

**Heidelberg University**  
**Faculty of Economics and Social Sciences**  
**Alfred Weber Institute for Economics**

Seminar (M.Sc.) in Economics, Summer semester 2026

**Macroeconomic Forecasting**

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## 1 Description

Macroeconomic forecasting is essential for assessing the future trajectory of an economy. Economic forecasts aim to project developments in macroeconomic indicators, such as GDP, its main expenditure aggregates, and inflation. They provide important guidance to policymakers, central banks, private households, and firms by informing expectations about future economic conditions and supporting decision-making. For instance, governments and central banks use forecasts to design fiscal and monetary policies, including tax adjustments and interest rate decisions. Firms rely on forecasts to align production and investment decisions with expected demand.

At the same time, macroeconomic forecasting is inherently challenging. Economic relationships must be modelled in a consistent manner, and turning points are difficult to predict. Moreover, the quality of forecasts depends critically on the underlying data, which is often subject to revision. As a result, forecasting approaches differ widely, ranging from judgment-based assessments and simple statistical techniques to advanced econometric and structural models. A central objective is therefore not only to produce plausible forecasts, but also to understand the conditions under which different methods perform relatively well.

In this seminar, we will explore the fundamentals of macroeconomic forecasting. Students will independently develop forecasts for one country and one specific macroeconomic variable, such as GDP, one of its major expenditure aggregates, or inflation. In doing so, they will examine different forecasting models and identify useful indicators for improving forecast accuracy. Students will evaluate their forecasts by assessing whether they outperform simple benchmarks and by comparing their results with forecasts published by professional forecasters. This will give students a practical understanding of how forecasting works in applied macroeconomics. It will help them develop practical skills in handling macroeconomic data and applying basic econometric tools. The developed forecasting skills are relevant for both academic work and applied business cycle analysis.

## 2 Administrative details

### 2.1 Seminar dates and preliminary meeting

The seminar will take place as a full-day block seminar on Thursday, July 9, 2026, and Friday, July 10, 2026, in room 02.036 at AWI. The exact schedule will depend on the number of participants and will be announced at a later date. The preliminary meeting for successful applicants will take place on Monday, April 13, 2026 at 18:00 in room 01.030 at AWI.

## 2.2 Required coursework

Participants are required to give a presentation, serve as a discussant for another presentation, and submit a seminar paper. The final grade will be determined as follows: presentation (30%), discussion (10%), oral participation (10%), and seminar paper (50%).

## 2.3 Seminar language

The seminar will be conducted in English.

## 2.4 Application

To participate in the seminar, an application must be submitted by Wednesday, April 8, 2026. Please send the completed application form (<https://www.awi.uni-heidelberg.de/en/professorships/macroeconomics/teaching>) by email to [christopher.zuber@svr-wirtschaft.de](mailto:christopher.zuber@svr-wirtschaft.de) and begin the subject line with “Seminar Macro Forecasting.” You may withdraw your participation until Tuesday, April 15, 2026. After this date, cancellation or non-participation will result in a grade of 5 (fail) unless another arrangement has been made.

## 2.5 Participation criteria

The seminar is intended for Master students with an interest in the covered topics. Participants are expected to have a solid understanding of the material covered in the courses “Advanced Macroeconomics” and “Advanced Econometrics”. Familiarity with time series econometrics will be very helpful, and participants are expected to fill any gaps independently.

The number of participants is limited to 20. If more than 20 students apply, participants will be selected according to the following criteria (in descending order):

1. Major and minor subject: Students majoring in Economics are preferred.
2. Number of seminars completed: Students who have not yet completed a seminar are preferred over those who have completed one seminar. Students who have completed one seminar are preferred over those who have completed two seminars, and so on.
3. Semester of study: Students in more advanced semesters are preferred.
4. Grades in the courses “Advanced Macroeconomics” and “Advanced Econometrics”, or in comparable courses.

## 2.6 Topic allocation

In the application form, please indicate your preferred topic and provide at least two alternative preferences. Own topic proposals are welcome. Your submission should clearly indicate which thematic block your proposal relates to. In addition, at least one topic from the official topic list must be included as an alternative. The final allocation of topics will take place during the preliminary meeting.

## 3 Introductory literature

### Recommended reading prior to the first meeting (ordered)

1. Elliott, Graham and Allan Timmermann. 2008. “Economic Forecasting.” *Journal of Economic Literature* 46(1): 3–56.
2. Chauvet, Marcelle and Simon Potter. 2013. “Forecasting Output.” *Handbook of Economic Forecasting 2A*: 141–194.
3. Faust, Jon and Jonathan H. Wright. 2013. “Forecasting Inflation.” *Handbook of Economic Forecasting 2A*: 2–56.

## Helpful background information

- Elliott, Graham and Allan Timmermann. 2016. *Economic Forecasting*. Princeton University Press.
- Ghysels, Eric and Massimiliano Marcellino. 2018. *Applied Economic Forecasting Using Time Series Methods*. Oxford University Press.

## Selected papers

- Andreou, Elena, Eric Ghysels and Andros Kourtellis. 2012. “[Forecasting with Mixed-Frequency Data](#).” *The Oxford Handbook of Economic Forecasting*: 225–246.

### On nowcasting and real-time data

- Bańbura, Marta, Domenico Giannone, Michele Modugno and Lucrezia Reichlin. 2013. “[Now-Casting and the Real-Time Data Flow](#).” *Handbook of Economic Forecasting 2A*: 195–237
- Croushore, Dean. 2006. “[Forecasting with Real-Time Macroeconomic Data](#).” *Handbook of Economic Forecasting 1*: 961–982.
- Giannone, Domenico, Lucrezia Reichlin and David Small. 2008. “[Nowcasting: The Real-Time Informational Content of Macroeconomic Data](#).” *Journal of Monetary Economics* 55(4): 665–76.

### On choosing forecast variables

- Marcellino, Massimiliano. 2006. “[Leading Indicators](#).” *Handbook of Economic Forecasting 1*: 879–960.
- Stock, James H. and Mark W. Watson. 2006. “[Forecasting with Many Predictors](#).” *Handbook of Economic Forecasting 1*: 515–554.

### On inflation

- Stock, James H. and Mark W. Watson. 2007. “[Why Has U.S. Inflation Become Harder to Forecast?](#)” *Journal of Money, Credit and Banking* 39(s1): 3–33.
- Fulton, Chad and Kirstin Hubrich. 2021. [Forecasting US Inflation in Real Time](#), FEDS 2021-014, Federal Reserve Board.
- Lester, Chandler. 2024. [How CBO Projects Inflation](#), Working Paper 2024-01. Congressional Budget Office.

### On forecast evaluation

- West, Kenneth D. 2006. “[Forecast Evaluation](#).” *Handbook of Economic Forecasting 1*: 99–134.
- Clark, Todd and Michael McCracken. 2013. “[Advances in Forecast Evaluation](#).” *Handbook of Economic Forecasting 2B*: 1107–1201.

## 4 Topics

In your application, you should indicate three topics, each consisting of a combination of a country for which you will prepare a forecast and an indicator you would like to focus on. You may construct these combinations using the lists below or propose your own topic. If you choose to suggest your own topic, please ensure that at least one combination from the official lists is included as an alternative.

## 4.1 List of countries

- Germany
- United States
- United Kingdom
- Euro area aggregate

*In addition (may require translations from national language):*

- France
- Italy
- Netherlands
- Spain

## 4.2 List of indicators

- Aggregate GDP
- Aggregate consumer inflation
- One expenditure aggregate of GDP: (1) private consumption, (2) private investment, (3) exports and imports