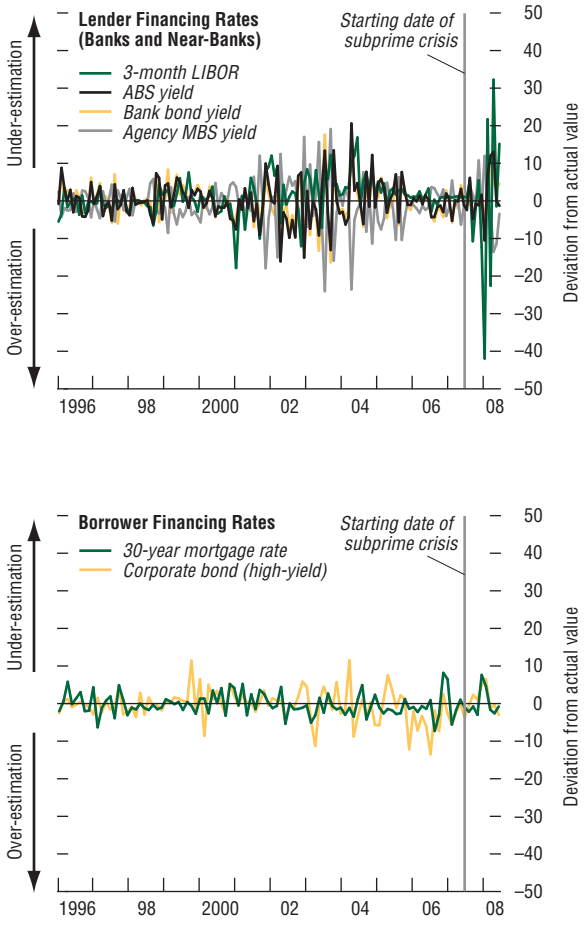
Figure 2.12. Summary Chart: Accuracy of Forecasts — U.S. Model, 1996–2008

(In percent)



Source: IMF staff estimates.

Note: Forecast error represents deviation (in percent) of dynamic (out-of-sample) Vector Error Correction Mechanism (2,3) forecast estimate from actual market rates (based on eight-year rolling window, starting in January 1988). The estimation algorithm includes the change of core deposits of commercial banks as seasonal control variable. ABS = asset-backed security; MBS = mortgage-backed security.