



DEPARTMENT OF STATISTICS AND ACTUARIAL SCIENCE
THE UNIVERSITY OF HONG KONG

40th Anniversary Seminar Series

Dr. Matthew S. YIU

*Senior Manager
Hong Kong Institute for Monetary Research*

will give a talk

entitled

**DYNAMIC FACTOR MODEL FOR
NOWCASTING THE CHINESE ECONOMY**

Abstract

This talk applies the dynamic factor model proposed by Giannone, Reichlin, and Small (2005) on a large data set to nowcast the annual growth rate of China's quarterly GDP. The data set contains 122 indicator series of several categories, such as prices, industrial production, real estate, external sector, money market and financial market. This talk also applies Bai and Ng's criteria (2002) to determine the number of factors in the dynamic factor model. The model identified by the Giannone-Reichlin-Small methodology is able to generate reasonable nowcasts for China's GDP, which has a smaller mean-square-error than that of the Random Walk model in an out-of-sample period.

on

Wednesday, March 12, 2008

2:00 p.m. – 3:00 p.m.

at

**Room 524, Meng Wah Complex
(behind the Chong Yuet Ming Amenities Centre)**

Visitors Please Note that the University has limited parking space. If you are driving please call the Department at 2859 2466 for parking arrangement.