



High Dimensional Nonstationary Time Series

# IRTG 1792 Short Course

## Valerio Poti

### Forecast evaluation using stochastic dominance analysis

In this mini-course, we will go through a quick overview of the essential steps in the literature on stochastic dominance analysis and we will then focus on applications to forecast evaluation, which amount to conducting forecast comparison under a partially identified loss function. To this end, after reviewing the approach taken by Jin, Corradi and Swanson in an article appeared in *Econometric Theory* in 2017, we will introduce the approach taken by the speaker and co-authors in the paper titled "Nonparametric Tests for Optimal Predictive Ability", which proposes methods for making inference on whether a given forecasting model is dominated by models in a given comparison set under a loss function specified as belonging to a given set.



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October 3, 2020 | 15:00-16:30 | Buckow



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