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Keep in mind

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The construction of coincident indexes for the economic activity of a country is a common practice since the fifties. The methodologies vary from heuristic methods to probabilistic or statistical ones. In this paper, we present a new procedure for estimating a coincident index of the state of the economy which is optimum in a statistical sense. This procedure is based on state space models that do possess the steady-state property. We apply our methodology for computing a coincident index for the Colombian economy. Key words: State of the economy, Coincident Index, State Space Models.