

Combining Nowcasts for Canadian GDP Growth*

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Abstract

This paper evaluates the performance of a suite of models for nowcasting Canadian gross domestic product and its expenditure-side components. We combine the predictions from several models divided into three different classes: Leading Indicators, MIDAS and Factor Models. The models are re-estimated regularly throughout the quarter as new information arrives. The predictions of the models are then combined into a single nowcast. We find that the nowcast performance of the individual model classes changes considerably over time. The combined nowcast improves upon individual models, with the weights attached to the models varying substantially over the quarter.

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