

Extracting the Information Shocks from the Bank of England Inflation Density Forecasts

Discussion

Zuzanna Karolak

Warsaw School of Economics

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- The contribution to the literature is well stated as it is the measure itself: ex-ante and based on revisions of density forecasts.
- Density of the shocks of information can be also used to evaluate optimality of point forecasts.
- Main results: inflation uncertainty decreasing before financial crisis, higher for long terms, lower for short terms. Increased during financial crisis, and stabilized, but at higher level, after crisis.

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Strong points

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- Introduction is encouraging to read the whole text.
- Interesting explanation of the process how fan charts are made by Bank of England. This gives a good understanding of the nature of the information shocks.
- Explanation of extracting the density of information shock is clear and smooth.

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Minor issues

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- Figure titles.
- Section 3.1 Extraction of shocks contains explanation how the Bank of England fan charts are prepared and description of copula function used to extraction of shocks of information. The title is misleading.