

Annual Consumption Growth Forecasts

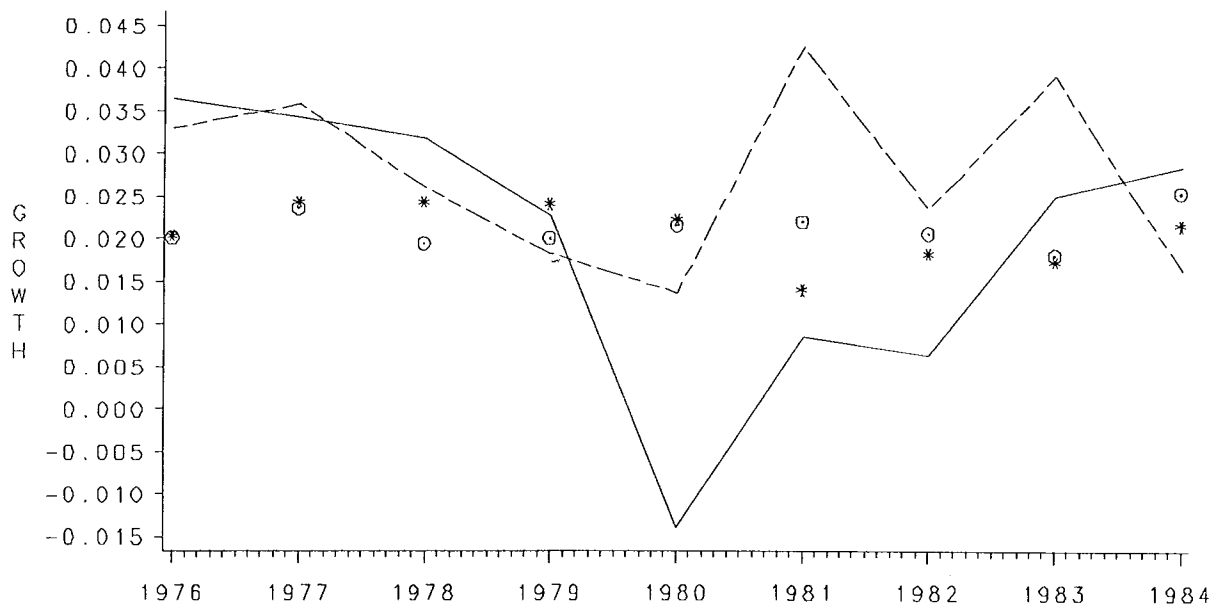


Fig. 14. Out-of-Sample Forecasting Performance: Annual Evaluation Yield Spread and Alternative Forecasting Models. The symbols are: Actual Consumption growth (Line), Yield Spread forecasts (Dash), Consumption Autoregression forecasts (Star) and Stock Returns forecasts (Circle)