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Fecha de publicación
Thursday the 9th of December, 2021

Abstract

Modern macroeconomics focuses on the identification of the primitive exogenous forces generating business cycles. This is at odds with macroeconomic forecasts collected through surveys, which are about endogenous variables. To address this divorce, our paper uses a semi-structural general equilibrium model as a multivariate filter to infer the shocks behind economic analysts' forecasts and thus, unravel their implicit macroeconomic stories. By interpreting all analysts' forecasts through the same lenses, it is possible to understand the differences between projected endogenous variables as differences in the types and magnitudes of shocks. It also allows to explain market's uncertainty about the future in terms of analysts' disagreement about these shocks. The usefulness of the approach is illustrated by adapting the canonical SOE semi-structural model in Carabenciov et al. (2008a) to Colombia and then using it to filter forecasts of its Central Bank's Monthly Expectations Survey during the COVID-19 crisis.