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# The Quantity Theory of Money Revisited: The Improved Short-Term Predictive Power of of Household Money Holdings with Regard to prices. LEO Working Paper

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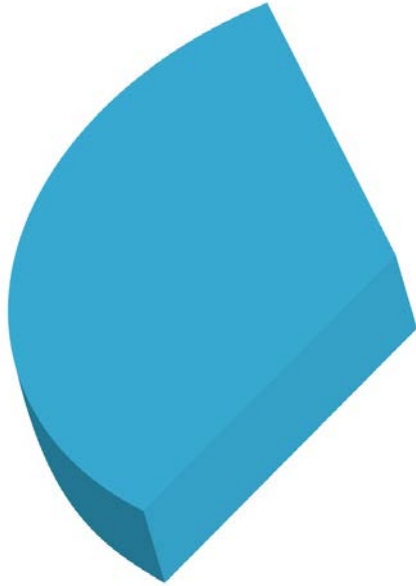
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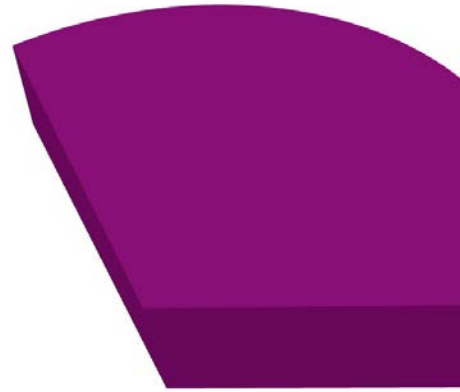
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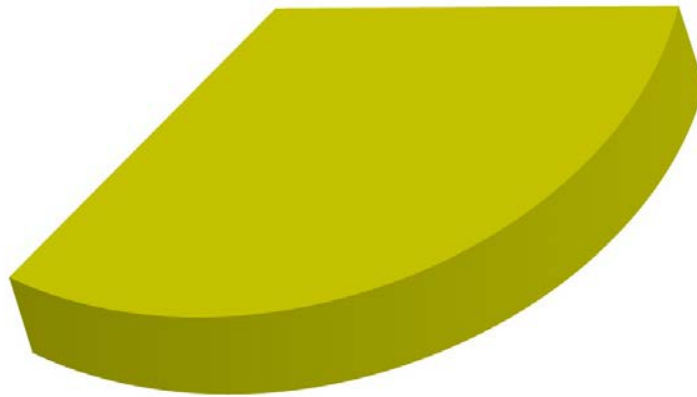
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**The Quantity Theory of Money Revisited:  
The Improved Short-Term Predictive Power of  
Household Money Holdings with  
Regard to prices**



**Jean-Charles BRICONGNE**



**The quantity theory of money revisited:  
The improved short-term predictive power of household money holdings with regard to prices<sup>1</sup>**

**Abstract:**

This article analyses the predictive power of household money holdings with regard to prices or current aggregates (consumption and disposable incomes) over the short term (i.e. over one quarter), as compared with that of other explanatory variables, namely unemployment and total monetary aggregates.

Regardless of the approach used, in the short term, household holdings exhibit a comparative advantage over unemployment and total monetary aggregates. The gain in terms of RMSE compared to a simple autoregressive equation is often at least 10%. This is consistent with the quantity theory of money, which holds that there should be a fairly direct link between money and consumption with a limited lag.

In the longer run (12 quarters), unemployment exhibits better forecasting properties than household money holdings, which is consistent with the findings of Stock & Watson (1999).

As a by-product, this paper also shows that flows of funds can be used to calculate good proxies of total monetary aggregates, such as M3, or other aggregates such as MZM, which may also have interesting predictive properties.

On the whole, using Divisia aggregates does not improve forecasting properties, unlike the addition of revolving credits to the usual aggregates, especially for countries such as the United States where this type of credit is significant.

**JEL Codes:** E37, E40

**Keywords:** Quantity theory of money, household money holdings, inflation, forecasting

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## **I. Introduction**

This article reexamines the potential link between money and prices (or alternatively between money and the current values of aggregates such as consumption or disposable income), by revisiting the fundamental definition of the quantity theory of money, in which money supply should be concentrated solely on household money holdings.

To do this, we use available data, mostly on flows of funds, to construct proxies of household money holdings and then compare the predictive power of these indicators with benchmarks such as total monetary aggregates and unemployment.

### **In theory, there is a link between money supply and consumer prices**

The quantity of money circulating  $M$ , with velocity  $V$ , enables a volume  $T$  of transactions to be carried out, at a price level  $P$ . The accounting relationship thus obtained is:  $MV=PT$  (1).

The first person to write this formally was Irving Fisher (1911), who turned the accounting relationship into a causal one: if one supposes that  $V$  is constant, at least in the short term, given that it depends on structural factors and consumer habits, and that transaction volumes do not depend on monetary factors, then if the quantity of money increases, the general level of prices also increases in the same proportion.

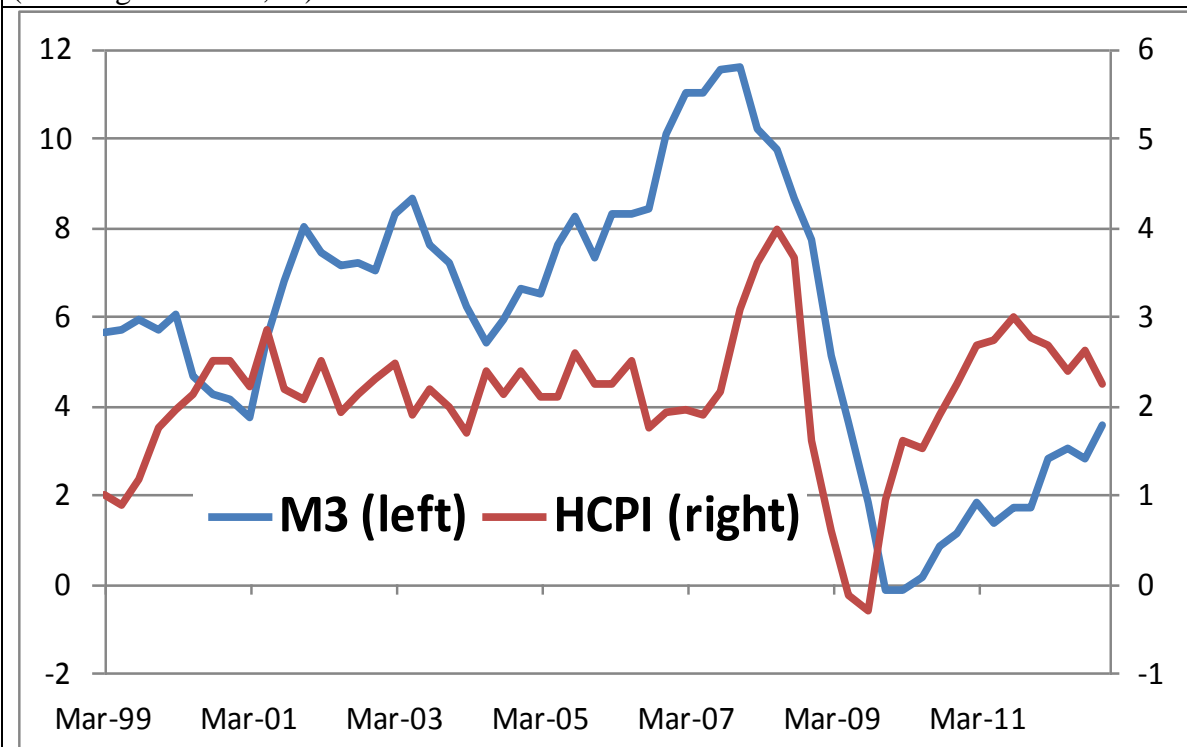
A subsequent article by K. Cartensen (2007) seems to confirm the role of monetary growth in inflation on at least three levels:

- monetary growth has the advantage of providing exogenous information, unlike past inflation which only provides endogenous informational content. Taking monetary growth into account is thus useful in giving an indication of future inflation.
- the long-term relationship between monetary growth and inflation has remained stable over the past few decades.
- from the beginning of the 90s' onwards, monetary growth can be taken into account in forecasting models without creating any significant instability.

### **The link between the evolution of money and prices seems to have diminished**

Using a quantitative-like relationship where all terms are liable to change, the ECB has established an indicative goal for monetary growth of 4.5% per year. This goal has consistently been exceeded in the euro area since May 2001, and increasingly so since May 2004 (with a peak of close to 12% in 2007), with no noticeable impact on prices (see graph below).

Graph 1 – Euro area: evolution of M3 (left-hand scale) and of HCPI (harmonised consumer price index, right-hand scale) (annual growth rate, %)



Sources: ECB, Eurostat

A study by the OECD (2007) seems to confirm that, while the predictive power of monetary aggregates was satisfactory in the period 1995-2000, since 2000 this has no longer been the case. These conclusions should nevertheless be regarded with caution as major events such as the launch of single currency in Europe may have introduced some prolonged disruptions.

The apparently diminishing relationship between money and prices is confirmed by the fact that the ECB makes less and less reference to its “first pillar” of monetary policy, that is M3. The Federal Reserve has even stopped publishing M3, on the basis that its usefulness can no longer be justified.

### **Different approaches have been considered in the literature to try to reconcile evolutions in money and prices**

Using the quantity theory of money as a starting point, various different approaches have been developed to try to reconcile evolutions in money supply and in prices.

One type of approach is to vary the scope of monetary assets taken into account by adding in assets such as bonds and equity funds (cf. Orphanides et al. (1994) or Collins and Edwards (1994)), or considering different assets weighted by yields, corresponding to different velocities, giving a Divisia approach.

Instead of adding assets to the usual monetary aggregates, other methods consider only part of these aggregates and eliminate certain asset categories. This is the case with the MZM aggregate calculated by the Fed, and which is also transposed to other countries/zones in this article, using mainly flows of funds. This aggregate consists of money with zero maturity. It measures the supply of financial assets redeemable at par on demand. Unlike M3, in the case of the US, it does not include time deposits.

A second type of approach in the literature is to question the assumption that velocity is constant. Since the quantitative approach supposes that the velocity of money is stable in the short run, it may in fact vary over the medium/long term, as suggested by Bordes et al. (2007).

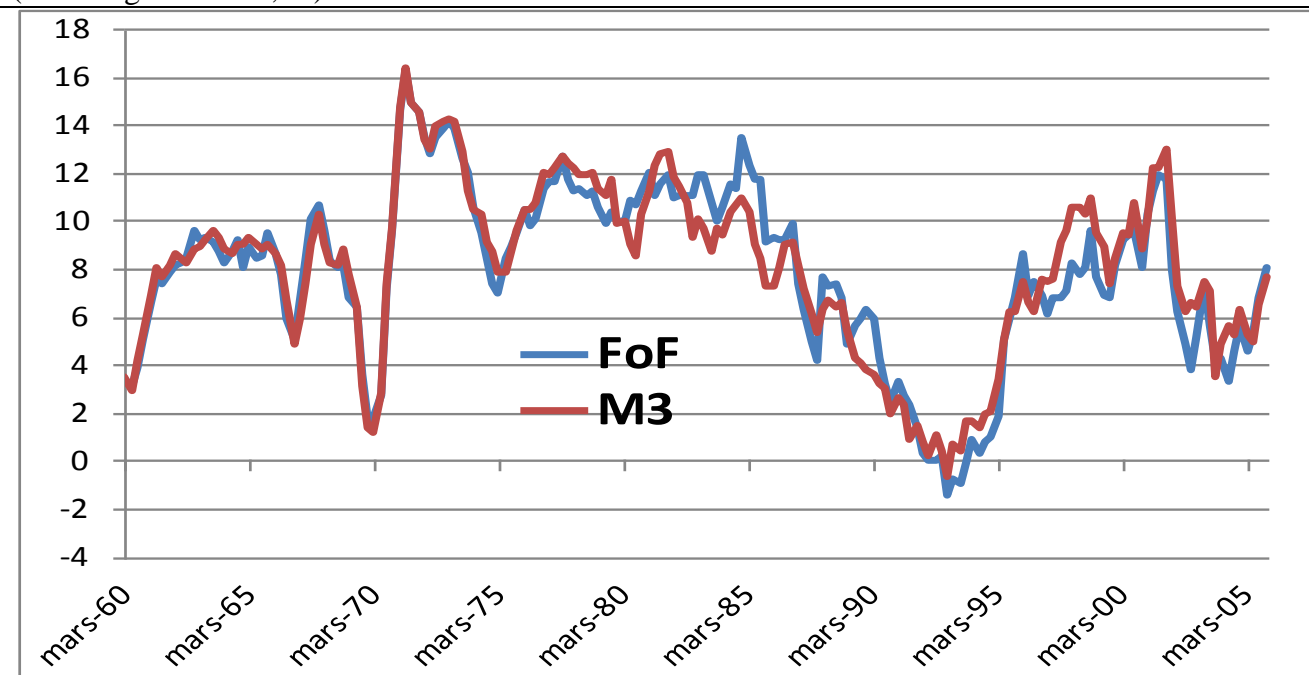
Another type of approach is to consider that, if the quantity theory of money relates to household consumption, then the only money holdings taken into consideration should be those of households, and not of those of non-MFIs (MFIs: monetary and financial institutions, which create money). It is this latter approach that is examined in this article, by comparing the forecasting properties of household money holdings to that of total aggregates, in the short (one quarter) and in the longer (twelve quarters) run.

## II. Financial accounts/flows of funds can be used to build monetary aggregates for money holders and households

As a by-product, we also confirm in this article that aggregates built with financial accounts/flows of funds are similar to published monetary aggregates and have comparable forecasting properties, over the period where these two kinds of aggregates are built/are available.

For the US, we considered the period 1973Q1-2006Q1 using Drake & Mills (2005). The results in Appendix 3 confirm that the published monetary aggregate M3 gives very close results to the corresponding series built with flows of funds.

USA: growth rate of M3 published by the Fed (“M3”) and calculated with flows of funds (“FoF”) (Annual growth rate, %)



Source: Federal Reserve, Flows of Funds, calculations of the author

For France, using the period 1977Q4-1998Q4 (because since the launch of the euro, monetary aggregates are no longer published by country: only country contributions to the evolution of euro area monetary aggregates are published), we also find quite similar forecasting performances for published total M1 and for flows-of-funds-derived M1 on the one hand, and for published total M3 and flows-of-funds-derived M3 on the other hand (RMSE may even be smaller for flows-of-funds-derived aggregates).

For the construction of variables: cf. Appendix 1.

### III. **Regardless of the monetary aggregate considered, household holdings usually exhibit better statistical properties for short-term forecasting than the usual monetary aggregates and unemployment**

Where possible, we consider four or five monetary aggregates which have a similar definition in each of the countries under review:

- M1: in all countries, this includes currency holdings and current accounts;
- M2: in addition to M1 assets, this aggregate usually includes interest-bearing deposits, redeemable at notice or short-term. The US has an alternative definition which includes savings accounts and small time deposits, both of which are mainly held by households;
- M3: M3-M2 assets are mostly short-term bills issued by monetary and financial institutions and shares in money market funds (institutional money market funds in the US);
- M4: this aggregate is only taken into account in the case of the United Kingdom. M4-M3 are mostly assets issued by non-financial corporations;
- MZM: this is only calculated by certain countries, such as the US, and includes monetary assets which are immediately available, making it roughly equal to M2 minus small time deposits plus shares in (institutional) money market funds.

These monetary aggregates are used to try to forecast the evolution of different variables: consumer price indexes, consumption in value terms and gross available income in value terms. We may also consider the consumption deflator as a robustness check.

To assess the forecasting power of the variables, we use two alternative methods.

#### A. **Drake & Mills (2005) model**

The first model is an adaptation of the one used by Drake & Mills (2005) (which itself refers to Stock & Watson (1999)), who tested batteries of indicators, including monetary aggregates, and concluded that their forecasting properties are low. This assertion may be true for total aggregates but, as will be shown, it is no longer true for household aggregates.

The reference forecasting model used in Drake & Mills (2005) is as follows:

$$\pi_{t+k}^k = a + \sum_{i=1}^4 b_i \pi_{t-i}^k + \sum_{i=1}^4 c b_i x_{t-i}^k + e_{t+k}$$

Where  $\pi_t^k = \left(\frac{4}{k}\right)(p_t - p_{t-k})$  is k-period inflation and  $x_t^k$  is a similarly defined growth rate of the indicator aggregate.

In order to analyse the forecasting results in the short term, we take inflation between (t-k) and t as a variable rather than between t and (t+k). k is taken to be equal to twelve quarters (which allows us to neutralise seasonal effects and avoids overlaps between the lagged variables which would have occurred with k=4, on the right-hand side).

In addition to total and households' monetary aggregates, we consider unemployment as a benchmark, both in terms of level and growth rate.

#### **United States**

As can be seen in Appendix 2, for both the periods 1998Q4-2012Q4 (where we can test the aggregate "M1 households + revolving credits households, Divisia") and 1973Q1-2012Q4, we find the following stylised facts:

- household money holdings nearly always produce the results with the smallest RMSE, outperforming both unemployment and the usual monetary aggregates;
- compared to purely autoregressive models, the gains in terms of RMSE are around 10%;
- including revolving credit in the calculations often improves forecasting properties.

## United Kingdom

Over the period 2002Q2-2013Q1, the different aggregates produce relatively similar results in terms of consumer price index growth. However, on the whole, total aggregates perform better, with M1 and M4 Divisia ranking first and second, followed by M1 households and M2.

Given the short time period under review, however, robustness checks would need to be carried out over a longer time span.

Results for the other two variables to explain (current consumption growth and current gross disposable income growth) vary more widely according to the aggregate used, with household money holdings producing by far the best outcome. At best, gains in terms of RMSE range between 25% and 40% compared with purely autoregressive models.

## France

Over the period 1993Q1-2012Q4, regardless of the variable to explain (consumer price index growth, current consumption growth and current gross disposable income growth), the best indicators in terms of RMSE all refer to household money holdings.

The best indicators enable a gain of around 10% in RMSE compared with purely autoregressive models.

## Euro area

Given that euro area statistics are only available for a short time period, due to the relatively recent launch of the euro, results remain to be confirmed over a longer period.

Between 2001Q3 and 2012Q4, total aggregates perform better than household money holdings for consumer price index growth, consumption deflator index growth and, to a lesser extent, for current consumption growth, although the differences in RMSE are fairly limited.

However, the gain is more significant (almost one third compared to purely autoregressive models) for M3 household holdings (with or without revolving credit) when used as an indicator for gross disposable income growth.

## Summary of results for the four countries/zones under review

The results obtained for individual countries/zones can be summed up as follows:

- Household money holdings enable a gain of at least 10% in terms of RMSE compared to purely autoregressive models.
- Household money holdings usually outperform unemployment and total aggregates.
- Results are better for current consumption growth and current gross disposable income growth than for consumer price index growth. **In the case of current consumption growth compared to consumer price index growth, this can be explained by reference to the quantity theory of money, which deals with current expenses rather than just price indexes.**



## **B. Stock & Watson (1999) model**

The second method is the one developed by Stock & Watson (1999), used over the short term (one quarter) and the longer term (twelve quarters).

### **United States**

Over a one-quarter horizon, the best forecasts are almost always obtained with household money holdings, except for current consumption growth, where the results for M1 household holdings are very similar to those obtained using unemployment.

Over a twelve-quarter horizon, the results are much less biased towards household money holdings. However, flows-of-funds-derived M3 displays fairly good results on the whole.

### **United Kingdom**

Although household holdings perform poorly over a one-quarter horizon for consumer prices and consumption deflators, their performance is much better for current disposable income and current consumption.

Over a twelve-quarter horizon, the results are quite similar and do not exhibit any obvious comparative advantages in favour of unemployment, total money aggregates or household holdings. However, as with the Drake & Mills (2005) model, the short time period under review means there would be a need for robustness checks over a longer time span.

### **France**

Over a one-quarter horizon, the best results are obtained with household money holdings, except in the case of current consumption growth, for which unemployment outperforms money indicators.

Over the twelve-quarter horizon, unemployment outperforms money indicators most of the time, and household money holdings lose their relative advantage (except in the case of the consumption deflator). These results are consistent with Stock & Watson's findings (1999) for the US, which show that, over the medium term, money aggregates perform rather poorly.

The results are also consistent with the quantity theory of money, which is an accounting relationship and should work in the short term, but not necessarily in the longer term: there is no reason why households should hold money for their private consumption several years in advance.

### **Euro area**

The results over a one-quarter horizon show quite good forecasting properties for household money holdings (with M3 and MZM) and also for total MZM, which would suggest it is better to consider sectoral holdings, but also to consider another aggregate, namely MZM. Yet, even if the period is somewhat longer than with the Drake & Mills (2005) model, due to the fact that working with one-quarter growth rates includes more quarters than using twelve-quarter growth rates, the period remains rather short, and the results may vary by few points. This is particularly true for the period under review as it includes the current financial crisis.

#### **IV. Conclusion**

We compared the performance of different kinds of explanatory variables: (unemployment, total monetary aggregates and household money holdings) in forecasting the evolution of prices (consumer prices or consumption deflators) or current aggregates (private consumption and private disposable incomes).

Regardless of the approach used, in the short term, household holdings exhibit a comparative advantage over unemployment and total aggregates. The gain in terms of RMSE compared to a simple autoregressive equation is often at least 10%. This is consistent with the quantity theory of money, which holds that the link between money and consumption should be quite direct with a limited time lag.

Over the longer run, the quantity theory of money, which is an accounting relationship rather than an economic-based relationship, loses its statistical properties and is outperformed by unemployment. This is consistent with Stock & Watson's findings (1999).

On the whole, household holdings can be calculated directly using flows of funds, but these calculations may require some approximations. Further detail may help to make the calculations more precise and improve the forecasting properties of household holdings even further.

A by-product of this article is that flows of funds can also be used to calculate good proxies of total monetary aggregates, such as M3, or other aggregates such as MZM, the predictive power of which may be significant.

Using Divisia aggregates rarely improves forecasting properties, unlike adding revolving credits to the usual aggregates, especially for countries such as the US where they are significant.

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## **Appendix 1: construction of datasets**

### **United States**

We used data on flows of funds, which are sufficiently detailed to enable the construction of money holdings with a corresponding level of detail to M1, M2 and M3.

The main problem was how to split time deposits between small-denomination time deposits, belonging to M2, and other time deposits, belonging to M3.

Thus, to construct M2 household holdings, for instance, we used household currency holdings and checkable deposits, combined with M2-M1, as the Fed has indicated that this difference is almost entirely held by households.

M1 and M2 are updated but, as M3 is no longer available, a proxy was calculated using flows of funds.

### **United Kingdom**

As in the case of the US, flows of funds were used to build money holdings.

The biggest problem was how to split “other deposits” between M2 and M3 for households. Since we had no obvious rule for this, we built several series, attributing this kind of deposit entirely to M2 or M3.

Regarding the particular case of M4, which is only available for the UK, the available series of M4, M4 Divisia and M4 held by households were used.

Moreover, since there may be some breaks caused by changes in scope, impacting stocks and not flows, where possible, we tested both stocks and cumulated flows.

### **France**

French flows of funds (“*comptes financiers trimestriels*”) are sufficiently detailed to get money holdings directly.

The only problem was to get the corresponding sector holding the short-term debt securities, in order to keep only MFI issuers. Since this detail was not available, we took the total amount of short-term debt securities, regardless of the issuer.

Since monetary aggregates have no longer been available for national members of the Eurosystem since the launch of the euro, these aggregates have been proxied using flows of funds.

We checked that the evolution of flows-of-funds-derived aggregates and aggregates available until 1998Q4 are highly correlated.

### **Euro area**

Some series are available for household money holdings. Other series were calculated using flows of funds, where possible.

## **Use of revolving credits and total short-term debt securities, regardless of the issuer**

Since revolving credit is often used directly to consume, without appearing in deposits, we tested the inclusion of revolving credits for each aggregate.

The inclusion of these credits in the assets of households may be legitimate, in the sense that it is indeed used by a household to consume thereby replacing another liquid asset which becomes available for another transaction.

Moreover, when considering households on their own, there is no netting of this means of payment against companies granting this type of credit.

By the same token, it is also legitimate to take into account the short-term debt securities in the assets of households, and not only those issued by MFIs. This can be understood by comparing these securities with the money holdings of non-MFIs: when a non-financial company issues a debt security which is bought by a household, there is a form of liquidity transfer from the household to the company and the impact is globally neutral for non-MFIs.

One last argument in favour of including revolving credit is that the Fed already includes travellers' checks in M1 ("Data for the nonbank traveller's checks component of M1 are reported by six nonbank issuers of traveller's checks as of the last business day of each month. Traveller's checks issued by banks are included in the demand deposit component of M1.").

When revolving credits are used to build Divisia indexes, we regard them as having a negative yield, equal to the interest rate.

## Appendix 2: Tables of results

### Drake & Mills (2005) model

#### **United States (1998Q4-2012Q4)**

In the case of the US, we first considered the period 1998Q4-2012Q4 because we calculated a series of household M1 holdings plus revolving credit, according to a Divisia method, using revolving credit rates that were only available over a limited period.

We also considered the period 1973Q1-2012Q4 (see next page), dropping this variable, to obtain results over a longer period, as a robustness check of the benefit of using household holdings.

Consumption price index growth								
Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,749	40,435	0,842	2,670	2,849	2,740	1998Q4-2012Q4	
AR + unemployment	0,783	35,067	0,784	2,668	2,990	2,793	1998Q4-2012Q4	
AR + M1	0,784	34,788	0,781	2,660	2,982	2,785	1998Q4-2012Q4	
AR + M1 households	0,807	31,135	0,739	2,549	2,872	2,674	1998Q4-2012Q4	
AR + M1 households + revolving credits households	0,805	31,445	0,743	2,559	2,881	2,684	1998Q4-2012Q4	
AR + M1 households + revolving credits households, Divisia	0,823	28,588	0,708	2,464	2,786	2,589	1998Q4-2012Q4	1
AR + M2	0,763	38,263	0,819	2,755	3,078	2,880	1998Q4-2012Q4	
AR + M2 households	0,790	33,901	0,771	2,634	2,957	2,759	1998Q4-2012Q4	
AR + M2 households + revolving credits households	0,798	32,609	0,756	2,595	2,918	2,721	1998Q4-2012Q4	
AR + M3 Flows of Funds	0,812	30,251	0,729	2,520	2,843	2,646	1998Q4-2012Q4	3
AR + M3 households	0,803	31,790	0,747	2,570	2,892	2,695	1998Q4-2012Q4	
AR + M3 households + revolving credits households	0,809	30,798	0,735	2,538	2,861	2,663	1998Q4-2012Q4	
AR + MZM	0,795	33,012	0,761	2,607	2,930	2,733	1998Q4-2012Q4	
AR + MZM Divisia	0,770	37,123	0,807	2,725	3,047	2,850	1998Q4-2012Q4	
AR + MZM households	0,810	30,568	0,732	2,531	2,853	2,656	1998Q4-2012Q4	4
AR + MZM households + revolving credits households	0,813	30,139	0,727	2,516	2,839	2,642	1998Q4-2012Q4	2

Consumption deflator index growth								
Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,884	13,527	0,487	1,575	1,754	1,645	1998Q4-2012Q4	
AR + unemployment	0,896	12,068	0,460	1,601	1,924	1,727	1998Q4-2012Q4	
AR + M1	0,899	11,730	0,454	1,573	1,895	1,698	1998Q4-2012Q4	
AR + M1 households	0,895	12,205	0,463	1,612	1,935	1,738	1998Q4-2012Q4	
AR + M1 households + revolving credits households	0,898	11,847	0,456	1,583	1,905	1,708	1998Q4-2012Q4	
AR + M1 households + revolving credits households, Divisia	0,905	11,026	0,440	1,511	1,833	1,636	1998Q4-2012Q4	
AR + M2	0,896	12,152	0,462	1,608	1,931	1,733	1998Q4-2012Q4	
AR + M2 households	0,904	11,163	0,443	1,523	1,846	1,649	1998Q4-2012Q4	
AR + M2 households + revolving credits households	0,906	10,987	0,439	1,507	1,830	1,633	1998Q4-2012Q4	
AR + M3 Flows of Funds	0,909	10,630	0,432	1,474	1,797	1,600	1998Q4-2012Q4	4
AR + M3 households	0,903	11,313	0,446	1,537	1,859	1,662	1998Q4-2012Q4	
AR + M3 households + revolving credits households	0,906	10,953	0,438	1,504	1,827	1,630	1998Q4-2012Q4	
AR + MZM	0,910	10,488	0,429	1,461	1,783	1,586	1998Q4-2012Q4	3
AR + MZM Divisia	0,901	11,554	0,450	1,558	1,880	1,683	1998Q4-2012Q4	
AR + MZM households	0,917	9,683	0,412	1,381	1,704	1,506	1998Q4-2012Q4	2
AR + MZM households + revolving credits households	0,918	9,565	0,410	1,369	1,691	1,494	1998Q4-2012Q4	1

Current consumption growth								
Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,979	29,508	0,720	2,355	2,534	2,425	1998Q4-2012Q4	
AR + unemployment	0,982	25,244	0,665	2,339	2,662	2,465	1998Q4-2012Q4	
AR + M1	0,981	26,097	0,677	2,372	2,695	2,498	1998Q4-2012Q4	
AR + M1 households	0,982	25,078	0,663	2,333	2,655	2,458	1998Q4-2012Q4	
AR + M1 households + revolving credits households	0,981	27,121	0,690	2,411	2,733	2,536	1998Q4-2012Q4	
AR + M1 households + revolving credits households, Divisia	0,980	27,866	0,699	2,438	2,761	2,563	1998Q4-2012Q4	
AR + M2	0,982	24,811	0,660	2,322	2,645	2,447	1998Q4-2012Q4	2
AR + M2 households	0,982	25,620	0,670	2,354	2,677	2,479	1998Q4-2012Q4	
AR + M2 households + revolving credits households	0,981	26,272	0,679	2,379	2,702	2,505	1998Q4-2012Q4	
AR + M3 Flows of Funds	0,983	23,730	0,645	2,277	2,600	2,403	1998Q4-2012Q4	1
AR + M3 households	0,982	25,077	0,663	2,333	2,655	2,458	1998Q4-2012Q4	4
AR + M3 households + revolving credits households	0,982	24,938	0,661	2,327	2,650	2,452	1998Q4-2012Q4	3
AR + MZM	0,981	26,480	0,682	2,387	2,710	2,512	1998Q4-2012Q4	
AR + MZM Divisia	0,981	26,610	0,683	2,392	2,714	2,517	1998Q4-2012Q4	
AR + MZM households	0,982	25,866	0,674	2,364	2,686	2,489	1998Q4-2012Q4	
AR + MZM households + revolving credits households	0,982	26,009	0,675	2,369	2,692	2,494	1998Q4-2012Q4	

Current gross disposable income growth								
Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,891	119,768	1,450	3,756	3,935	3,825	1998Q4-2012Q4	
AR + unemployment	0,918	89,835	1,255	3,609	3,931	3,734	1998Q4-2012Q4	3
AR + M1	0,915	93,463	1,281	3,648	3,971	3,774	1998Q4-2012Q4	4
AR + M1 households	0,927	80,356	1,187	3,497	3,820	3,622	1998Q4-2012Q4	1
AR + M1 households + revolving credits households	0,904	106,186	1,365	3,776	4,098	3,901	1998Q4-2012Q4	
AR + M1 households + revolving credits households, Divisia	0,900	110,219	1,391	3,813	4,136	3,938	1998Q4-2012Q4	
AR + M2	0,895	115,617	1,424	3,861	4,183	3,986	1998Q4-2012Q4	
AR + M2 households	0,904	106,080	1,364	3,775	4,097	3,900	1998Q4-2012Q4	
AR + M2 households + revolving credits households	0,902	108,466	1,379	3,797	4,120	3,922	1998Q4-2012Q4	
AR + M3 Flows of Funds	0,919	88,983	1,249	3,599	3,922	3,724	1998Q4-2012Q4	2
AR + M3 households	0,907	102,276	1,340	3,738	4,061	3,864	1998Q4-2012Q4	
AR + M3 households + revolving credits households	0,908	101,608	1,335	3,732	4,054	3,857	1998Q4-2012Q4	
AR + MZM	0,902	108,384	1,379	3,796	4,119	3,922	1998Q4-2012Q4	
AR + MZM Divisia	0,895	115,487	1,423	3,860	4,182	3,985	1998Q4-2012Q4	
AR + MZM households	0,900	109,721	1,387	3,809	4,131	3,934	1998Q4-2012Q4	
AR + MZM households + revolving credits households	0,900	109,746	1,388	3,809	4,131	3,934	1998Q4-2012Q4	

## United States (1973Q1-2012Q4)

Consumption price index growth								
Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,988	110,019	0,829	2,526	2,622	2,565	1973Q1-2012Q4	
AR + unemployment	0,989	103,272	0,803	2,513	2,686	2,583	1973Q1-2012Q4	
AR + M1	0,988	106,187	0,815	2,540	2,713	2,611	1973Q1-2012Q4	
AR + M1 households	0,989	97,202	0,779	2,452	2,625	2,522	1973Q1-2012Q4	2
AR + M1 households + revolving credits households	0,990	95,388	0,772	2,433	2,606	2,503	1973Q1-2012Q4	1
AR + M2	0,989	102,553	0,801	2,506	2,679	2,576	1973Q1-2012Q4	
AR + M2 households	0,989	99,728	0,789	2,478	2,651	2,548	1973Q1-2012Q4	4
AR + M2 households + revolving credits households	0,989	97,316	0,780	2,453	2,626	2,523	1973Q1-2012Q4	3
AR + M3 Flows of Funds	0,989	104,328	0,807	2,523	2,696	2,593	1973Q1-2012Q4	
AR + M3 households	0,989	103,366	0,804	2,513	2,686	2,584	1973Q1-2012Q4	
AR + M3 households + revolving credits households	0,989	102,244	0,799	2,503	2,676	2,573	1973Q1-2012Q4	
AR + MZM	0,988	108,879	0,825	2,565	2,738	2,636	1973Q1-2012Q4	
AR + MZM Divisia	0,988	106,418	0,816	2,543	2,716	2,613	1973Q1-2012Q4	
AR + MZM households	0,988	107,936	0,821	2,557	2,730	2,627	1973Q1-2012Q4	
AR + MZM households + revolving credits households	0,988	107,201	0,819	2,550	2,723	2,620	1973Q1-2012Q4	

Consumption deflator index growth								
Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,995	39,239	0,495	1,495	1,591	1,534	1973Q1-2012Q4	
AR + unemployment	0,995	36,721	0,479	1,479	1,652	1,549	1973Q1-2012Q4	
AR + M1	0,995	38,249	0,489	1,519	1,692	1,590	1973Q1-2012Q4	
AR + M1 households	0,995	37,418	0,484	1,497	1,670	1,568	1973Q1-2012Q4	
AR + M1 households + revolving credits households	0,995	36,039	0,475	1,460	1,633	1,530	1973Q1-2012Q4	3
AR + M2	0,995	36,153	0,475	1,463	1,636	1,533	1973Q1-2012Q4	4
AR + M2 households	0,995	35,804	0,473	1,453	1,626	1,523	1973Q1-2012Q4	2
AR + M2 households + revolving credits households	0,995	34,864	0,467	1,427	1,600	1,497	1973Q1-2012Q4	1
AR + M3 Flows of Funds	0,995	36,914	0,480	1,484	1,657	1,554	1973Q1-2012Q4	
AR + M3 households	0,995	36,938	0,480	1,484	1,657	1,555	1973Q1-2012Q4	
AR + M3 households + revolving credits households	0,995	36,603	0,478	1,475	1,648	1,546	1973Q1-2012Q4	
AR + MZM	0,995	37,700	0,485	1,505	1,678	1,575	1973Q1-2012Q4	
AR + MZM Divisia	0,995	37,046	0,481	1,487	1,660	1,558	1973Q1-2012Q4	
AR + MZM households	0,995	37,232	0,482	1,492	1,665	1,563	1973Q1-2012Q4	
AR + MZM households + revolving credits households	0,995	36,917	0,480	1,484	1,657	1,554	1973Q1-2012Q4	

Current consumption growth								
Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,985	133,701	0,914	2,721	2,817	2,760	1973Q1-2012Q4	
AR + unemployment	0,985	129,418	0,899	2,738	2,911	2,808	1973Q1-2012Q4	
AR + M1	0,985	131,648	0,907	2,755	2,928	2,826	1973Q1-2012Q4	
AR + M1 households	0,986	125,181	0,885	2,705	2,878	2,775	1973Q1-2012Q4	
AR + M1 households + revolving credits households	0,985	130,623	0,904	2,748	2,920	2,818	1973Q1-2012Q4	
AR + M2	0,985	126,521	0,889	2,716	2,889	2,786	1973Q1-2012Q4	
AR + M2 households	0,985	126,297	0,888	2,714	2,887	2,784	1973Q1-2012Q4	
AR + M2 households + revolving credits households	0,985	126,035	0,888	2,712	2,885	2,782	1973Q1-2012Q4	
AR + M3 Flows of Funds	0,985	132,261	0,909	2,760	2,933	2,830	1973Q1-2012Q4	
AR + M3 households	0,985	132,902	0,911	2,765	2,938	2,835	1973Q1-2012Q4	
AR + M3 households + revolving credits households	0,985	132,945	0,912	2,765	2,938	2,835	1973Q1-2012Q4	
AR + MZM	0,986	121,261	0,871	2,673	2,846	2,743	1973Q1-2012Q4	3
AR + MZM Divisia	0,986	121,929	0,873	2,679	2,852	2,749	1973Q1-2012Q4	4
AR + MZM households	0,986	120,694	0,869	2,668	2,841	2,739	1973Q1-2012Q4	1
AR + MZM households + revolving credits households	0,986	120,961	0,869	2,671	2,844	2,741	1973Q1-2012Q4	2

Current gross disposable income growth								
Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,967	291,839	1,351	3,501	3,598	3,540	1973Q1-2012Q4	
AR + unemployment	0,971	258,432	1,271	3,430	3,603	3,500	1973Q1-2012Q4	2
AR + M1	0,971	261,489	1,278	3,442	3,615	3,512	1973Q1-2012Q4	3
AR + M1 households	0,973	239,659	1,224	3,354	3,527	3,425	1973Q1-2012Q4	1
AR + M1 households + revolving credits households	0,970	270,239	1,300	3,475	3,647	3,545	1973Q1-2012Q4	4
AR + M2	0,969	280,776	1,325	3,513	3,686	3,583	1973Q1-2012Q4	
AR + M2 households	0,969	276,956	1,316	3,499	3,672	3,569	1973Q1-2012Q4	
AR + M2 households + revolving credits households	0,969	280,424	1,324	3,512	3,684	3,582	1973Q1-2012Q4	
AR + M3 Flows of Funds	0,968	282,279	1,328	3,518	3,691	3,588	1973Q1-2012Q4	
AR + M3 households	0,968	285,290	1,335	3,529	3,702	3,599	1973Q1-2012Q4	
AR + M3 households + revolving credits households	0,968	286,077	1,337	3,531	3,704	3,602	1973Q1-2012Q4	
AR + MZM	0,969	279,838	1,322	3,509	3,682	3,580	1973Q1-2012Q4	
AR + MZM Divisia	0,968	282,578	1,329	3,519	3,692	3,589	1973Q1-2012Q4	
AR + MZM households	0,969	273,182	1,307	3,485	3,658	3,556	1973Q1-2012Q4	
AR + MZM households + revolving credits households	0,969	275,918	1,313	3,495	3,668	3,566	1973Q1-2012Q4	



## United Kingdom (2002Q2-2013Q1)

### Consumption price index growth

Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,954	10,410	0,504	1,711	1,920	1,787	2002Q2-2013Q1	
AR + unemployment	0,957	9,611	0,484	1,826	2,202	1,963	2002Q2-2013Q1	
AR + M1	0,963	8,267	0,449	1,676	2,052	1,813	2002Q2-2013Q1	1
AR + M1 cumulated flows	0,955	10,016	0,494	1,867	2,244	2,004	2002Q2-2013Q1	
AR + M1 households	0,961	8,788	0,463	1,737	2,113	1,874	2002Q2-2013Q1	3
AR + M1 households + revolving credits households	0,958	9,422	0,479	1,806	2,183	1,943	2002Q2-2013Q1	
AR + M1 households + revolving credits households, Divisia	0,958	9,512	0,482	1,816	2,192	1,953	2002Q2-2013Q1	
AR + M2	0,961	8,809	0,464	1,739	2,115	1,876	2002Q2-2013Q1	4
AR + M2 cumulated flows	0,960	9,001	0,469	1,761	2,137	1,898	2002Q2-2013Q1	
AR + M2 households	0,958	9,468	0,481	1,811	2,187	1,948	2002Q2-2013Q1	
AR + M2 households - other deposits	0,958	9,342	0,477	1,798	2,174	1,935	2002Q2-2013Q1	
AR + M2 households + revolving credits households	0,955	10,013	0,494	1,867	2,243	2,004	2002Q2-2013Q1	
AR + M2 households - other deposits + revolving credits households	0,956	9,945	0,492	1,860	2,237	1,997	2002Q2-2013Q1	
AR + M3	0,959	9,123	0,472	1,774	2,150	1,911	2002Q2-2013Q1	
AR + M3 households	0,959	9,173	0,473	1,780	2,156	1,917	2002Q2-2013Q1	
AR + M3 households - other deposits	0,960	9,010	0,469	1,762	2,138	1,899	2002Q2-2013Q1	
AR + M3 households + revolving credits households	0,956	9,807	0,489	1,846	2,223	1,983	2002Q2-2013Q1	
AR + M3 households - other deposits + revolving credits households	0,957	9,701	0,486	1,836	2,212	1,973	2002Q2-2013Q1	
AR + M4	0,955	10,048	0,495	1,871	2,247	2,008	2002Q2-2013Q1	
AR + M4 Divisia	0,961	8,717	0,461	1,729	2,105	1,866	2002Q2-2013Q1	2
AR + M4 households	?	?	?	?	?	?	?	
AR + M4 households, cumulated flows	0,961	8,827	0,464	1,741	2,117	1,878	2002Q2-2013Q1	
AR + M4 households, Divisia	0,957	9,570	0,483	1,822	2,198	1,959	2002Q2-2013Q1	
AR + M4 households + revolving credits households, cumulated flows	0,958	9,481	0,481	1,813	2,189	1,950	2002Q2-2013Q1	
AR + MZM	0,959	9,320	0,477	1,795	2,172	1,932	2002Q2-2013Q1	
AR + MZM, cumulated flows	0,959	9,247	0,475	1,788	2,164	1,925	2002Q2-2013Q1	
AR + MZM households	0,955	10,046	0,495	1,870	2,247	2,007	2002Q2-2013Q1	
AR + MZM households + revolving credits households	0,956	9,866	0,491	1,852	2,229	1,989	2002Q2-2013Q1	

### Current consumption growth

Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,934	40,057	0,988	3,059	3,267	3,135	2002Q2-2013Q1	
AR + unemployment	0,955	27,273	0,816	2,869	3,245	3,006	2002Q2-2013Q1	
AR + M1	0,948	31,838	0,881	3,024	3,400	3,161	2002Q2-2013Q1	
AR + M1 cumulated flows	0,951	29,918	0,854	2,962	3,338	3,099	2002Q2-2013Q1	
AR + M1 households	0,949	30,939	0,869	2,995	3,371	3,132	2002Q2-2013Q1	
AR + M1 households + revolving credits households	0,948	31,659	0,879	3,018	3,394	3,155	2002Q2-2013Q1	
AR + M1 households + revolving credits households, Divisia	0,948	31,789	0,881	3,022	3,399	3,159	2002Q2-2013Q1	
AR + M2	0,944	34,060	0,911	3,091	3,468	3,228	2002Q2-2013Q1	
AR + M2 cumulated flows	0,956	26,594	0,805	2,844	3,220	2,981	2002Q2-2013Q1	4
AR + M2 households	0,955	27,546	0,820	2,879	3,255	3,016	2002Q2-2013Q1	
AR + M2 households - other deposits	0,961	23,710	0,760	2,729	3,105	2,866	2002Q2-2013Q1	1
AR + M2 households + revolving credits households	0,951	29,853	0,853	2,960	3,336	3,097	2002Q2-2013Q1	
AR + M2 households - other deposits + revolving credits households	0,956	26,941	0,811	2,857	3,233	2,994	2002Q2-2013Q1	
AR + M3	0,945	33,417	0,903	3,072	3,449	3,209	2002Q2-2013Q1	
AR + M3 households	0,954	28,201	0,829	2,903	3,279	3,040	2002Q2-2013Q1	
AR + M3 households - other deposits	0,960	24,348	0,771	2,756	3,132	2,893	2002Q2-2013Q1	2
AR + M3 households + revolving credits households	0,950	30,805	0,867	2,991	3,367	3,128	2002Q2-2013Q1	
AR + M3 households - other deposits + revolving credits households	0,954	27,899	0,825	2,892	3,268	3,029	2002Q2-2013Q1	
AR + M4	0,951	29,984	0,855	2,964	3,340	3,101	2002Q2-2013Q1	
AR + M4 Divisia	0,950	30,481	0,862	2,980	3,357	3,117	2002Q2-2013Q1	
AR + M4 households	?	?	?	?	?	?	?	
AR + M4 households, cumulated flows	0,948	31,652	0,879	3,018	3,394	3,155	2002Q2-2013Q1	
AR + M4 households, Divisia	0,954	28,059	0,827	2,898	3,274	3,035	2002Q2-2013Q1	
AR + M4 households + revolving credits households, cumulated flows	0,942	35,668	0,933	3,138	3,514	3,275	2002Q2-2013Q1	
AR + MZM	0,948	31,957	0,883	3,028	3,404	3,165	2002Q2-2013Q1	
AR + MZM, cumulated flows	0,946	32,919	0,896	3,057	3,434	3,194	2002Q2-2013Q1	
AR + MZM households	0,958	25,825	0,794	2,815	3,191	2,952	2002Q2-2013Q1	3
AR + MZM households + revolving credits households	0,955	27,664	0,821	2,883	3,260	3,020	2002Q2-2013Q1	

**Current gross disposable income growth**

Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,227	61,469	1,224	3,487	3,696	3,563	2002Q2-2013Q1	
AR + unemployment	0,373	49,801	1,102	3,471	3,848	3,608	2002Q2-2013Q1	
AR + M1	0,382	49,155	1,095	3,458	3,834	3,595	2002Q2-2013Q1	
AR + M1 cumulated flows	0,431	45,193	1,050	3,374	3,750	3,511	2002Q2-2013Q1	
AR + M1 households	0,282	57,096	1,180	3,608	3,984	3,745	2002Q2-2013Q1	
AR + M1 households + revolving credits households	0,348	51,838	1,124	3,511	3,888	3,648	2002Q2-2013Q1	
AR + M1 households + revolving credits households, Divisia	0,367	50,349	1,108	3,482	3,858	3,619	2002Q2-2013Q1	
AR + M2	0,307	55,101	1,159	3,573	3,949	3,709	2002Q2-2013Q1	
AR + M2 cumulated flows	0,446	44,064	1,037	3,349	3,725	3,486	2002Q2-2013Q1	3
AR + M2 households	0,340	52,450	1,131	3,523	3,899	3,660	2002Q2-2013Q1	
AR + M2 households - other deposits	0,392	48,334	1,086	3,441	3,818	3,578	2002Q2-2013Q1	
AR + M2 households + revolving credits households	0,366	50,410	1,109	3,484	3,860	3,621	2002Q2-2013Q1	
AR + M2 households - other deposits + revolving credits households	0,416	46,403	1,064	3,401	3,777	3,538	2002Q2-2013Q1	
AR + M3	0,353	51,406	1,120	3,503	3,879	3,640	2002Q2-2013Q1	
AR + M3 households	0,359	50,941	1,115	3,494	3,870	3,631	2002Q2-2013Q1	
AR + M3 households - other deposits	0,410	46,877	1,069	3,411	3,787	3,548	2002Q2-2013Q1	
AR + M3 households + revolving credits households	0,383	49,053	1,094	3,456	3,832	3,593	2002Q2-2013Q1	
AR + M3 households - other deposits + revolving credits households	0,431	45,226	1,050	3,375	3,751	3,512	2002Q2-2013Q1	
AR + M4	0,268	58,151	1,191	3,626	4,003	3,763	2002Q2-2013Q1	
AR + M4 Divisia	0,367	50,347	1,108	3,482	3,858	3,619	2002Q2-2013Q1	
AR + M4 households	?	?	?	?	?	?	?	
AR + M4 households, cumulated flows	0,333	53,046	1,137	3,534	3,911	3,671	2002Q2-2013Q1	
AR + M4 households, Divisia	0,438	44,700	1,044	3,363	3,739	3,500	2002Q2-2013Q1	4
AR + M4 households + revolving credits households, cumulated flows	0,375	49,652	1,100	3,468	3,845	3,605	2002Q2-2013Q1	
AR + MZM	0,306	55,198	1,160	3,574	3,950	3,711	2002Q2-2013Q1	
AR + MZM, cumulated flows	0,289	56,494	1,174	3,597	3,974	3,734	2002Q2-2013Q1	
AR + MZM households	0,571	34,135	0,912	3,094	3,470	3,231	2002Q2-2013Q1	2
AR + MZM households + revolving credits households	0,599	31,868	0,882	3,025	3,401	3,162	2002Q2-2013Q1	1

**France (1993Q1-2012Q4)**

**Consumption price index growth**

Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,815	3,418	0,231	0,064	0,233	0,131	1993Q1-2012Q4	
AR + unemployment	0,835	3,042	0,218	0,073	0,376	0,192	1993Q1-2012Q4	
AR + M1 (Flows of Funds)	0,829	3,143	0,222	0,106	0,409	0,225	1993Q1-2012Q4	
AR + M1 households	0,847	2,815	0,210	-0,005	0,299	0,115	1993Q1-2012Q4	1
AR + M1 households + revolving credits households	0,844	2,883	0,212	0,019	0,323	0,139	1993Q1-2012Q4	4
AR + M2 (Flows of Funds)							1993Q1-2012Q4	
AR + M2 households	0,846	2,838	0,211	0,003	0,307	0,123	1993Q1-2012Q4	
AR + M2 households + revolving credits households	0,843	2,886	0,212	0,020	0,324	0,140	1993Q1-2012Q4	
AR + M3 (Flows of Funds)	0,839	2,969	0,215	0,049	0,352	0,168	1993Q1-2012Q4	
AR + M3 households	0,825	3,219	0,224	0,129	0,433	0,249	1993Q1-2012Q4	
AR + M3 households + revolving credits households	0,825	3,228	0,225	0,132	0,436	0,252	1993Q1-2012Q4	
AR + MZM	0,832	3,101	0,220	0,092	0,396	0,212	1993Q1-2012Q4	
AR + MZM Divisia	0,826	3,207	0,224	0,125	0,429	0,245	1993Q1-2012Q4	
AR + MZM households	0,846	2,848	0,211	0,007	0,310	0,126	1993Q1-2012Q4	2
AR + MZM households + revolving credits households	0,844	2,869	0,212	0,014	0,318	0,134	1993Q1-2012Q4	3

**Current consumption growth**

Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,924	7,979	0,353	0,912	1,081	0,978	1993Q1-2012Q4	
AR + unemployment	0,930	7,374	0,339	0,958	1,262	1,078	1993Q1-2012Q4	
AR + M1 (Flows of Funds)	0,930	7,297	0,338	0,948	1,251	1,067	1993Q1-2012Q4	
AR + M1 households	0,937	6,583	0,321	0,845	1,148	0,964	1993Q1-2012Q4	2
AR + M1 households + revolving credits households	0,939	6,374	0,316	0,812	1,116	0,932	1993Q1-2012Q4	1
AR + M2 (Flows of Funds)							1993Q1-2012Q4	
AR + M2 households	0,928	7,579	0,344	0,986	1,289	1,105	1993Q1-2012Q4	
AR + M2 households + revolving credits households	0,928	7,531	0,343	0,979	1,283	1,099	1993Q1-2012Q4	
AR + M3 (Flows of Funds)	0,936	6,685	0,323	0,860	1,164	0,980	1993Q1-2012Q4	3
AR + M3 households	0,933	6,999	0,331	0,906	1,210	1,026	1993Q1-2012Q4	
AR + M3 households + revolving credits households	0,934	6,960	0,330	0,900	1,204	1,020	1993Q1-2012Q4	
AR + MZM	0,936	6,704	0,324	0,863	1,166	0,983	1993Q1-2012Q4	4
AR + MZM Divisia	0,934	6,964	0,330	0,901	1,205	1,021	1993Q1-2012Q4	
AR + MZM households	0,926	7,788	0,349	1,013	1,316	1,132	1993Q1-2012Q4	
AR + MZM households + revolving credits households	0,926	7,787	0,349	1,013	1,316	1,132	1993Q1-2012Q4	

**Current gross disposable income growth**

Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,900	10,571	0,406	1,193	1,362	1,260	1993Q1-2012Q4	
AR + unemployment	0,907	9,817	0,392	1,244	1,548	1,364	1993Q1-2012Q4	
AR + M1 (Flows of Funds)	0,906	10,015	0,396	1,264	1,568	1,384	1993Q1-2012Q4	
AR + M1 households	0,913	9,198	0,379	1,179	1,483	1,299	1993Q1-2012Q4	
AR + M1 households + revolving credits households	0,917	8,792	0,371	1,134	1,438	1,254	1993Q1-2012Q4	3
AR + M2 (Flows of Funds)							1993Q1-2012Q4	
AR + M2 households	0,914	9,159	0,378	1,175	1,479	1,295	1993Q1-2012Q4	4
AR + M2 households + revolving credits households	0,914	9,167	0,378	1,176	1,479	1,295	1993Q1-2012Q4	
AR + M3 (Flows of Funds)	0,906	9,996	0,395	1,262	1,566	1,382	1993Q1-2012Q4	
AR + M3 households	0,920	8,524	0,365	1,103	1,407	1,223	1993Q1-2012Q4	2
AR + M3 households + revolving credits households	0,920	8,454	0,363	1,095	1,399	1,215	1993Q1-2012Q4	1
AR + MZM	0,906	9,935	0,394	1,256	1,560	1,376	1993Q1-2012Q4	
AR + MZM Divisia	0,906	9,955	0,394	1,258	1,562	1,378	1993Q1-2012Q4	
AR + MZM households	0,907	9,908	0,393	1,254	1,557	1,373	1993Q1-2012Q4	
AR + MZM households + revolving credits households	0,906	9,973	0,395	1,260	1,564	1,380	1993Q1-2012Q4	

**Eurozone (2001Q3-2012Q4)**

Consumption price index growth								
Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,691	0,918	0,151	-7,595	-7,384	-7,518	2001Q3-2012Q4	
AR + unemployment	0,748	0,751	0,137	-7,596	-7,216	-7,458	2001Q3-2012Q4	3
AR + unemployment level	0,715	0,847	0,146	-7,475	-7,095	-7,338	2001Q3-2012Q4	
AR + M1	0,743	0,765	0,138	-7,576	-7,196	-7,439	2001Q3-2012Q4	
AR + M1 households	0,730	0,803	0,142	-7,529	-7,149	-7,391	2001Q3-2012Q4	
AR + M1 households + revolving credits households	0,732	0,796	0,141	-7,537	-7,157	-7,400	2001Q3-2012Q4	
AR + M2	0,775	0,669	0,129	-7,711	-7,331	-7,574	2001Q3-2012Q4	2
AR + M2 households							2001Q3-2012Q4	
AR + M2 households + revolving credits households							2001Q3-2012Q4	
AR + M3	0,785	0,640	0,126	-7,755	-7,375	-7,617	2001Q3-2012Q4	1
AR + M3 households	0,744	0,760	0,138	-7,583	-7,203	-7,446	2001Q3-2012Q4	4
AR + M3 households + revolving credits households	0,744	0,760	0,138	-7,583	-7,203	-7,446	2001Q3-2012Q4	
AR + MZM	0,714	0,849	0,146	-7,472	-7,092	-7,335	2001Q3-2012Q4	
AR + MZM households	0,738	0,780	0,140	-7,557	-7,177	-7,419	2001Q3-2012Q4	
AR + MZM households + revolving credits households	0,738	0,778	0,139	-7,560	-7,180	-7,422	2001Q3-2012Q4	

Consumption deflator index growth								
Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,890	1,130	0,168	-9,690	-9,479	-9,614	2001Q3-2012Q4	
AR + unemployment	0,903	1,000	0,158	-9,608	-9,228	-9,470	2001Q3-2012Q4	
AR + unemployment level	0,895	1,080	0,164	-9,534	-9,154	-9,397	2001Q3-2012Q4	
AR + M1	0,910	0,928	0,152	-9,686	-9,306	-9,548	2001Q3-2012Q4	3
AR + M1 households	0,905	0,976	0,156	-9,635	-9,255	-9,498	2001Q3-2012Q4	
AR + M1 households + revolving credits households	0,905	0,975	0,156	-9,637	-9,257	-9,499	2001Q3-2012Q4	
AR + M2	0,916	0,861	0,147	-9,760	-9,380	-9,623	2001Q3-2012Q4	2
AR + M2 households							2001Q3-2012Q4	
AR + M2 households + revolving credits households							2001Q3-2012Q4	
AR + M3	0,917	0,860	0,147	-9,762	-9,382	-9,625	2001Q3-2012Q4	1
AR + M3 households	0,899	1,040	0,161	-9,573	-9,193	-9,436	2001Q3-2012Q4	
AR + M3 households + revolving credits households	0,899	1,040	0,161	-9,576	-9,196	-9,439	2001Q3-2012Q4	
AR + MZM	0,906	0,969	0,156	-9,643	-9,263	-9,505	2001Q3-2012Q4	4
AR + MZM households	0,901	1,020	0,160	-9,595	-9,215	-9,457	2001Q3-2012Q4	
AR + MZM households + revolving credits households	0,901	1,020	0,160	-9,590	-9,210	-9,453	2001Q3-2012Q4	

Current consumption growth								
Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,941	20,350	0,713	-6,798	-6,587	-6,722	2001Q3-2012Q4	
AR + unemployment	0,956	15,240	0,617	-6,888	-6,508	-6,750	2001Q3-2012Q4	4
AR + unemployment level	0,948	17,880	0,669	-6,728	-6,348	-6,590	2001Q3-2012Q4	
AR + M1	0,959	14,250	0,597	-6,955	-6,575	-6,817	2001Q3-2012Q4	1
AR + M1 households	0,955	15,470	0,622	-6,873	-6,493	-6,735	2001Q3-2012Q4	
AR + M1 households + revolving credits households	0,956	15,180	0,616	-6,891	-6,511	-6,754	2001Q3-2012Q4	2
AR + M2	0,946	18,680	0,683	-6,684	-6,304	-6,547	2001Q3-2012Q4	
AR + M2 households							2001Q3-2012Q4	
AR + M2 households + revolving credits households							2001Q3-2012Q4	
AR + M3	0,946	18,590	0,682	-6,689	-6,309	-6,551	2001Q3-2012Q4	
AR + M3 households	0,952	16,690	0,646	-6,796	-6,416	-6,659	2001Q3-2012Q4	
AR + M3 households + revolving credits households	0,951	16,860	0,649	-6,786	-6,406	-6,649	2001Q3-2012Q4	
AR + MZM	0,956	15,230	0,617	-6,888	-6,508	-6,751	2001Q3-2012Q4	3
AR + MZM households	0,949	17,410	0,660	-6,754	-6,374	-6,617	2001Q3-2012Q4	
AR + MZM households + revolving credits households	0,950	17,250	0,657	-6,764	-6,384	-6,626	2001Q3-2012Q4	

Current gross disposable income growth								
Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,927	38,570	0,982	-6,159	-5,948	-6,082	2001Q3-2012Q4	
AR + unemployment	0,958	21,880	0,740	-6,526	-6,146	-6,388	2001Q3-2012Q4	3
AR + unemployment level	0,941	31,040	0,881	-6,176	-5,796	-6,039	2001Q3-2012Q4	
AR + M1	0,956	22,980	0,758	-6,477	-6,097	-6,339	2001Q3-2012Q4	4
AR + M1 households	0,955	23,440	0,766	-6,457	-6,077	-6,320	2001Q3-2012Q4	
AR + M1 households + revolving credits households	0,956	22,990	0,758	-6,476	-6,096	-6,339	2001Q3-2012Q4	4
AR + M2	0,944	29,630	0,861	-6,223	-5,843	-6,085	2001Q3-2012Q4	
AR + M2 households							2001Q3-2012Q4	
AR + M2 households + revolving credits households							2001Q3-2012Q4	
AR + M3	0,943	30,170	0,868	-6,204	-5,824	-6,067	2001Q3-2012Q4	
AR + M3 households	0,965	18,500	0,680	-6,693	-6,313	-6,556	2001Q3-2012Q4	1
AR + M3 households + revolving credits households	0,964	19,210	0,693	-6,656	-6,276	-6,519	2001Q3-2012Q4	2
AR + MZM	0,955	23,620	0,768	-6,449	-6,069	-6,312	2001Q3-2012Q4	
AR + MZM households	0,941	31,080	0,881	-6,175	-5,795	-6,037	2001Q3-2012Q4	
AR + MZM households + revolving credits households	0,942	30,730	0,876	-6,186	-5,806	-6,049	2001Q3-2012Q4	

## Stock & Watson (1999) model, one-quarter horizon

### United States

Consumption price index growth								
Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,469	36,897	0,759	2,475	2,677	2,554	1996Q4-2012Q4	
AR + unemployment	0,537	32,147	0,709	2,493	2,864	2,639	1996Q4-2012Q4	
AR + unemployment level	0,581	29,097	0,674	2,393	2,764	2,540	1996Q4-2012Q4	2
AR + M1	0,510	33,991	0,729	2,549	2,920	2,695	1996Q4-2012Q4	
AR + M1 households	0,675	22,568	0,594	2,139	2,510	2,285	1996Q4-2012Q4	1
AR + M1 households + revolving credits households	0,572	29,703	0,681	2,414	2,785	2,560	1996Q4-2012Q4	4
AR + M1 households + revolving credits households, Divisia	0,563	30,337	0,688	2,435	2,806	2,581	1996Q4-2012Q4	
AR + M2	0,517	33,514	0,724	2,535	2,906	2,681	1996Q4-2012Q4	
AR + M2 households	0,562	30,393	0,689	2,437	2,808	2,583	1996Q4-2012Q4	
AR + M2 households + revolving credits households	0,552	31,080	0,697	2,459	2,830	2,605	1996Q4-2012Q4	
AR + M3 Flows of Funds	0,568	29,969	0,684	2,423	2,794	2,569	1996Q4-2012Q4	
AR + M3 households	0,579	29,249	0,676	2,399	2,770	2,545	1996Q4-2012Q4	3
AR + M3 households + revolving credits households	0,565	30,202	0,687	2,431	2,802	2,577	1996Q4-2012Q4	
AR + MZM	0,530	32,640	0,714	2,508	2,879	2,654	1996Q4-2012Q4	
AR + MZM Divisia	0,493	35,188	0,741	2,583	2,955	2,730	1996Q4-2012Q4	
AR + MZM households	0,545	31,563	0,702	2,475	2,846	2,621	1996Q4-2012Q4	
AR + MZM households + revolving credits households	0,554	30,966	0,696	2,456	2,827	2,602	1996Q4-2012Q4	

Consumption deflator index growth								
Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,315	9,496	0,385	1,117	1,320	1,197	1996Q4-2012Q4	
AR + unemployment	0,450	7,619	0,345	1,053	1,425	1,200	1996Q4-2012Q4	4
AR + unemployment level	0,492	7,044	0,332	0,975	1,346	1,121	1996Q4-2012Q4	2
AR + M1	0,391	8,440	0,363	1,156	1,527	1,302	1996Q4-2012Q4	
AR + M1 households	0,589	5,693	0,298	0,762	1,133	0,908	1996Q4-2012Q4	1
AR + M1 households + revolving credits households	0,456	7,535	0,343	1,042	1,413	1,188	1996Q4-2012Q4	3
AR + M1 households + revolving credits households, Divisia	0,400	8,311	0,360	1,140	1,511	1,286	1996Q4-2012Q4	
AR + M2	0,389	8,467	0,364	1,159	1,530	1,305	1996Q4-2012Q4	
AR + M2 households	0,450	7,628	0,345	1,055	1,426	1,201	1996Q4-2012Q4	4
AR + M2 households + revolving credits households	0,433	7,853	0,350	1,084	1,455	1,230	1996Q4-2012Q4	
AR + M3 Flows of Funds	0,401	8,293	0,360	1,138	1,509	1,284	1996Q4-2012Q4	
AR + M3 households	0,402	8,288	0,360	1,138	1,509	1,284	1996Q4-2012Q4	
AR + M3 households + revolving credits households	0,389	8,461	0,364	1,158	1,529	1,304	1996Q4-2012Q4	
AR + MZM	0,392	8,419	0,363	1,153	1,524	1,299	1996Q4-2012Q4	
AR + MZM Divisia	0,354	8,950	0,374	1,214	1,586	1,361	1996Q4-2012Q4	
AR + MZM households	0,404	8,252	0,359	1,133	1,504	1,279	1996Q4-2012Q4	
AR + MZM households + revolving credits households	0,413	8,139	0,357	1,119	1,490	1,266	1996Q4-2012Q4	

**Current consumption growth**

Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,193	25,528	0,632	2,106	2,309	2,186	1996Q4-2012Q4	
AR + unemployment	0,446	17,519	0,523	1,886	2,257	2,032	1996Q4-2012Q4	3
AR + unemployment level	0,500	15,827	0,497	1,784	2,156	1,931	1996Q4-2012Q4	1
AR + M1	0,261	23,388	0,605	2,175	2,546	2,321	1996Q4-2012Q4	
AR + M1 households	0,459	17,103	0,517	1,862	2,233	2,008	1996Q4-2012Q4	2
AR + M1 households + revolving credits households	0,281	22,738	0,596	2,147	2,518	2,293	1996Q4-2012Q4	
AR + M1 households + revolving credits households, Divisia	0,288	22,518	0,593	2,137	2,508	2,283	1996Q4-2012Q4	
AR + M2	0,218	24,731	0,622	2,231	2,602	2,377	1996Q4-2012Q4	
AR + M2 households	0,247	23,832	0,610	2,194	2,565	2,340	1996Q4-2012Q4	
AR + M2 households + revolving credits households	0,244	23,931	0,611	2,198	2,569	2,344	1996Q4-2012Q4	
AR + M3 Flows of Funds	0,312	21,779	0,583	2,104	2,475	2,250	1996Q4-2012Q4	4
AR + M3 households	0,307	21,924	0,585	2,110	2,481	2,256	1996Q4-2012Q4	
AR + M3 households + revolving credits households	0,306	21,949	0,586	2,111	2,483	2,258	1996Q4-2012Q4	
AR + MZM	0,278	22,856	0,598	2,152	2,523	2,298	1996Q4-2012Q4	
AR + MZM Divisia	0,258	23,474	0,606	2,179	2,550	2,325	1996Q4-2012Q4	
AR + MZM households	0,278	22,846	0,597	2,152	2,523	2,298	1996Q4-2012Q4	
AR + MZM households + revolving credits households	0,288	22,529	0,593	2,138	2,509	2,284	1996Q4-2012Q4	

**Current gross disposable income growth**

Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,309	70,149	1,047	3,117	3,320	3,197	1996Q4-2012Q4	
AR + unemployment	0,444	56,469	0,939	3,056	3,427	3,203	1996Q4-2012Q4	
AR + unemployment level	0,444	56,473	0,939	3,057	3,428	3,203	1996Q4-2012Q4	
AR + M1	0,450	55,769	0,933	3,044	3,415	3,190	1996Q4-2012Q4	
AR + M1 households	0,548	45,842	0,846	2,848	3,219	2,994	1996Q4-2012Q4	2
AR + M1 households + revolving credits households	0,487	52,046	0,902	2,975	3,346	3,121	1996Q4-2012Q4	
AR + M1 households + revolving credits households, Divisia	0,419	58,957	0,960	3,100	3,471	3,246	1996Q4-2012Q4	
AR + M2	0,514	49,306	0,878	2,921	3,292	3,067	1996Q4-2012Q4	4
AR + M2 households	0,553	45,398	0,842	2,838	3,209	2,984	1996Q4-2012Q4	1
AR + M2 households + revolving credits households	0,530	47,676	0,863	2,887	3,258	3,033	1996Q4-2012Q4	3
AR + M3 Flows of Funds	0,498	50,935	0,892	2,953	3,324	3,099	1996Q4-2012Q4	
AR + M3 households	0,451	55,666	0,933	3,042	3,413	3,188	1996Q4-2012Q4	
AR + M3 households + revolving credits households	0,463	54,454	0,922	3,020	3,391	3,166	1996Q4-2012Q4	
AR + MZM	0,474	53,330	0,913	2,999	3,370	3,145	1996Q4-2012Q4	
AR + MZM Divisia	0,395	61,396	0,979	3,140	3,511	3,286	1996Q4-2012Q4	
AR + MZM households	0,494	51,319	0,895	2,961	3,332	3,107	1996Q4-2012Q4	
AR + MZM households + revolving credits households	0,476	53,140	0,911	2,996	3,367	3,142	1996Q4-2012Q4	

## United Kingdom (200Q3-2013Q1)

### Consumption price index growth

Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,581	13,727	0,524	1,785	2,015	1,873	2000Q3-2013Q1	
AR + unemployment	0,613	12,698	0,504	1,907	2,328	2,067	2000Q3-2013Q1	
AR + unemployment level	0,617	12,568	0,501	1,897	2,318	2,057	2000Q3-2013Q1	
AR + M1	0,664	11,017	0,469	1,765	2,186	1,925	2000Q3-2013Q1	2
AR + M1 cumulated flows	0,646	11,608	0,482	1,818	2,238	1,978	2000Q3-2013Q1	3
AR + M1 households	0,645	11,655	0,483	1,822	2,242	1,982	2000Q3-2013Q1	
AR + M1 households + revolving credits households	0,606	12,905	0,508	1,923	2,344	2,084	2000Q3-2013Q1	
AR + M1 households + revolving credits households, Divisia	0,602	13,048	0,511	1,935	2,355	2,095	2000Q3-2013Q1	
AR + M2	0,639	11,837	0,487	1,837	2,258	1,997	2000Q3-2013Q1	
AR + M2 cumulated flows	0,669	10,869	0,466	1,752	2,172	1,912	2000Q3-2013Q1	1
AR + M2 households	0,597	13,226	0,514	1,948	2,369	2,108	2000Q3-2013Q1	
AR + M2 households - other deposits	0,603	13,026	0,510	1,933	2,353	2,093	2000Q3-2013Q1	
AR + M2 households + revolving credits households	0,600	13,114	0,512	1,940	2,360	2,100	2000Q3-2013Q1	
AR + M2 households - other deposits + revolving credits households	0,605	12,944	0,509	1,926	2,347	2,087	2000Q3-2013Q1	
AR + M3	0,631	12,107	0,492	1,860	2,280	2,020	2000Q3-2013Q1	
AR + M3 households	0,605	12,939	0,509	1,926	2,347	2,086	2000Q3-2013Q1	
AR + M3 households - other deposits	0,613	12,675	0,503	1,905	2,326	2,066	2000Q3-2013Q1	
AR + M3 households + revolving credits households	0,607	12,874	0,507	1,921	2,342	2,081	2000Q3-2013Q1	
AR + M3 households - other deposits + revolving credits households	0,613	12,679	0,504	1,906	2,326	2,066	2000Q3-2013Q1	
AR + M4	0,613	12,677	0,504	1,906	2,326	2,066	2000Q3-2013Q1	
AR + M4 Divisia	0,646	11,606	0,482	1,817	2,238	1,978	2000Q3-2013Q1	3
AR + M4 households	?	?	?	?	?	?	?	
AR + M4 households, cumulated flows	0,608	12,869	0,507	1,921	2,341	2,081	2000Q3-2013Q1	
AR + M4 households, Divisia	0,623	12,365	0,497	1,881	2,301	2,041	2000Q3-2013Q1	
AR + M4 households + revolving credits households, cumulated flows	0,598	13,192	0,514	1,945	2,366	2,106	2000Q3-2013Q1	
AR + MZM	0,626	12,271	0,495	1,873	2,294	2,033	2000Q3-2013Q1	
AR + MZM, cumulated flows	0,632	12,050	0,491	1,855	2,276	2,015	2000Q3-2013Q1	
AR + MZM households	0,629	12,167	0,493	1,865	2,285	2,025	2000Q3-2013Q1	
AR + MZM households + revolving credits households	0,612	12,734	0,505	1,910	2,331	2,070	2000Q3-2013Q1	

### Consumption deflator index growth

Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,514	11,417	0,478	1,601	1,830	1,688	2000Q3-2013Q1	
AR + unemployment	0,605	9,286	0,431	1,594	2,015	1,755	2000Q3-2013Q1	3
AR + unemployment level	0,625	8,815	0,420	1,542	1,963	1,702	2000Q3-2013Q1	1
AR + M1	0,584	9,769	0,442	1,645	2,066	1,805	2000Q3-2013Q1	
AR + M1 cumulated flows	0,575	9,994	0,447	1,668	2,088	1,828	2000Q3-2013Q1	
AR + M1 households	0,604	9,314	0,432	1,597	2,018	1,758	2000Q3-2013Q1	4
AR + M1 households + revolving credits households	0,589	9,658	0,440	1,634	2,054	1,794	2000Q3-2013Q1	
AR + M1 households + revolving credits households, Divisia	0,595	9,507	0,436	1,618	2,039	1,778	2000Q3-2013Q1	
AR + M2	0,573	10,045	0,448	1,673	2,094	1,833	2000Q3-2013Q1	
AR + M2 cumulated flows	0,607	9,241	0,430	1,589	2,010	1,750	2000Q3-2013Q1	2
AR + M2 households	0,522	11,240	0,474	1,785	2,206	1,945	2000Q3-2013Q1	
AR + M2 households - other deposits	0,529	11,070	0,471	1,770	2,191	1,930	2000Q3-2013Q1	
AR + M2 households + revolving credits households	0,547	10,651	0,462	1,731	2,152	1,892	2000Q3-2013Q1	
AR + M2 households - other deposits + revolving credits households	0,562	10,301	0,454	1,698	2,119	1,858	2000Q3-2013Q1	
AR + M3	0,560	10,327	0,454	1,701	2,121	1,861	2000Q3-2013Q1	
AR + M3 households	0,522	11,228	0,474	1,784	2,205	1,944	2000Q3-2013Q1	
AR + M3 households - other deposits	0,533	10,984	0,469	1,762	2,183	1,922	2000Q3-2013Q1	
AR + M3 households + revolving credits households	0,546	10,671	0,462	1,733	2,154	1,894	2000Q3-2013Q1	
AR + M3 households - other deposits + revolving credits households	0,563	10,270	0,453	1,695	2,116	1,855	2000Q3-2013Q1	
AR + M4	0,591	9,612	0,438	1,629	2,049	1,789	2000Q3-2013Q1	
AR + M4 Divisia	0,542	10,766	0,464	1,742	2,163	1,902	2000Q3-2013Q1	
AR + M4 households	?	?	?	?	?	?	?	
AR + M4 households, cumulated flows	0,548	10,621	0,461	1,729	2,149	1,889	2000Q3-2013Q1	
AR + M4 households, Divisia	0,602	9,343	0,432	1,601	2,021	1,761	2000Q3-2013Q1	
AR + M4 households + revolving credits households, cumulated flows	0,567	10,185	0,451	1,687	2,107	1,847	2000Q3-2013Q1	
AR + MZM	0,563	10,264	0,453	1,695	2,115	1,855	2000Q3-2013Q1	
AR + MZM, cumulated flows	0,565	10,223	0,452	1,691	2,111	1,851	2000Q3-2013Q1	
AR + MZM households	0,581	9,836	0,444	1,652	2,073	1,812	2000Q3-2013Q1	
AR + MZM households + revolving credits households	0,594	9,550	0,437	1,622	2,043	1,783	2000Q3-2013Q1	



**Current consumption growth**

Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,291	28,172	0,751	2,504	2,734	2,592	2000Q3-2013Q1	
AR + unemployment	0,620	15,110	0,550	2,081	2,502	2,241	2000Q3-2013Q1	2
AR + unemployment level	0,621	15,072	0,549	2,079	2,499	2,239	2000Q3-2013Q1	1
AR + M1	0,451	21,821	0,661	2,449	2,869	2,609	2000Q3-2013Q1	
AR + M1 cumulated flows	0,504	19,710	0,628	2,347	2,768	2,507	2000Q3-2013Q1	
AR + M1 households	0,403	23,747	0,689	2,533	2,954	2,693	2000Q3-2013Q1	
AR + M1 households + revolving credits households	0,388	24,311	0,697	2,557	2,977	2,717	2000Q3-2013Q1	
AR + M1 households + revolving credits households, Divisia	0,405	23,665	0,688	2,530	2,950	2,690	2000Q3-2013Q1	
AR + M2	0,340	26,219	0,724	2,632	3,053	2,793	2000Q3-2013Q1	
AR + M2 cumulated flows	0,432	22,581	0,672	2,483	2,904	2,643	2000Q3-2013Q1	
AR + M2 households	0,377	24,772	0,704	2,576	2,996	2,736	2000Q3-2013Q1	
AR + M2 households - other deposits	0,419	23,110	0,680	2,506	2,927	2,666	2000Q3-2013Q1	
AR + M2 households + revolving credits households	0,420	23,054	0,679	2,504	2,924	2,664	2000Q3-2013Q1	
AR + M2 households - other deposits + revolving credits households	0,465	21,284	0,652	2,424	2,844	2,584	2000Q3-2013Q1	
AR + M3	0,383	24,540	0,701	2,566	2,987	2,726	2000Q3-2013Q1	
AR + M3 households	0,374	24,883	0,705	2,580	3,001	2,740	2000Q3-2013Q1	
AR + M3 households - other deposits	0,415	23,242	0,682	2,512	2,932	2,672	2000Q3-2013Q1	
AR + M3 households + revolving credits households	0,415	23,246	0,682	2,512	2,933	2,672	2000Q3-2013Q1	
AR + M3 households - other deposits + revolving credits households	0,458	21,542	0,656	2,436	2,856	2,596	2000Q3-2013Q1	
AR + M4	0,357	25,545	0,715	2,606	3,027	2,766	2000Q3-2013Q1	
AR + M4 Divisia	0,421	23,002	0,678	2,501	2,922	2,662	2000Q3-2013Q1	
AR + M4 households	?	?	?	?	?	?	?	
AR + M4 households, cumulated flows	0,388	24,311	0,697	2,557	2,977	2,717	2000Q3-2013Q1	
AR + M4 households, Divisia	0,581	16,656	0,577	2,179	2,599	2,339	2000Q3-2013Q1	3
AR + M4 households + revolving credits households, cumulated flows	0,436	22,413	0,670	2,476	2,896	2,636	2000Q3-2013Q1	
AR + MZM	0,363	25,323	0,712	2,598	3,018	2,758	2000Q3-2013Q1	
AR + MZM, cumulated flows	0,348	25,928	0,720	2,621	3,042	2,781	2000Q3-2013Q1	
AR + MZM households	0,512	19,389	0,623	2,331	2,751	2,491	2000Q3-2013Q1	
AR + MZM households + revolving credits households	0,563	17,381	0,590	2,221	2,642	2,381	2000Q3-2013Q1	4

**Current gross disposable income growth**

Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,665	45,607	0,955	2,986	3,215	3,073	2000Q3-2013Q1	
AR + unemployment	0,745	34,787	0,834	2,915	3,336	3,075	2000Q3-2013Q1	3
AR + unemployment level	0,707	39,836	0,893	3,051	3,471	3,211	2000Q3-2013Q1	
AR + M1	0,730	36,760	0,857	2,970	3,391	3,130	2000Q3-2013Q1	
AR + M1 cumulated flows	0,692	41,929	0,916	3,102	3,522	3,262	2000Q3-2013Q1	
AR + M1 households	0,703	40,443	0,899	3,066	3,486	3,226	2000Q3-2013Q1	
AR + M1 households + revolving credits households	0,688	42,439	0,921	3,114	3,535	3,274	2000Q3-2013Q1	
AR + M1 households + revolving credits households, Divisia	0,695	41,595	0,912	3,094	3,514	3,254	2000Q3-2013Q1	
AR + M2	0,735	36,137	0,850	2,953	3,374	3,113	2000Q3-2013Q1	4
AR + M2 cumulated flows	0,721	37,985	0,872	3,003	3,424	3,163	2000Q3-2013Q1	
AR + M2 households	0,732	36,532	0,855	2,964	3,385	3,124	2000Q3-2013Q1	
AR + M2 households - other deposits	0,733	36,348	0,853	2,959	3,380	3,119	2000Q3-2013Q1	
AR + M2 households + revolving credits households	0,714	38,985	0,883	3,029	3,450	3,189	2000Q3-2013Q1	
AR + M2 households - other deposits + revolving credits households	0,714	38,882	0,882	3,026	3,447	3,187	2000Q3-2013Q1	
AR + M3	0,731	36,661	0,856	2,968	3,388	3,128	2000Q3-2013Q1	
AR + M3 households	0,734	36,247	0,851	2,956	3,377	3,116	2000Q3-2013Q1	
AR + M3 households - other deposits	0,733	36,385	0,853	2,960	3,381	3,120	2000Q3-2013Q1	
AR + M3 households + revolving credits households	0,713	39,091	0,884	3,032	3,452	3,192	2000Q3-2013Q1	
AR + M3 households - other deposits + revolving credits households	0,714	39,008	0,883	3,030	3,450	3,190	2000Q3-2013Q1	
AR + M4	0,702	40,599	0,901	3,070	3,490	3,230	2000Q3-2013Q1	
AR + M4 Divisia	0,698	41,099	0,907	3,082	3,502	3,242	2000Q3-2013Q1	
AR + M4 households	?	?	?	?	?	?	?	
AR + M4 households, cumulated flows	0,678	43,823	0,936	3,146	3,567	3,306	2000Q3-2013Q1	
AR + M4 households, Divisia	0,693	41,753	0,914	3,098	3,518	3,258	2000Q3-2013Q1	
AR + M4 households + revolving credits households, cumulated flows	0,688	42,461	0,922	3,114	3,535	3,275	2000Q3-2013Q1	
AR + MZM	0,731	36,589	0,855	2,966	3,386	3,126	2000Q3-2013Q1	
AR + MZM, cumulated flows	0,721	37,921	0,871	3,001	3,422	3,162	2000Q3-2013Q1	
AR + MZM households	0,766	31,887	0,799	2,828	3,249	2,988	2000Q3-2013Q1	1
AR + MZM households + revolving credits households	0,758	32,970	0,812	2,861	3,282	3,022	2000Q3-2013Q1	2

## France (1996Q4-2012Q4)

### Consumption price index growth

Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,436	2,660	0,204	-0,155	0,047	-0,075	1996Q4-2012Q4	
AR + unemployment	0,519	2,266	0,188	-0,159	0,212	-0,013	1996Q4-2012Q4	1
AR + unemployment level	0,523	2,251	0,188	-0,166	0,205	-0,020	1996Q4-2012Q4	1
AR + M1 (Flows of Funds)	0,464	2,526	0,199	-0,051	0,320	0,096	1996Q4-2012Q4	
AR + M1 households	0,494	2,389	0,193	-0,107	0,265	0,040	1996Q4-2012Q4	
AR + M1 households + revolving credits households	0,488	2,417	0,194	-0,095	0,276	0,051	1996Q4-2012Q4	
AR + M2 (Flows of Funds)	0,445	2,618	0,202	-0,015	0,356	0,131	1996Q4-2012Q4	
AR + M2 households	0,443	2,628	0,203	-0,011	0,360	0,135	1996Q4-2012Q4	
AR + M2 households + revolving credits households	0,442	2,631	0,203	-0,010	0,361	0,136	1996Q4-2012Q4	
AR + M3 (Flows of Funds)	0,493	2,391	0,193	-0,105	0,266	0,041	1996Q4-2012Q4	
AR + M3 households	0,519	2,267	0,188	-0,159	0,212	-0,013	1996Q4-2012Q4	1
AR + M3 households + revolving credits households	0,516	2,284	0,189	-0,151	0,220	-0,005	1996Q4-2012Q4	4
AR + MZM	0,496	2,378	0,193	-0,111	0,260	0,035	1996Q4-2012Q4	
AR + MZM Divisia	0,484	2,433	0,195	-0,088	0,283	0,058	1996Q4-2012Q4	
AR + MZM households	0,466	2,518	0,198	-0,054	0,317	0,093	1996Q4-2012Q4	
AR + MZM households + revolving credits households	0,465	2,522	0,199	-0,052	0,319	0,094	1996Q4-2012Q4	

### Consumption deflator index growth

Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,160	1,049	0,128	-1,086	-0,883	-1,006	1996Q4-2012Q4	
AR + unemployment	0,248	0,940	0,121	-1,039	-0,668	-0,893	1996Q4-2012Q4	
AR + unemployment level	0,244	0,945	0,122	-1,034	-0,663	-0,888	1996Q4-2012Q4	
AR + M1 (Flows of Funds)	0,240	0,950	0,122	-1,029	-0,658	-0,883	1996Q4-2012Q4	
AR + M1 households	0,301	0,873	0,117	-1,113	-0,742	-0,967	1996Q4-2012Q4	
AR + M1 households + revolving credits households	0,303	0,871	0,117	-1,116	-0,745	-0,970	1996Q4-2012Q4	
AR + M2 (Flows of Funds)	0,209	0,988	0,124	-0,989	-0,618	-0,843	1996Q4-2012Q4	
AR + M2 households	0,246	0,942	0,121	-1,037	-0,666	-0,891	1996Q4-2012Q4	
AR + M2 households + revolving credits households	0,245	0,944	0,121	-1,035	-0,664	-0,889	1996Q4-2012Q4	
AR + M3 (Flows of Funds)	0,203	0,995	0,125	-0,982	-0,611	-0,836	1996Q4-2012Q4	
AR + M3 households	0,356	0,805	0,112	-1,194	-0,823	-1,048	1996Q4-2012Q4	1
AR + M3 households + revolving credits households	0,358	0,801	0,112	-1,199	-0,828	-1,052	1996Q4-2012Q4	1
AR + MZM	0,313	0,858	0,116	-1,130	-0,759	-0,984	1996Q4-2012Q4	4
AR + MZM Divisia	0,331	0,836	0,114	-1,156	-0,785	-1,010	1996Q4-2012Q4	3
AR + MZM households	0,239	0,950	0,122	-1,028	-0,657	-0,882	1996Q4-2012Q4	
AR + MZM households + revolving credits households	0,238	0,953	0,122	-1,026	-0,655	-0,880	1996Q4-2012Q4	

**Current consumption growth**

Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,302	3,545	0,235	0,132	0,334	0,212	1996Q4-2012Q4	
AR + unemployment	0,443	2,828	0,210	0,062	0,434	0,209	1996Q4-2012Q4	2
AR + unemployment level	0,456	2,761	0,208	0,038	0,409	0,184	1996Q4-2012Q4	1
AR + M1 (Flows of Funds)	0,389	3,099	0,220	0,154	0,525	0,300	1996Q4-2012Q4	
AR + M1 households	0,402	3,034	0,218	0,133	0,504	0,279	1996Q4-2012Q4	
AR + M1 households + revolving credits households	0,403	3,029	0,218	0,131	0,502	0,277	1996Q4-2012Q4	
AR + M2 (Flows of Funds)	0,403	3,031	0,218	0,132	0,503	0,278	1996Q4-2012Q4	
AR + M2 households	0,372	3,186	0,223	0,182	0,553	0,328	1996Q4-2012Q4	
AR + M2 households + revolving credits households	0,372	3,187	0,223	0,182	0,553	0,328	1996Q4-2012Q4	
AR + M3 (Flows of Funds)	0,351	3,292	0,227	0,214	0,585	0,361	1996Q4-2012Q4	
AR + M3 households	0,422	2,932	0,214	0,099	0,470	0,245	1996Q4-2012Q4	3
AR + M3 households + revolving credits households	0,424	2,922	0,214	0,095	0,466	0,241	1996Q4-2012Q4	3
AR + MZM	0,342	3,341	0,228	0,229	0,600	0,375	1996Q4-2012Q4	
AR + MZM Divisia	0,346	3,320	0,228	0,223	0,594	0,369	1996Q4-2012Q4	
AR + MZM households	0,344	3,329	0,228	0,225	0,596	0,372	1996Q4-2012Q4	
AR + MZM households + revolving credits households	0,341	3,345	0,229	0,230	0,601	0,376	1996Q4-2012Q4	

**Current gross disposable income growth**

Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,505	6,277	0,313	0,703	0,906	0,783	1996Q4-2012Q4	
AR + unemployment	0,550	5,700	0,298	0,763	1,134	0,909	1996Q4-2012Q4	
AR + unemployment level	0,566	5,498	0,293	0,727	1,098	0,873	1996Q4-2012Q4	
AR + M1 (Flows of Funds)	0,533	5,926	0,304	0,802	1,173	0,948	1996Q4-2012Q4	
AR + M1 households	0,563	5,541	0,294	0,735	1,106	0,881	1996Q4-2012Q4	
AR + M1 households + revolving credits households	0,573	5,418	0,291	0,712	1,083	0,859	1996Q4-2012Q4	4
AR + M2 (Flows of Funds)	0,531	5,945	0,305	0,805	1,176	0,951	1996Q4-2012Q4	
AR + M2 households	0,576	5,380	0,290	0,705	1,077	0,852	1996Q4-2012Q4	3
AR + M2 households + revolving credits households	0,573	5,414	0,291	0,712	1,083	0,858	1996Q4-2012Q4	4
AR + M3 (Flows of Funds)	0,544	5,778	0,300	0,777	1,148	0,923	1996Q4-2012Q4	
AR + M3 households	0,610	4,944	0,278	0,621	0,992	0,767	1996Q4-2012Q4	2
AR + M3 households + revolving credits households	0,617	4,859	0,276	0,604	0,975	0,750	1996Q4-2012Q4	1
AR + MZM	0,564	5,523	0,294	0,732	1,103	0,878	1996Q4-2012Q4	
AR + MZM Divisia	0,543	5,794	0,301	0,780	1,151	0,926	1996Q4-2012Q4	
AR + MZM households	0,570	5,451	0,292	0,718	1,090	0,865	1996Q4-2012Q4	
AR + MZM households + revolving credits households	0,563	5,536	0,294	0,734	1,105	0,880	1996Q4-2012Q4	

## Eurozone

Consumption price index growth								
Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,441	9,150	0,441	-7,753	-7,517	-7,665	2001Q3-2012Q4	
AR + unemployment	0,541	7,510	0,400	-7,739	-7,306	-7,576	2001Q3-2012Q4	
AR + unemployment level	0,545	7,450	0,398	-7,747	-7,314	-7,584	2001Q3-2012Q4	3
AR + M1	0,522	7,820	0,408	-7,697	-7,264	-7,534	2001Q3-2012Q4	
AR + M1 households	0,512	7,980	0,412	-7,677	-7,244	-7,514	2001Q3-2012Q4	
AR + M1 households + revolving credits households	0,515	7,950	0,411	-7,682	-7,249	-7,519	2001Q3-2012Q4	
AR + M2	0,480	8,510	0,426	-7,613	-7,180	-7,450	2001Q3-2012Q4	
AR + M2 households							2001Q3-2012Q4	
AR + M2 households + revolving credits households							2001Q3-2012Q4	
AR + M3	0,500	8,180	0,417	-7,653	-7,220	-7,490	2001Q3-2012Q4	
AR + M3 households	0,592	6,670	0,377	-7,856	-7,423	-7,693	2001Q3-2012Q4	1
AR + M3 households + revolving credits households	0,582	6,840	0,381	-7,831	-7,398	-7,668	2001Q3-2012Q4	2
AR + MZM	0,544	7,460	0,398	-7,745	-7,312	-7,582	2001Q3-2012Q4	3
AR + MZM households	0,543	7,470	0,399	-7,743	-7,310	-7,580	2001Q3-2012Q4	
AR + MZM households + revolving credits households	0,532	7,670	0,404	-7,717	-7,284	-7,555	2001Q3-2012Q4	

Consumption deflator index growth								
Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,193	0,842	0,134	-0,929	-0,693	-0,840	2001Q3-2012Q4	
AR + unemployment	0,276	0,755	0,127	-0,825	-0,392	-0,662	2001Q3-2012Q4	
AR + unemployment level	0,280	0,752	0,126	-0,830	-0,397	-0,667	2001Q3-2012Q4	
AR + M1	0,315	0,715	0,123	-0,880	-0,447	-0,717	2001Q3-2012Q4	4
AR + M1 households	0,263	0,769	0,128	-0,807	-0,374	-0,644	2001Q3-2012Q4	
AR + M1 households + revolving credits households	0,263	0,769	0,128	-0,807	-0,374	-0,644	2001Q3-2012Q4	
AR + M2	0,289	0,742	0,126	-0,843	-0,409	-0,680	2001Q3-2012Q4	
AR + M2 households							2001Q3-2012Q4	
AR + M2 households + revolving credits households							2001Q3-2012Q4	
AR + M3	0,276	0,755	0,127	-0,825	-0,392	-0,662	2001Q3-2012Q4	
AR + M3 households	0,305	0,726	0,124	-0,865	-0,432	-0,702	2001Q3-2012Q4	
AR + M3 households + revolving credits households	0,307	0,724	0,124	-0,868	-0,435	-0,705	2001Q3-2012Q4	
AR + MZM	0,361	0,667	0,119	-0,949	-0,516	-0,786	2001Q3-2012Q4	1
AR + MZM households	0,326	0,703	0,122	-0,896	-0,463	-0,733	2001Q3-2012Q4	2
AR + MZM households + revolving credits households	0,326	0,703	0,122	-0,896	-0,463	-0,733	2001Q3-2012Q4	3

Current consumption growth								
Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,323	11,620	0,497	-7,515	-7,278	-7,426	2001Q3-2012Q4	
AR + unemployment	0,513	8,350	0,421	-7,632	-7,199	-7,469	2001Q3-2012Q4	3
AR + unemployment level	0,496	8,650	0,429	-7,597	-7,164	-7,434	2001Q3-2012Q4	
AR + M1	0,469	9,100	0,440	-7,546	-7,113	-7,383	2001Q3-2012Q4	
AR + M1 households	0,465	9,170	0,442	-7,539	-7,106	-7,376	2001Q3-2012Q4	
AR + M1 households + revolving credits households	0,453	9,390	0,447	-7,515	-7,082	-7,352	2001Q3-2012Q4	
AR + M2	0,466	9,160	0,441	-7,540	-7,107	-7,377	2001Q3-2012Q4	
AR + M2 households							2001Q3-2012Q4	
AR + M2 households + revolving credits households							2001Q3-2012Q4	
AR + M3	0,502	8,550	0,427	-7,609	-7,176	-7,446	2001Q3-2012Q4	
AR + M3 households	0,516	8,300	0,420	-7,638	-7,205	-7,475	2001Q3-2012Q4	2
AR + M3 households + revolving credits households	0,507	8,450	0,424	-7,620	-7,187	-7,457	2001Q3-2012Q4	4
AR + MZM	0,577	7,260	0,393	-7,772	-7,339	-7,609	2001Q3-2012Q4	1
AR + MZM households	0,491	8,720	0,431	-7,589	-7,156	-7,426	2001Q3-2012Q4	
AR + MZM households + revolving credits households	0,488	8,770	0,432	-7,583	-7,150	-7,420	2001Q3-2012Q4	

Current gross disposable income growth								
Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,566	12,340	0,512	-7,399	-7,159	-7,310	2001Q3-2012Q4	
AR + unemployment	0,698	8,600	0,428	-7,539	-7,097	-7,374	2001Q3-2012Q4	3
AR + unemployment level	0,681	9,070	0,439	-7,486	-7,044	-7,321	2001Q3-2012Q4	4
AR + M1	0,703	8,450	0,424	-7,556	-7,115	-7,392	2001Q3-2012Q4	1
AR + M1 households	0,636	10,340	0,469	-7,354	-6,913	-7,190	2001Q3-2012Q4	
AR + M1 households + revolving credits households	0,636	10,340	0,469	-7,354	-6,913	-7,190	2001Q3-2012Q4	
AR + M2	0,658	9,730	0,455	-7,415	-6,974	-7,251	2001Q3-2012Q4	
AR + M2 households							2001Q3-2012Q4	
AR + M2 households + revolving credits households							2001Q3-2012Q4	
AR + M3	0,621	10,770	0,479	-7,313	-6,872	-7,149	2001Q3-2012Q4	
AR + M3 households	0,627	10,600	0,475	-7,329	-6,887	-7,164	2001Q3-2012Q4	
AR + M3 households + revolving credits households	0,629	10,550	0,474	-7,334	-6,892	-7,169	2001Q3-2012Q4	
AR + MZM	0,699	8,560	0,427	-7,543	-7,101	-7,378	2001Q3-2012Q4	2
AR + MZM households	0,622	10,750	0,478	-7,316	-6,874	-7,151	2001Q3-2012Q4	
AR + MZM households + revolving credits households	0,624	10,670	0,476	-7,323	-6,881	-7,158	2001Q3-2012Q4	

## Stock & Watson (1999) model, twelve-quarter horizon

### United States

Consumption price index growth								
Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,858	4,574	0,294	0,614	0,837	0,700	1996Q4-2012Q4	
AR + unemployment	0,902	3,176	0,245	0,438	0,847	0,596	1996Q4-2012Q4	
AR + unemployment level	0,917	2,693	0,225	0,273	0,682	0,431	1996Q4-2012Q4	4
AR + M1	0,893	3,449	0,255	0,521	0,930	0,678	1996Q4-2012Q4	
AR + M1 households	0,925	2,426	0,214	0,169	0,578	0,326	1996Q4-2012Q4	2
AR + M1 households + revolving credits households	0,887	3,657	0,263	0,579	0,988	0,737	1996Q4-2012Q4	
AR + M1 households + revolving credits households, Divisia	0,877	3,957	0,273	0,658	1,067	0,815	1996Q4-2012Q4	
AR + M2	0,878	3,929	0,272	0,651	1,060	0,808	1996Q4-2012Q4	
AR + M2 households	0,880	3,880	0,271	0,638	1,047	0,796	1996Q4-2012Q4	
AR + M2 households + revolving credits households	0,873	4,110	0,278	0,696	1,105	0,853	1996Q4-2012Q4	
AR + M3 Flows of Funds	0,934	2,133	0,201	0,040	0,449	0,197	1996Q4-2012Q4	1
AR + M3 households	0,909	2,935	0,235	0,359	0,768	0,517	1996Q4-2012Q4	
AR + M3 households + revolving credits households	0,919	2,627	0,223	0,249	0,658	0,406	1996Q4-2012Q4	3
AR + MZM	0,879	3,920	0,272	0,649	1,058	0,806	1996Q4-2012Q4	
AR + MZM Divisia	0,892	3,486	0,256	0,532	0,940	0,689	1996Q4-2012Q4	
AR + MZM households	0,880	3,874	0,270	0,637	1,046	0,794	1996Q4-2012Q4	
AR + MZM households + revolving credits households	0,878	3,927	0,272	0,650	1,059	0,808	1996Q4-2012Q4	

Consumption deflator index growth								
Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,774	2,252	0,206	-0,094	0,129	-0,008	1996Q4-2012Q4	
AR + unemployment	0,829	1,706	0,179	-0,183	0,226	-0,026	1996Q4-2012Q4	4
AR + unemployment level	0,838	1,615	0,175	-0,238	0,171	-0,081	1996Q4-2012Q4	3
AR + M1	0,819	1,804	0,184	-0,127	0,282	0,030	1996Q4-2012Q4	
AR + M1 households	0,860	1,394	0,162	-0,385	0,024	-0,228	1996Q4-2012Q4	2
AR + M1 households + revolving credits households	0,812	1,870	0,188	-0,092	0,317	0,066	1996Q4-2012Q4	
AR + M1 households + revolving credits households, Divisia	0,785	2,145	0,201	0,046	0,455	0,203	1996Q4-2012Q4	
AR + M2	0,808	1,909	0,190	-0,071	0,338	0,087	1996Q4-2012Q4	
AR + M2 households	0,808	1,912	0,190	-0,069	0,340	0,088	1996Q4-2012Q4	
AR + M2 households + revolving credits households	0,795	2,041	0,196	-0,004	0,405	0,154	1996Q4-2012Q4	
AR + M3 Flows of Funds	0,861	1,389	0,162	-0,389	0,020	-0,231	1996Q4-2012Q4	1
AR + M3 households	0,816	1,832	0,186	-0,112	0,297	0,045	1996Q4-2012Q4	
AR + M3 households + revolving credits households	0,826	1,739	0,181	-0,164	0,245	-0,007	1996Q4-2012Q4	
AR + MZM	0,799	1,999	0,194	-0,025	0,384	0,133	1996Q4-2012Q4	
AR + MZM Divisia	0,829	1,705	0,179	-0,184	0,225	-0,027	1996Q4-2012Q4	4
AR + MZM households	0,806	1,929	0,191	-0,060	0,349	0,097	1996Q4-2012Q4	
AR + MZM households + revolving credits households	0,801	1,979	0,193	-0,035	0,374	0,123	1996Q4-2012Q4	

**Current consumption growth**

Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,508	16,427	0,557	1,893	2,116	1,979	1996Q4-2012Q4	
AR + unemployment	0,718	9,407	0,421	1,524	1,933	1,681	1996Q4-2012Q4	
AR + unemployment level	0,803	6,584	0,352	1,167	1,576	1,325	1996Q4-2012Q4	2
AR + M1	0,666	11,156	0,459	1,695	2,104	1,852	1996Q4-2012Q4	
AR + M1 households	0,804	6,555	0,352	1,163	1,572	1,320	1996Q4-2012Q4	1
AR + M1 households + revolving credits households	0,676	10,805	0,452	1,663	2,072	1,820	1996Q4-2012Q4	
AR + M1 households + revolving credits households, Divisia	0,605	13,175	0,499	1,861	2,270	2,018	1996Q4-2012Q4	
AR + M2	0,573	14,254	0,519	1,940	2,349	2,097	1996Q4-2012Q4	
AR + M2 households	0,589	13,725	0,509	1,902	2,311	2,059	1996Q4-2012Q4	
AR + M2 households + revolving credits households	0,570	14,369	0,521	1,948	2,357	2,105	1996Q4-2012Q4	
AR + M3 Flows of Funds	0,759	8,062	0,390	1,370	1,779	1,527	1996Q4-2012Q4	3
AR + M3 households	0,729	9,065	0,414	1,487	1,896	1,644	1996Q4-2012Q4	
AR + M3 households + revolving credits households	0,756	8,147	0,392	1,380	1,789	1,538	1996Q4-2012Q4	4
AR + MZM	0,611	13,006	0,495	1,848	2,257	2,005	1996Q4-2012Q4	
AR + MZM Divisia	0,670	11,014	0,456	1,682	2,091	1,839	1996Q4-2012Q4	
AR + MZM households	0,603	13,270	0,500	1,868	2,277	2,025	1996Q4-2012Q4	
AR + MZM households + revolving credits households	0,605	13,182	0,499	1,862	2,270	2,019	1996Q4-2012Q4	

**Current gross disposable income growth**

Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,743	15,975	0,549	1,865	2,088	1,951	1996Q4-2012Q4	
AR + unemployment	0,853	9,178	0,416	1,499	1,908	1,657	1996Q4-2012Q4	
AR + unemployment level	0,878	7,610	0,379	1,312	1,721	1,469	1996Q4-2012Q4	3
AR + M1	0,828	10,722	0,450	1,655	2,064	1,812	1996Q4-2012Q4	
AR + M1 households	0,891	6,791	0,358	1,198	1,607	1,356	1996Q4-2012Q4	2
AR + M1 households + revolving credits households	0,831	10,512	0,445	1,635	2,044	1,792	1996Q4-2012Q4	
AR + M1 households + revolving credits households, Divisia	0,822	11,066	0,457	1,687	2,095	1,844	1996Q4-2012Q4	
AR + M2	0,829	10,617	0,448	1,645	2,054	1,802	1996Q4-2012Q4	
AR + M2 households	0,832	10,457	0,444	1,630	2,039	1,787	1996Q4-2012Q4	
AR + M2 households + revolving credits households	0,831	10,527	0,446	1,637	2,046	1,794	1996Q4-2012Q4	
AR + M3 Flows of Funds	0,900	6,211	0,342	1,109	1,518	1,266	1996Q4-2012Q4	1
AR + M3 households	0,864	8,453	0,399	1,417	1,826	1,574	1996Q4-2012Q4	
AR + M3 households + revolving credits households	0,877	7,683	0,381	1,322	1,731	1,479	1996Q4-2012Q4	4
AR + MZM	0,833	10,399	0,443	1,624	2,033	1,782	1996Q4-2012Q4	
AR + MZM Divisia	0,838	10,102	0,437	1,595	2,004	1,753	1996Q4-2012Q4	
AR + MZM households	0,831	10,528	0,446	1,637	2,046	1,794	1996Q4-2012Q4	
AR + MZM households + revolving credits households	0,827	10,744	0,450	1,657	2,066	1,814	1996Q4-2012Q4	

# United Kingdom

## Consumption price index growth

Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,963	0,433	0,105	-1,355	-1,099	-1,263	2000Q3-2013Q1	
AR + unemployment	0,975	0,285	0,085	-1,518	-1,048	-1,349	2000Q3-2013Q1	4
AR + unemployment level	0,976	0,282	0,085	-1,527	-1,058	-1,359	2000Q3-2013Q1	4
AR + M1	0,976	0,277	0,084	-1,544	-1,075	-1,376	2000Q3-2013Q1	3
AR + M1 cumulated flows	0,975	0,292	0,086	-1,494	-1,025	-1,326	2000Q3-2013Q1	
AR + M1 households	0,968	0,372	0,098	-1,251	-0,782	-1,083	2000Q3-2013Q1	
AR + M1 households + revolving credits households	0,967	0,377	0,098	-1,238	-0,768	-1,069	2000Q3-2013Q1	
AR + M1 households + revolving credits households, Divisia	0,970	0,353	0,095	-1,303	-0,834	-1,135	2000Q3-2013Q1	
AR + M2	0,974	0,301	0,088	-1,463	-0,994	-1,295	2000Q3-2013Q1	
AR + M2 cumulated flows	0,965	0,402	0,102	-1,172	-0,703	-1,004	2000Q3-2013Q1	
AR + M2 households	0,971	0,335	0,093	-1,354	-0,885	-1,186	2000Q3-2013Q1	
AR + M2 households - other deposits	0,975	0,291	0,086	-1,494	-1,025	-1,326	2000Q3-2013Q1	
AR + M2 households + revolving credits households	0,972	0,325	0,091	-1,386	-0,917	-1,218	2000Q3-2013Q1	
AR + M2 households - other deposits + revolving credits households	0,974	0,296	0,087	-1,477	-1,008	-1,309	2000Q3-2013Q1	
AR + M3	0,973	0,314	0,090	-1,420	-0,951	-1,252	2000Q3-2013Q1	
AR + M3 households	0,972	0,326	0,091	-1,384	-0,915	-1,216	2000Q3-2013Q1	
AR + M3 households - other deposits	0,976	0,280	0,085	-1,533	-1,064	-1,364	2000Q3-2013Q1	4
AR + M3 households + revolving credits households	0,973	0,314	0,090	-1,421	-0,951	-1,252	2000Q3-2013Q1	
AR + M3 households - other deposits + revolving credits households	0,975	0,284	0,085	-1,519	-1,050	-1,351	2000Q3-2013Q1	4
AR + M4	0,967	0,382	0,099	-1,225	-0,756	-1,057	2000Q3-2013Q1	
AR + M4 Divisia	0,969	0,358	0,096	-1,288	-0,818	-1,119	2000Q3-2013Q1	
AR + M4 households	?	?	?	?	?	?	?	?
AR + M4 households, cumulated flows	0,974	0,296	0,087	-1,478	-1,008	-1,309	2000Q3-2013Q1	
AR + M4 households, Divisia	0,972	0,326	0,091	-1,383	-0,914	-1,215	2000Q3-2013Q1	
AR + M4 households + revolving credits households, cumulated flows	0,975	0,291	0,086	-1,497	-1,027	-1,328	2000Q3-2013Q1	
AR + MZM	0,973	0,318	0,090	-1,407	-0,938	-1,239	2000Q3-2013Q1	
AR + MZM, cumulated flows	0,972	0,320	0,091	-1,402	-0,933	-1,234	2000Q3-2013Q1	
AR + MZM households	0,977	0,268	0,083	-1,577	-1,108	-1,409	2000Q3-2013Q1	2
AR + MZM households + revolving credits households	0,978	0,258	0,081	-1,618	-1,149	-1,450	2000Q3-2013Q1	1

## Consumption deflator index growth

Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,956	0,456	0,108	-1,303	-1,047	-1,211	2000Q3-2013Q1	
AR + unemployment	0,963	0,379	0,099	-1,233	-0,763	-1,064	2000Q3-2013Q1	
AR + unemployment level	0,965	0,364	0,097	-1,271	-0,802	-1,103	2000Q3-2013Q1	
AR + M1	0,971	0,304	0,088	-1,454	-0,984	-1,285	2000Q3-2013Q1	
AR + M1 cumulated flows	0,965	0,363	0,096	-1,275	-0,806	-1,106	2000Q3-2013Q1	
AR + M1 households	0,974	0,267	0,083	-1,582	-1,113	-1,414	2000Q3-2013Q1	
AR + M1 households + revolving credits households	0,966	0,354	0,095	-1,299	-0,830	-1,131	2000Q3-2013Q1	
AR + M1 households + revolving credits households, Divisia	0,965	0,367	0,097	-1,264	-0,795	-1,096	2000Q3-2013Q1	
AR + M2	0,982	0,183	0,068	-1,961	-1,492	-1,793	2000Q3-2013Q1	3
AR + M2 cumulated flows	0,977	0,239	0,078	-1,693	-1,223	-1,524	2000Q3-2013Q1	
AR + M2 households	0,963	0,385	0,099	-1,216	-0,747	-1,047	2000Q3-2013Q1	
AR + M2 households - other deposits	0,962	0,392	0,100	-1,198	-0,729	-1,030	2000Q3-2013Q1	
AR + M2 households + revolving credits households	0,961	0,408	0,102	-1,158	-0,688	-0,989	2000Q3-2013Q1	
AR + M2 households - other deposits + revolving credits households	0,960	0,409	0,102	-1,155	-0,685	-0,986	2000Q3-2013Q1	
AR + M3	0,980	0,211	0,074	-1,818	-1,349	-1,650	2000Q3-2013Q1	4
AR + M3 households	0,964	0,377	0,098	-1,238	-0,769	-1,070	2000Q3-2013Q1	
AR + M3 households - other deposits	0,963	0,382	0,099	-1,224	-0,755	-1,056	2000Q3-2013Q1	
AR + M3 households + revolving credits households	0,961	0,402	0,102	-1,172	-0,702	-1,003	2000Q3-2013Q1	
AR + M3 households - other deposits + revolving credits households	0,961	0,403	0,102	-1,170	-0,701	-1,002	2000Q3-2013Q1	
AR + M4	0,979	0,222	0,075	-1,767	-1,298	-1,598	2000Q3-2013Q1	
AR + M4 Divisia	0,960	0,417	0,103	-1,137	-0,668	-0,968	2000Q3-2013Q1	
AR + M4 households	?	?	?	?	?	?	?	?
AR + M4 households, cumulated flows	0,965	0,362	0,096	-1,279	-0,810	-1,111	2000Q3-2013Q1	
AR + M4 households, Divisia	0,963	0,378	0,098	-1,234	-0,765	-1,066	2000Q3-2013Q1	
AR + M4 households + revolving credits households, cumulated flows	0,960	0,411	0,103	-1,151	-0,682	-0,983	2000Q3-2013Q1	
AR + MZM	0,982	0,181	0,068	-1,968	-1,499	-1,800	2000Q3-2013Q1	2
AR + MZM, cumulated flows	0,983	0,175	0,067	-2,004	-1,535	-1,836	2000Q3-2013Q1	1
AR + MZM households	0,963	0,386	0,099	-1,214	-0,744	-1,045	2000Q3-2013Q1	
AR + MZM households + revolving credits households	0,964	0,369	0,097	-1,258	-0,789	-1,089	2000Q3-2013Q1	



**Current consumption growth**

Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,552	12,818	0,573	2,033	2,289	2,125	2000Q3-2013Q1	
AR + unemployment	0,779	6,306	0,402	1,580	2,049	1,748	2000Q3-2013Q1	
AR + unemployment level	0,884	3,331	0,292	0,942	1,411	1,110	2000Q3-2013Q1	1
AR + M1	0,777	6,380	0,404	1,592	2,061	1,760	2000Q3-2013Q1	
AR + M1 cumulated flows	0,792	5,953	0,391	1,522	1,992	1,691	2000Q3-2013Q1	
AR + M1 households	0,777	6,376	0,404	1,591	2,060	1,759	2000Q3-2013Q1	
AR + M1 households + revolving credits households	0,640	10,292	0,514	2,070	2,539	2,238	2000Q3-2013Q1	
AR + M1 households + revolving credits households, Divisia	0,622	10,797	0,526	2,118	2,587	2,286	2000Q3-2013Q1	
AR + M2	0,609	11,172	0,535	2,152	2,621	2,320	2000Q3-2013Q1	
AR + M2 cumulated flows	0,708	8,337	0,462	1,859	2,328	2,027	2000Q3-2013Q1	
AR + M2 households	0,859	4,030	0,321	1,132	1,601	1,300	2000Q3-2013Q1	3
AR + M2 households - other deposits	0,833	4,788	0,350	1,305	1,774	1,473	2000Q3-2013Q1	
AR + M2 households + revolving credits households	0,817	5,230	0,366	1,393	1,862	1,561	2000Q3-2013Q1	
AR + M2 households - other deposits + revolving credits households	0,785	6,142	0,397	1,554	2,023	1,722	2000Q3-2013Q1	
AR + M3	0,634	10,473	0,518	2,087	2,556	2,256	2000Q3-2013Q1	
AR + M3 households	0,864	3,902	0,316	1,100	1,569	1,268	2000Q3-2013Q1	2
AR + M3 households - other deposits	0,835	4,732	0,348	1,293	1,762	1,461	2000Q3-2013Q1	
AR + M3 households + revolving credits households	0,820	5,154	0,364	1,378	1,847	1,547	2000Q3-2013Q1	
AR + M3 households - other deposits + revolving credits households	0,784	6,190	0,398	1,561	2,031	1,730	2000Q3-2013Q1	
AR + M4	0,593	11,639	0,546	2,193	2,662	2,361	2000Q3-2013Q1	
AR + M4 Divisia	0,746	7,266	0,432	1,722	2,191	1,890	2000Q3-2013Q1	
AR + M4 households	?	?	?	?	?	?	?	
AR + M4 households, cumulated flows	0,859	4,041	0,322	1,135	1,604	1,303	2000Q3-2013Q1	4
AR + M4 households, Divisia	0,747	7,238	0,431	1,718	2,187	1,886	2000Q3-2013Q1	
AR + M4 households + revolving credits households, cumulated flows	0,714	8,177	0,458	1,840	2,309	2,008	2000Q3-2013Q1	
AR + MZM	0,702	8,530	0,468	1,882	2,351	2,050	2000Q3-2013Q1	
AR + MZM, cumulated flows	0,696	8,687	0,472	1,900	2,369	2,069	2000Q3-2013Q1	
AR + MZM households	0,719	8,041	0,454	1,823	2,292	1,991	2000Q3-2013Q1	
AR + MZM households + revolving credits households	0,699	8,605	0,470	1,891	2,360	2,059	2000Q3-2013Q1	

**Current gross disposable income growth**

Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,931	3,396	0,295	0,705	0,961	0,796	2000Q3-2013Q1	
AR + unemployment	0,939	3,011	0,278	0,841	1,310	1,009	2000Q3-2013Q1	
AR + unemployment level	0,946	2,681	0,262	0,725	1,194	0,893	2000Q3-2013Q1	
AR + M1	0,940	2,938	0,274	0,816	1,285	0,985	2000Q3-2013Q1	
AR + M1 cumulated flows	0,943	2,825	0,269	0,777	1,246	0,945	2000Q3-2013Q1	
AR + M1 households	0,932	3,332	0,292	0,942	1,411	1,110	2000Q3-2013Q1	
AR + M1 households + revolving credits households	0,938	3,038	0,279	0,850	1,319	1,018	2000Q3-2013Q1	
AR + M1 households + revolving credits households, Divisia	0,940	2,967	0,276	0,826	1,295	0,994	2000Q3-2013Q1	
AR + M2	0,934	3,249	0,289	0,917	1,386	1,085	2000Q3-2013Q1	
AR + M2 cumulated flows	0,934	3,261	0,289	0,920	1,390	1,089	2000Q3-2013Q1	
AR + M2 households	0,954	2,275	0,242	0,561	1,030	0,729	2000Q3-2013Q1	
AR + M2 households - other deposits	0,955	2,224	0,239	0,538	1,007	0,706	2000Q3-2013Q1	1
AR + M2 households + revolving credits households	0,954	2,265	0,241	0,556	1,025	0,724	2000Q3-2013Q1	4
AR + M2 households - other deposits + revolving credits households	0,952	2,361	0,246	0,598	1,067	0,766	2000Q3-2013Q1	
AR + M3	0,936	3,139	0,284	0,882	1,351	1,051	2000Q3-2013Q1	
AR + M3 households	0,955	2,228	0,239	0,540	1,009	0,708	2000Q3-2013Q1	1
AR + M3 households - other deposits	0,954	2,262	0,241	0,555	1,024	0,723	2000Q3-2013Q1	4
AR + M3 households + revolving credits households	0,955	2,227	0,239	0,539	1,008	0,707	2000Q3-2013Q1	1
AR + M3 households - other deposits + revolving credits households	0,952	2,386	0,247	0,608	1,077	0,776	2000Q3-2013Q1	
AR + M4	0,933	3,284	0,290	0,928	1,397	1,096	2000Q3-2013Q1	
AR + M4 Divisia	0,938	3,067	0,280	0,859	1,328	1,028	2000Q3-2013Q1	
AR + M4 households	?	?	?	?	?	?	?	
AR + M4 households, cumulated flows	0,941	2,906	0,273	0,805	1,274	0,974	2000Q3-2013Q1	
AR + M4 households, Divisia	0,941	2,892	0,272	0,800	1,270	0,969	2000Q3-2013Q1	
AR + M4 households + revolving credits households, cumulated flows	0,942	2,879	0,272	0,796	1,265	0,964	2000Q3-2013Q1	
AR + MZM	0,935	3,224	0,288	0,909	1,378	1,077	2000Q3-2013Q1	
AR + MZM, cumulated flows	0,935	3,215	0,287	0,906	1,375	1,075	2000Q3-2013Q1	
AR + MZM households	0,946	2,651	0,261	0,713	1,183	0,882	2000Q3-2013Q1	
AR + MZM households + revolving credits households	0,946	2,684	0,262	0,726	1,195	0,894	2000Q3-2013Q1	

## France (1996Q1-2012Q4)

### Consumption price index growth

Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaïke information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,827	0,371	0,084	-1,896	-1,673	-1,811	1996Q1-2012Q4	
AR + unemployment	0,856	0,309	0,076	-1,892	-1,483	-1,735	1996Q1-2012Q4	3
AR + unemployment level	0,859	0,304	0,076	-1,909	-1,500	-1,752	1996Q1-2012Q4	1
AR + M1 (Flows of Funds)	0,852	0,317	0,077	-1,866	-1,457	-1,708	1996Q1-2012Q4	
AR + M1 households	0,850	0,321	0,078	-1,852	-1,443	-1,695	1996Q1-2012Q4	
AR + M1 households + revolving credits households	0,853	0,316	0,077	-1,871	-1,462	-1,713	1996Q1-2012Q4	4
AR + M2 (Flows of Funds)	0,842	0,339	0,080	-1,799	-1,390	-1,642	1996Q1-2012Q4	
AR + M2 households	0,830	0,365	0,083	-1,726	-1,317	-1,569	1996Q1-2012Q4	
AR + M2 households + revolving credits households	0,832	0,361	0,083	-1,736	-1,327	-1,579	1996Q1-2012Q4	
AR + M3 (Flows of Funds)	0,849	0,324	0,078	-1,846	-1,437	-1,688	1996Q1-2012Q4	
AR + M3 households	0,835	0,356	0,082	-1,751	-1,342	-1,594	1996Q1-2012Q4	
AR + M3 households + revolving credits households	0,836	0,354	0,082	-1,757	-1,348	-1,600	1996Q1-2012Q4	
AR + MZM	0,850	0,323	0,078	-1,846	-1,438	-1,689	1996Q1-2012Q4	
AR + MZM Divisia	0,858	0,305	0,076	-1,905	-1,497	-1,748	1996Q1-2012Q4	2
AR + MZM households	0,838	0,348	0,081	-1,773	-1,364	-1,616	1996Q1-2012Q4	
AR + MZM households + revolving credits households	0,839	0,346	0,081	-1,779	-1,370	-1,621	1996Q1-2012Q4	

### Consumption deflator index growth

Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaïke information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,644	0,552	0,102	-1,500	-1,277	-1,415	1996Q1-2012Q4	
AR + unemployment	0,677	0,501	0,097	-1,408	-0,999	-1,251	1996Q1-2012Q4	
AR + unemployment level	0,726	0,426	0,090	-1,572	-1,163	-1,414	1996Q1-2012Q4	4
AR + M1 (Flows of Funds)	0,676	0,502	0,097	-1,406	-0,997	-1,249	1996Q1-2012Q4	
AR + M1 households	0,748	0,391	0,086	-1,656	-1,247	-1,499	1996Q1-2012Q4	2
AR + M1 households + revolving credits households	0,773	0,352	0,082	-1,760	-1,351	-1,603	1996Q1-2012Q4	1
AR + M2 (Flows of Funds)	0,652	0,540	0,101	-1,333	-0,924	-1,176	1996Q1-2012Q4	
AR + M2 households	0,683	0,491	0,096	-1,429	-1,020	-1,271	1996Q1-2012Q4	
AR + M2 households + revolving credits households	0,694	0,475	0,095	-1,462	-1,053	-1,305	1996Q1-2012Q4	
AR + M3 (Flows of Funds)	0,659	0,528	0,100	-1,356	-0,947	-1,198	1996Q1-2012Q4	
AR + M3 households	0,690	0,481	0,095	-1,448	-1,039	-1,291	1996Q1-2012Q4	
AR + M3 households + revolving credits households	0,696	0,471	0,094	-1,470	-1,061	-1,312	1996Q1-2012Q4	
AR + MZM	0,687	0,485	0,096	-1,440	-1,031	-1,283	1996Q1-2012Q4	
AR + MZM Divisia	0,741	0,402	0,087	-1,629	-1,220	-1,472	1996Q1-2012Q4	3
AR + MZM households	0,665	0,519	0,099	-1,373	-0,964	-1,216	1996Q1-2012Q4	
AR + MZM households + revolving credits households	0,670	0,511	0,098	-1,388	-0,979	-1,231	1996Q1-2012Q4	

**Current consumption growth**

Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,605	1,584	0,173	-0,446	-0,223	-0,360	1996Q1-2012Q4	
AR + unemployment	0,776	0,898	0,130	-0,825	-0,416	-0,668	1996Q1-2012Q4	2
AR + unemployment level	0,873	0,508	0,098	-1,394	-0,985	-1,237	1996Q1-2012Q4	1
AR + M1 (Flows of Funds)	0,625	1,504	0,168	-0,309	0,100	-0,152	1996Q1-2012Q4	
AR + M1 households	0,666	1,340	0,159	-0,425	-0,016	-0,267	1996Q1-2012Q4	
AR + M1 households + revolving credits households	0,675	1,303	0,157	-0,453	-0,044	-0,295	1996Q1-2012Q4	
AR + M2 (Flows of Funds)	0,619	1,529	0,170	-0,293	0,116	-0,136	1996Q1-2012Q4	
AR + M2 households	0,690	1,244	0,153	-0,499	-0,090	-0,342	1996Q1-2012Q4	4
AR + M2 households + revolving credits households	0,701	1,200	0,150	-0,535	-0,126	-0,378	1996Q1-2012Q4	3
AR + M3 (Flows of Funds)	0,679	1,286	0,156	-0,466	-0,057	-0,308	1996Q1-2012Q4	
AR + M3 households	0,667	1,337	0,159	-0,427	-0,018	-0,270	1996Q1-2012Q4	
AR + M3 households + revolving credits households	0,670	1,325	0,158	-0,436	-0,027	-0,279	1996Q1-2012Q4	
AR + MZM	0,634	1,466	0,166	-0,335	0,074	-0,177	1996Q1-2012Q4	
AR + MZM Divisia	0,667	1,334	0,159	-0,429	-0,020	-0,272	1996Q1-2012Q4	
AR + MZM households	0,607	1,576	0,172	-0,263	0,146	-0,105	1996Q1-2012Q4	
AR + MZM households + revolving credits households	0,607	1,575	0,172	-0,263	0,146	-0,106	1996Q1-2012Q4	

**Current gross disposable income growth**

Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,697	1,848	0,187	-0,292	-0,069	-0,206	1996Q1-2012Q4	
AR + unemployment	0,786	1,303	0,157	-0,453	-0,044	-0,295	1996Q1-2012Q4	4
AR + unemployment level	0,909	0,553	0,102	-1,310	-0,901	-1,153	1996Q1-2012Q4	1
AR + M1 (Flows of Funds)	0,715	1,739	0,181	-0,164	0,245	-0,007	1996Q1-2012Q4	
AR + M1 households	0,769	1,407	0,163	-0,376	0,033	-0,219	1996Q1-2012Q4	
AR + M1 households + revolving credits households	0,789	1,286	0,156	-0,466	-0,057	-0,309	1996Q1-2012Q4	3
AR + M2 (Flows of Funds)	0,705	1,800	0,184	-0,129	0,280	0,028	1996Q1-2012Q4	
AR + M2 households	0,780	1,344	0,159	-0,422	-0,013	-0,265	1996Q1-2012Q4	
AR + M2 households + revolving credits households	0,792	1,268	0,155	-0,480	-0,071	-0,323	1996Q1-2012Q4	2
AR + M3 (Flows of Funds)	0,729	1,654	0,177	-0,214	0,195	-0,057	1996Q1-2012Q4	
AR + M3 households	0,766	1,429	0,164	-0,360	0,049	-0,203	1996Q1-2012Q4	
AR + M3 households + revolving credits households	0,776	1,370	0,161	-0,403	0,006	-0,246	1996Q1-2012Q4	
AR + MZM	0,713	1,751	0,182	-0,157	0,252	0,000	1996Q1-2012Q4	
AR + MZM Divisia	0,713	1,752	0,182	-0,156	0,253	0,001	1996Q1-2012Q4	
AR + MZM households	0,720	1,711	0,180	-0,180	0,229	-0,023	1996Q1-2012Q4	
AR + MZM households + revolving credits households	0,718	1,723	0,180	-0,173	0,236	-0,016	1996Q1-2012Q4	

## Euro area

Consumption price index growth								
Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,857	1,096	0,172	-0,357	-0,096	-0,265	1999Q3-2012Q4	
AR + unemployment	0,947	0,404	0,104	-1,085	-0,606	-0,916	1999Q3-2012Q4	2
AR + unemployment level	0,951	0,374	0,101	-1,161	-0,682	-0,992	1999Q3-2012Q4	1
AR + M1	0,910	0,695	0,137	-0,542	-0,063	-0,373	1999Q3-2012Q4	
AR + M1 households	0,908	0,704	0,138	-0,530	-0,051	-0,361	1999Q3-2012Q4	
AR + M1 households + revolving credits households	0,907	0,713	0,139	-0,517	-0,038	-0,348	1999Q3-2012Q4	
AR + M2	0,926	0,570	0,124	-0,741	-0,262	-0,572	1999Q3-2012Q4	
AR + M2 households	-	-	-	-	-	-	1999Q3-2012Q4	
AR + M2 households + revolving credits households	-	-	-	-	-	-	1999Q3-2012Q4	
AR + M3	0,937	0,483	0,114	-0,907	-0,428	-0,738	1999Q3-2012Q4	
AR + M3 households	0,939	0,469	0,113	-0,936	-0,457	-0,768	1999Q3-2012Q4	
AR + M3 households + revolving credits households	0,942	0,447	0,110	-0,985	-0,506	-0,816	1999Q3-2012Q4	4
AR + MZM	0,946	0,417	0,106	-1,054	-0,575	-0,885	1999Q3-2012Q4	3
AR + MZM households	0,914	0,660	0,134	-0,594	-0,115	-0,425	1999Q3-2012Q4	
AR + MZM households + revolving credits households	0,914	0,660	0,134	-0,594	-0,115	-0,425	1999Q3-2012Q4	

Consumption deflator index growth								
Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,838	0,147	0,063	-2,364	-2,103	-2,272	1999Q3-2012Q4	
AR + unemployment	0,942	0,053	0,038	-3,122	-2,644	-2,954	1999Q3-2012Q4	3
AR + unemployment level	0,953	0,042	0,034	-3,337	-2,858	-3,168	1999Q3-2012Q4	1
AR + M1	0,900	0,091	0,050	-2,576	-2,098	-2,408	1999Q3-2012Q4	
AR + M1 households	0,924	0,069	0,043	-2,853	-2,374	-2,684	1999Q3-2012Q4	
AR + M1 households + revolving credits households	0,920	0,073	0,044	-2,797	-2,318	-2,628	1999Q3-2012Q4	
AR + M2	0,927	0,066	0,042	-2,899	-2,420	-2,730	1999Q3-2012Q4	
AR + M2 households	-	-	-	-	-	-	1999Q3-2012Q4	
AR + M2 households + revolving credits households	-	-	-	-	-	-	1999Q3-2012Q4	
AR + M3	0,941	0,054	0,038	-3,103	-2,624	-2,934	1999Q3-2012Q4	4
AR + M3 households	0,894	0,096	0,051	-2,518	-2,040	-2,350	1999Q3-2012Q4	
AR + M3 households + revolving credits households	0,896	0,094	0,050	-2,541	-2,062	-2,373	1999Q3-2012Q4	
AR + MZM	0,951	0,045	0,035	-3,288	-2,809	-3,119	1999Q3-2012Q4	2
AR + MZM households	0,931	0,062	0,041	-2,953	-2,474	-2,784	1999Q3-2012Q4	
AR + MZM households + revolving credits households	0,934	0,060	0,040	-2,991	-2,512	-2,822	1999Q3-2012Q4	

Current consumption growth								
Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,684	5,992	0,402	1,342	1,603	1,434	1999Q3-2012Q4	
AR + unemployment	0,923	1,467	0,199	0,205	0,684	0,373	1999Q3-2012Q4	2
AR + unemployment level	0,949	0,962	0,161	-0,217	0,262	-0,048	1999Q3-2012Q4	1
AR + M1	0,789	4,004	0,329	1,209	1,688	1,378	1999Q3-2012Q4	
AR + M1 households	0,828	3,257	0,297	1,002	1,481	1,171	1999Q3-2012Q4	
AR + M1 households + revolving credits households	0,825	3,328	0,300	1,024	1,503	1,193	1999Q3-2012Q4	
AR + M2	0,812	3,566	0,310	1,093	1,572	1,262	1999Q3-2012Q4	
AR + M2 households	-	-	-	-	-	-	1999Q3-2012Q4	
AR + M2 households + revolving credits households	-	-	-	-	-	-	1999Q3-2012Q4	
AR + M3	0,865	2,563	0,263	0,763	1,242	0,932	1999Q3-2012Q4	
AR + M3 households	0,830	3,232	0,296	0,995	1,474	1,163	1999Q3-2012Q4	
AR + M3 households + revolving credits households	0,825	3,332	0,300	1,025	1,504	1,194	1999Q3-2012Q4	
AR + MZM	0,900	1,891	0,226	0,459	0,938	0,628	1999Q3-2012Q4	3
AR + MZM households	0,895	1,993	0,232	0,511	0,990	0,680	1999Q3-2012Q4	
AR + MZM households + revolving credits households	0,899	1,911	0,227	0,469	0,948	0,638	1999Q3-2012Q4	4

Current gross disposable income growth								
Indicator	R <sup>2</sup>	Sum square residuals	RMSE	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review	Rank
Autoregressive (AR) model	0,665	4,402	0,345	1,033	1,295	1,126	1999Q3-2012Q4	
AR + unemployment	0,887	1,483	0,200	0,216	0,695	0,384	1999Q3-2012Q4	
AR + unemployment level	0,961	0,519	0,118	-0,834	-0,355	-0,665	1999Q3-2012Q4	1
AR + M1	0,847	2,013	0,233	0,521	1,000	0,690	1999Q3-2012Q4	
AR + M1 households	0,905	1,254	0,184	0,048	0,527	0,216	1999Q3-2012Q4	3
AR + M1 households + revolving credits households	0,894	1,390	0,194	0,151	0,629	0,319	1999Q3-2012Q4	
AR + M2	0,846	2,030	0,234	0,529	1,008	0,698	1999Q3-2012Q4	
AR + M2 households	-	-	-	-	-	-	1999Q3-2012Q4	
AR + M2 households + revolving credits households	-	-	-	-	-	-	1999Q3-2012Q4	
AR + M3	0,883	1,544	0,204	0,256	0,735	0,425	1999Q3-2012Q4	
AR + M3 households	0,822	2,339	0,251	0,671	1,150	0,840	1999Q3-2012Q4	
AR + M3 households + revolving credits households	0,827	2,281	0,248	0,646	1,125	0,815	1999Q3-2012Q4	
AR + MZM	0,940	0,794	0,147	-0,409	0,070	-0,240	1999Q3-2012Q4	2
AR + MZM households	0,894	1,389	0,194	0,150	0,629	0,319	1999Q3-2012Q4	
AR + MZM households + revolving credits households	0,902	1,288	0,187	0,074	0,553	0,243	1999Q3-2012Q4	4

**Appendix 3: comparison of the forecasting properties  
of published monetary aggregates and those built using flows of funds**

**United States**

**Consumption price index growth**

Indicator	R <sup>2</sup>	Sum square residuals	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review
Autoregressive (AR) model	0,991	70,843	2,283	2,392	2,327	1973Q1-2006Q1
AR + unemployment	0,993	57,837	2,140	2,336	2,220	1973Q1-2006Q1
AR + M3	0,992	65,229	2,261	2,456	2,340	1973Q1-2006Q1
AR + M3 Flows of Funds	0,992	65,886	2,271	2,466	2,350	1973Q1-2006Q1

**Consumption deflator index growth**

Indicator	R <sup>2</sup>	Sum square residuals	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review
Autoregressive (AR) model	0,996	24,441	1,219	1,328	1,263	1973Q1-2006Q1
AR + unemployment	0,997	20,394	1,098	1,294	1,178	1973Q1-2006Q1
AR + M3	0,996	22,587	1,200	1,396	1,280	1973Q1-2006Q1
AR + M3 Flows of Funds	0,996	22,704	1,205	1,401	1,285	1973Q1-2006Q1

**Current consumption growth**

Indicator	R <sup>2</sup>	Sum square residuals	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review
Autoregressive (AR) model	0,980	98,390	2,612	2,720	2,656	1973Q1-2006Q1
AR + unemployment	0,980	96,534	2,653	2,848	2,732	1973Q1-2006Q1
AR + M3	0,980	95,364	2,641	2,836	2,720	1973Q1-2006Q1
AR + M3 Flows of Funds	0,980	96,537	2,653	2,848	2,732	1973Q1-2006Q1

**Current gross disposable income growth**

Indicator	R <sup>2</sup>	Sum square residuals	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review
Autoregressive (AR) model	0,963	209,761	3,369	3,477	3,413	1973Q1-2006Q1
AR + unemployment	0,967	189,429	3,327	3,522	3,406	1973Q1-2006Q1
AR + M3	0,964	204,963	3,406	3,601	3,485	1973Q1-2006Q1
AR + M3 Flows of Funds	0,964	205,897	3,410	3,606	3,490	1973Q1-2006Q1

## France

Consumption price index growth						
Indicator	R <sup>2</sup>	Sum square residuals	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review
Autoregressive (AR) model	0,997	3,972	0,111	0,272	0,175	1977Q4-1998Q4
AR + M1	0,997	3,792	0,179	0,469	0,294	1977Q4-1998Q4
AR + M1 (Flows of Funds)	0,997	3,856	0,196	0,485	0,311	1977Q4-1998Q4
AR + M3	0,997	3,646	0,140	0,429	0,255	1977Q4-1998Q4
AR + M3 (Flows of Funds)	0,997	3,551	0,114	0,403	0,229	1977Q4-1998Q4

Current consumption growth						
Indicator	R <sup>2</sup>	Sum square residuals	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review
Autoregressive (AR) model	0,993	11,667	1,189	1,350	1,253	1977Q4-1998Q4
AR + M1	0,993	11,117	1,255	1,544	1,370	1977Q4-1998Q4
AR + M1 (Flows of Funds)	0,994	9,886	1,138	1,427	1,252	1977Q4-1998Q4
AR + M3	0,993	11,432	1,283	1,572	1,398	1977Q4-1998Q4
AR + M3 (Flows of Funds)	0,994	10,369	1,185	1,474	1,300	1977Q4-1998Q4

Current gross disposable income growth						
Indicator	R <sup>2</sup>	Sum square residuals	Akaike information criterion	Schwarz criterion	Hannan-Quinn criterion	Period under review
Autoregressive (AR) model	0,989	13,978	1,370	1,530	1,434	1977Q4-1998Q4
AR + M1	0,990	13,542	1,452	1,741	1,567	1977Q4-1998Q4
AR + M1 (Flows of Funds)	0,990	13,493	1,449	1,738	1,564	1977Q4-1998Q4
AR + M3	0,990	13,029	1,414	1,703	1,528	1977Q4-1998Q4
AR + M3 (Flows of Funds)	0,990	13,687	1,463	1,752	1,578	1977Q4-1998Q4