86	0.86	0.92	0.94	0.87	0.88	0.94	0.94	0.59	0.56	0.57
[12, 15]	13.7	0.54	0.61	0.60	0.95	1.00	1.06	0.82	0.84	0.77	0.81	1.00	0.87	0.77	0.89	0.82	0.81	1.18	1.26	1.18	1.26	1.18	1.22	0.67	0.61
[16, 19]	17.5	0.35	0.38	0.95	1.84	1.00	0.89	1.01	1.07	0.65	0.62	0.81	0.88	0.65	0.63	0.75	0.86	0.83	0.94	1.11	1.21	0.83	0.86	0.99	0.74
[20, 29]	24.5	0.88	1.24	1.99	3.36	1.00	1.03	1.25	1.97	0.69	0.81	1.02	1.71	0.69	0.86	0.95	1.55	0.99	0.98	1.02	0.94	0.99	1.02	1.29	1.67
[30, 34]	32.1	0.76	0.99	1.23	1.57	1.00	1.00	0.98	1.17	0.58	0.70	0.93	0.92	0.58	0.70	0.77	0.75	1.01	1.00	1.06	1.19	1.01	1.03	0.99	0.95
[35, ∞)	67.3	0.91	1.03	1.10	1.29	1.00	1.02	1.01	1.01	0.78	0.79	0.76	0.89	0.78	0.72	0.65	0.75	1.00	0.99	0.97	0.98	1.00	1.00	0.95	0.94
With Intercept Correction																									
		RMSFE IMS/IMSIC				RMSFE IMS/DMSIC				RMSFE IMS/IMSpreIC				RMSFE IMS/DMSpreIC				RMSFE IMS/IMSpostIC				RMSFE IMS/DMSpostIC			
[4, 7]	6.5	0.76	0.44	0.54	0.51	0.76	0.46	0.56	0.70	0.36	0.27	0.51	0.51	0.36	0.28	0.48	0.60	0.94	0.24	0.33	0.32	0.94	0.45	0.54	0.51
[8, 11]	10.0	0.73	0.77	1.12	0.85	0.73	0.77	0.97	0.66	0.72	0.93	1.09	0.99	0.72	0.80	0.94	0.96	0.86	0.99	0.51	0.50	0.86	1.02	1.22	1.03
[12, 15]	13.7	1.00	1.02	0.89	1.06	1.00	1.06	0.72	0.77	0.94	0.85	0.79	1.22	0.94	0.67	0.68	1.22	1.20	1.27	0.48	0.63	1.20	1.37	0.94	1.28
[16, 19]	17.5	0.76	0.67	1.08	1.12	0.76	0.62	1.06	1.19	0.71	0.83	1.11	1.15	0.71	0.65	1.00	1.13	0.85	0.76	1.04	1.49	0.85	0.73	1.08	1.15
[20, 29]	24.5	0.90	0.85	0.88	0.91	0.90	0.91	1.10	1.69	0.85	1.15	1.37	2.02	0.85	1.10	1.30	1.92	0.93	0.87	0.90	0.84	0.93	0.94	1.26	1.99
[30, 34]	32.1	0.86	0.73	0.75	0.72	0.86	0.75	0.72	0.76	0.67	0.75	0.86	1.16	0.67	0.58	0.79	1.07	0.90	0.77	0.85	0.90	0.90	0.81	0.87	0.94
[35, ∞)	67.3	0.74	0.77	0.84	0.82	0.74	0.80	0.84	0.82	0.77	0.84	0.90	0.90	0.77	0.77	0.83	0.89	0.76	0.80	0.89	0.88	0.76	0.84	0.88	0.90

Table 34: Out-of-sample performance ordered by post-break window size: the table reports the median ratios of Absolute Forecast Errors and the ratios of square-root Mean Square Forecast Errors (the latter weighted by the variances of the variables) for AR(2) models estimated over expanding windows of observation.

Median Ratios of Absolute Forecast Errors

	$h \in$	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]
Without Intercept Correction																									
$k \in$	*mediank*	mAFE IMS / σ				mRAFE IMS/DMS				mRAFE IMS/IMSpre				mRAFE IMS/DMSpre				mRAFE IMS/IMSpost				mRAFE IMS/DMSpost			
[4, 7]	6.5	0.52	0.50	0.65	0.51	1.00	1.22	1.43	1.58	2.17	2.25	1.67	1.58	2.17	1.42	1.41	1.33	2.12	2.22	1.76	1.49	2.12	2.22	1.76	1.49
[8, 11]	10.0	0.27	0.39	0.53	0.50	1.00	1.13	0.96	0.75	0.68	0.76	0.94	0.87	0.68	0.81	0.87	0.74	0.66	0.70	1.29	1.25	0.66	0.60	0.46	0.52
[12, 15]	14.0	0.37	0.49	0.44	0.84	1.00	0.81	0.79	0.85	0.73	0.82	0.85	0.85	0.73	0.64	0.70	0.75	1.06	1.12	1.15	1.31	1.06	1.08	0.66	0.58
[16, 19]	18.0	0.18	0.25	0.51	1.70	1.00	0.99	1.03	1.08	0.67	0.66	0.69	0.89	0.67	0.75	0.61	0.83	0.93	1.16	1.05	1.22	0.93	0.75	0.75	0.68
[20, 29]	25.0	0.53	0.70	1.25	1.56	1.00	1.00	1.04	1.07	0.66	0.72	0.78	0.86	0.66	0.74	0.72	0.77	0.99	0.96	1.11	1.14	0.99	0.93	1.11	0.75
[30, 39]	32.1	0.60	0.70	1.04	1.32	1.00	1.05	0.95	1.06	0.39	0.49	0.78	0.80	0.39	0.50	0.62	0.67	0.91	0.90	0.81	1.01	0.91	0.86	0.76	0.81
[35, ∞)	59.0	0.39	0.48	0.59	0.78	1.00	1.00	0.99	0.94	0.54	0.64	0.66	0.83	0.54	0.54	0.55	0.66	0.99	0.99	0.98	0.96	0.99	0.96	0.92	0.84
With Intercept Correction																									
		mRAFE IMS/IMSIC				mRAFE IMS/DMSIC				mRAFE IMS/IMSpreIC				mRAFE IMS/DMSpreIC				mRAFE IMS/IMSpostIC				mRAFE IMS/DMSpostIC			
[4, 7]	6.5	0.52	0.50	0.65	0.51	1.47	0.45	0.87	0.77	0.44	0.28	0.42	0.35	0.44	0.27	0.60	0.55	0.86	0.40	0.48	0.35	0.86	0.40	0.48	0.35
[8, 11]	10.0	0.27	0.39	0.53	0.50	0.86	1.25	0.98	0.86	1.02	0.56	1.02	0.98	1.02	0.61	0.89	0.99	1.22	0.55	0.61	0.44	1.22	0.83	1.40	1.01
[12, 15]	14.0	0.37	0.49	0.44	0.84	0.80	1.13	0.71	0.78	0.89	0.76	0.71	1.16	0.89	0.48	0.86	1.15	1.36	1.32	0.39	0.53	1.36	1.09	1.33	1.52
[16, 19]	18.0	0.18	0.25	0.51	1.70	0.96	0.71	1.21	1.19	0.88	0.94	1.12	1.15	0.88	0.63	0.74	1.10	0.87	1.09	1.06	2.29	0.87	1.15	1.08	1.13
[20, 29]	25.0	0.53	0.70	1.25	1.56	1.04	1.10	1.11	1.01	0.91	1.00	1.18	1.20	0.91	0.94	1.07	1.14	1.09	1.06	1.09	1.11	1.09	1.15	1.19	1.16
[30, 39]	32.1	0.60	0.70	1.04	1.32	0.92	0.80	0.72	0.71	0.62	0.75	0.75	1.18	0.62	0.72	1.06	0.89	1.11	0.85	0.78	0.84	1.11	0.88	0.81	0.66
[35, ∞)	59.0	0.39	0.48	0.59	0.78	0.71	0.74	0.90	0.91	0.69	0.74	0.90	0.92	0.69	0.70	0.88	0.92	0.75	0.77	0.91	0.99	0.75	0.73	0.94	0.95

Ratios of Root Mean Square Forecast Errors

	$h \in$	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]
Without Intercept Correction																									
$k \in$	$\overline{k}$	RMSFE IMS / σ				RMSFE IMS/DMS				RMSFE IMS/IMSpre				RMSFE IMS/DMSpre				RMSFE IMS/IMSpost				RMSFE IMS/DMSpost			
[4, 7]	6.5	0.46	0.54	0.73	0.73	1.00	1.16	1.31	1.02	0.78	1.80	1.12	1.13	0.78	1.45	1.34	0.94	0.39	1.09	0.86	1.02	0.39	1.09	0.86	1.02
[8, 11]	10.0	0.48	0.44	0.69	0.88	1.00	1.01	0.91	0.84	0.83	0.80	0.97	1.29	0.83	0.84	0.87	1.02	0.64	0.44	0.11	0.01	0.64	0.45	0.54	0.69
[12, 15]	13.7	0.51	0.59	0.67	1.05	1.00	0.86	0.77	0.76	0.80	0.84	1.16	1.00	0.80	0.62	0.77	0.85	1.06	1.02	1.04	1.28	1.06	0.94	0.66	0.67
[16, 19]	17.5	0.35	0.45	0.95	1.81	1.00	1.05	1.00	1.10	0.65	0.70	0.80	0.88	0.65	0.65	0.65	0.86	0.77	0.96	1.02	1.19	0.77	0.86	0.84	0.72
[20, 29]	24.5	0.95	1.34	2.01	3.66	1.00	1.01	1.24	2.00	0.70	0.84	1.06	1.91	0.70	0.84	0.91	1.71	0.95	0.96	0.93	0.74	0.95	0.98	1.17	1.59
[30, 34]	32.1	0.77	1.02	1.33	1.67	1.00	0.97	1.00	1.06	0.48	0.62	0.93	0.99	0.48	0.58	0.75	0.77	1.03	0.95	0.85	0.70	1.03	0.94	0.79	0.60
[35, ∞)	67.3	0.93	1.04	1.11	1.31	1.00	0.99	1.01	0.99	0.60	0.63	0.70	0.85	0.60	0.62	0.66	0.74	0.98	0.97	0.96	0.98	0.98	0.96	0.94	0.90
With Intercept Correction																									
		RMSFE IMS/IMSIC				RMSFE IMS/DMSIC				RMSFE IMS/IMSpreIC				RMSFE IMS/DMSpreIC				RMSFE IMS/IMSpostIC				RMSFE IMS/DMSpostIC			
[4, 7]	6.5	0.72	0.45	0.52	0.49	0.72	0.48	0.83	0.75	0.36	0.30	0.49	0.50	0.36	0.28	0.51	0.59	0.74	0.43	0.53	0.50	0.74	0.43	0.53	0.50
[8, 11]	10.0	0.75	0.81	1.12	0.90	0.75	0.75	0.94	0.79	0.80	0.78	0.99	1.08	0.80	0.60	0.79	0.97	0.60	0.37	0.11	0.01	0.60	0.88	1.25	1.25
[12, 15]	13.7	1.04	1.08	0.93	1.02	1.04	0.94	0.78	0.73	0.86	0.76	0.74	1.13	0.86	0.49	0.64	1.00	1.23	1.33	0.42	0.63	1.23	1.20	1.09	1.40
[16, 19]	17.5	0.84	0.69	1.03	1.10	0.84	0.73	1.06	1.21	0.69	0.76	1.08	1.14	0.69	0.64	0.86	1.13	0.73	0.81	0.82	1.33	0.73	0.78	1.02	1.13
[20, 29]	24.5	0.94	0.92	0.86	0.93	0.94	0.98	1.11	1.82	0.81	1.03	1.22	2.15	0.81	0.98	1.29	2.03	0.95	0.89	0.82	0.67	0.95	0.95	1.17	2.05
[30, 34]	32.1	0.91	0.77	0.77	0.73	0.91	0.78	0.80	0.74	0.55	0.67	0.74	1.08	0.55	0.49	0.76	0.95	1.01	0.82	0.75	0.61	1.01	0.84	0.80	0.61
[35, ∞)	67.3	0.78	0.81	0.83	0.81	0.78	0.80	0.85	0.83	0.72	0.76	0.79	0.84	0.72	0.64	0.79	0.83	0.78	0.83	0.86	0.87	0.78	0.82	0.89	0.90

Table 35: Out-of-sample performance ordered by post-break window size: the table reports the median ratios of Absolute Forecast Errors and the ratios of square-root Mean Square Forecast Errors (the latter weighted by the variances of the variables) for AR(4) models estimated over expanding windows of observation.

Median Ratios of Absolute Forecast Errors

	$h \in$	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]
Without Intercept Correction																									
$k \in$	*mediank*	mAFE IMS / σ				mRAFE IMS/DMS				mRAFE IMS/IMSpre				mRAFE IMS/DMSpre				mRAFE IMS/IMSpost				mRAFE IMS/DMSpost			
[4, 7]	6.5	0.37	0.33	0.71	0.54	1.00	0.55	1.03	1.33	13.56	1.08	1.31	1.26	13.56	0.67	1.32	1.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
[8, 11]	10.0	0.35	0.40	0.54	0.32	1.00	1.15	1.01	0.71	0.73	0.84	0.87	0.69	0.73	0.82	0.89	0.57	1.42	0.67	1.00	1.00	1.42	0.36	0.41	0.26
[12, 15]	14.0	0.37	0.37	0.22	0.50	1.00	0.98	0.90	0.90	0.52	0.67	0.59	0.74	0.52	0.81	0.57	0.61	0.83	1.22	0.81	1.25	0.83	1.24	0.35	0.47
[16, 19]	18.0	0.25	0.21	0.37	1.70	1.00	0.94	0.99	1.00	0.57	0.38	0.69	0.83	0.57	0.58	0.71	0.82	1.22	1.26	1.43	1.23	1.22	1.31	0.55	0.69
[20, 29]	25.0	0.59	0.83	1.36	1.15	1.00	1.03	1.08	1.07	0.61	0.66	0.75	0.82	0.61	0.71	0.73	0.73	1.07	1.05	1.16	1.16	1.07	1.01	1.16	0.74
[30, 39]	32.1	0.53	0.73	0.69	0.98	1.00	1.15	1.13	1.23	0.47	0.60	0.76	0.79	0.47	0.63	0.62	0.66	0.97	1.04	0.87	1.12	0.97	1.16	1.00	1.06
[35, ∞)	59.0	0.46	0.55	0.68	0.79	1.00	1.00	1.06	1.02	0.21	0.29	0.31	0.45	0.21	0.38	0.30	0.38	0.98	0.97	1.00	0.98	0.98	0.94	1.00	0.91
With Intercept Correction																									
		mRAFE IMS/IMSIC				mRAFE IMS/DMSIC				mRAFE IMS/IMSpreIC				mRAFE IMS/DMSpreIC				mRAFE IMS/IMSpostIC				mRAFE IMS/DMSpostIC			
[4, 7]	6.5	0.83	0.24	0.43	0.37	0.83	0.22	0.41	0.50	0.50	0.24	0.43	0.37	0.50	0.21	0.40	0.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
[8, 11]	10.0	1.16	1.32	1.24	0.67	1.16	0.88	1.24	0.57	2.54	1.72	1.25	0.70	2.54	0.95	1.34	0.81	0.94	0.36	0.45	0.22	0.94	1.51	1.15	0.57
[12, 15]	14.0	0.77	1.35	0.51	1.18	0.77	1.14	0.50	0.97	0.99	1.10	0.49	1.18	0.99	0.72	0.46	1.15	0.66	1.35	0.27	0.53	0.66	1.63	0.51	1.18
[16, 19]	18.0	0.73	0.81	1.04	1.10	0.73	0.96	0.98	1.15	0.74	0.85	1.15	1.12	0.74	0.86	1.09	1.09	0.90	1.02	0.95	2.37	0.90	1.01	1.02	1.13
[20, 29]	25.0	1.09	1.05	1.05	1.00	1.09	1.06	1.05	1.04	1.17	1.07	1.14	1.13	1.17	1.08	1.14	1.04	1.11	1.11	1.06	1.00	1.11	1.14	1.18	1.14
[30, 39]	32.1	0.77	0.78	0.74	1.01	0.77	0.76	0.75	0.85	0.80	0.98	0.82	1.06	0.80	0.94	1.03	1.01	0.86	0.81	0.74	1.01	0.86	0.82	0.91	1.05
[35, ∞)	59.0	0.81	0.83	1.06	1.01	0.81	0.86	0.99	0.95	0.42	0.56	0.60	0.54	0.42	0.43	0.58	0.62	0.79	0.86	1.08	1.04	0.79	0.86	1.07	1.01

Ratios of Root Mean Square Forecast Errors

	$h \in$	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]	{1}	{2}	[3, 6]	[7, 12]
Without Intercept Correction																									
$k \in$	$\overline{k}$	RMSFE IMS / σ				RMSFE IMS/DMS				RMSFE IMS/IMSpre				RMSFE IMS/DMSpre				RMSFE IMS/IMSpost				RMSFE IMS/DMSpost			
[4, 7]	6.5	0.50	0.42	0.75	0.75	1.00	0.78	1.05	1.24	0.85	1.41	1.06	1.11	0.85	0.92	1.05	1.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
[8, 11]	10.0	0.47	0.47	0.68	0.66	1.00	1.09	1.01	0.80	0.71	0.63	0.82	0.91	0.71	0.81	0.86	0.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
[12, 15]	13.7	0.53	0.58	0.47	0.93	1.00	0.98	0.79	0.88	0.63	0.64	0.67	0.80	0.63	0.76	0.69	0.74	0.93	1.12	0.93	1.22	0.93	1.18	0.47	0.59
[16, 19]	17.5	0.33	0.37	0.95	1.83	1.00	0.98	1.02	1.03	0.58	0.62	0.79	0.86	0.58	0.60	0.74	0.83	0.90	0.94	1.17	1.17	0.90	0.94	0.87	0.72
[20, 29]	24.5	0.87	1.22	1.64	1.78	1.00	1.08	1.07	1.08	0.64	0.74	0.81	0.89	0.64	0.78	0.78	0.83	1.02	1.05	1.04	0.97	1.02	1.06	1.09	0.83
[30, 34]	32.1	0.75	0.97	1.12	1.39	1.00	1.06	1.02	1.14	0.47	0.61	0.79	0.79	0.47	0.68	0.74	0.70	1.06	1.01	0.92	1.03	1.06	1.09	0.94	0.86
[35, ∞)	67.3	0.91	1.09	1.22	1.36	1.00	0.98	1.07	1.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.01	1.00	0.98	1.00	0.99	1.02	0.97
With Intercept Correction																									
		RMSFE IMS/IMSIC				RMSFE IMS/DMSIC				RMSFE IMS/IMSpreIC				RMSFE IMS/DMSpreIC				RMSFE IMS/IMSpostIC				RMSFE IMS/DMSpostIC			
[4, 7]	6.5	0.79	0.34	0.54	0.51	0.79	0.30	0.55	0.62	0.56	0.33	0.54	0.51	0.56	0.28	0.53	0.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
[8, 11]	10.0	0.73	0.96	1.20	0.92	0.73	0.88	0.99	0.66	0.76	0.96	1.22	0.93	0.76	0.85	1.14	0.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
[12, 15]	13.7	0.93	1.02	0.75	1.21	0.93	0.92	0.55	0.80	1.05	1.03	0.78	1.25	1.05	0.71	0.65	1.17	0.97	0.89	0.32	0.63	0.97	1.10	0.75	1.24
[16, 19]	17.5	0.66	0.68	1.11	1.13	0.66	0.64	1.07	1.14	0.65	0.75	1.14	1.13	0.65	0.74	1.00	1.10	0.71	0.71	0.92	1.46	0.71	0.70	1.04	1.14
[20, 29]	24.5	0.92	0.91	0.90	0.89	0.92	0.93	0.90	0.92	0.82	1.07	1.10	1.09	0.82	1.17	1.15	1.03	0.94	0.91	0.87	0.77	0.94	0.95	1.00	1.07
[30, 34]	32.1	0.88	0.75	0.78	0.83	0.88	0.71	0.69	0.79	0.80	0.91	0.88	1.09	0.80	0.73	0.87	1.01	0.87	0.75	0.79	0.81	0.87	0.78	0.83	0.90
[35, ∞)	67.3	0.75	0.86	0.98	0.91	0.75	0.83	0.90	0.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.75	0.86	1.00	0.93	0.75	0.87	0.95	0.94

Table 36: Out-of-sample performance ordered by post-break window size: the table reports the median ratios of Absolute Forecast Errors and the ratios of square-root Mean Square Forecast Errors (the latter weighted by the variances of the variables) for AR(p) models estimated over expanding windows of observations, with p chosen by the AIC.