



Department of Decision Sciences

Statistics Seminar

Bayesian Time-Series Modeling and Applications in Econometrics

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2:30pm Room 3-E4-SR03 Via Rontgen 1 Milano

Abstract

In this presentation, we shall review some foundation of Bayesian modeling of time-series data, either for analysis or for prediction. We will comment on the flow of information and the learning process, the Bayesian mechanism for updating beliefs, and the issue of incorporating additional relevant information. Two applications in macro econometrics will be reviewed: i) the modeling of micro-price data and price-setting strategies, and ii) macroeconomic forecasting. In (i), a new model marked duration model built on latent structures is introduced, with the aim of describing the pricing strategies of Mexican firms. In (ii), we will reveal the importance of incorporating additional information for macroeconomic forecasting by means of combining expert opinions. In the latter, we explore alternative aggregation procedures of implied experts' predictive distributions. Some empirical results are discussed in both applications, along with some related topics for future research.

Subjects: Bayesian inference, stationarity, macro econometrics, latent structures, predictive consensus.