# Comments

June 4, 2015

1. "Estimating (1) on the equation-by-equation basis would not be adequate due to endogeneity of particular variables." I don't think that's correct as we simply have a VAR. Therefore, I don't think (2) yields substantive differences.

2. Isn't the number of variables and lags far too large for the type of exercise attempted here? I think Stochastic Search Variable Selection (SSVS) would have been more efficient.

3. Page 10: The point of the factor model is, primarily, to have the same factor(s) in all three equations.

4. Forecast combination is alright but isn't it desirable to compare with univariate forecasting methods as well?