

Note on the IMF Real Effective Exchange Rate Forecast

August 2019

Loc Quach

Moody's Analytics has re-estimated its equations for FTFXTWULC\$_I_US. The equation was not re-specified but re-estimated to include new historical data.

New equation specification

Dependent Variable: DLOG(FTFXTWULC\$_I_US)

Method: Least Squares

Date: 07/25/19 Time: 10:20

Sample (adjusted): 1984Q2 2019Q1

Included observations: 140 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.021902	0.006340	3.454277	0.0007
LOG(FTFXTWULC\$_I_US(-1)/FTWDBRD\$_US(-1))	-0.128805	0.036425	-3.536159	0.0006
DLOG(FTWDBRD\$_US)	1.339206	0.078223	17.12046	0.0000
R-squared	0.682054	Mean dependent var		-0.000712
Adjusted R-squared	0.677413	S.D. dependent var		0.037662
S.E. of regression	0.021391	Akaike info criterion		-4.830526
Sum squared resid	0.062686	Schwarz criterion		-4.767491
Log likelihood	341.1368	Hannan-Quinn criter.		-4.804911
F-statistic	146.9456	Durbin-Watson stat		2.002422
Prob(F-statistic)	0.000000			

Mnemonics referenced in the above equation, for example FET, can be defined using the Mnemonic 411 feature on DataBuffet. Please contact Help@economy.com for assistance.

Previous equation specification

Dependent Variable: DLOG(FTFXTWULC\$_I_US)

Method: Least Squares

Date: 11/23/17 Time: 14:37

Sample (adjusted): 1995Q2 2017Q3

Included observations: 90 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.016138	0.006053	2.666395	0.0091
LOG(FTFXTWULC\$_I_US(-1)/FTWDBRD\$_US(-1))	-0.103786	0.036084	-2.876219	0.0051
DLOG(FTWDBRD\$_US)	1.341251	0.071851	18.66705	0.0000
R-squared	0.800225	Mean dependent var		0.000420
Adjusted R-squared	0.795632	S.D. dependent var		0.033520
S.E. of regression	0.015153	Akaike info criterion		-5.508441
Sum squared resid	0.019977	Schwarz criterion		-5.425114
Log likelihood	250.8798	Hannan-Quinn criter.		-5.474839
F-statistic	174.2449	Durbin-Watson stat		1.988829
Prob(F-statistic)	0.000000			

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