

Introduction

Lockdown measures blocked the economy.

Policymakers need to design timely policy actions.

Traditional economic forecasting is **unable to produce a quick assessment**:

- The COVID-19 crisis is a structural change
- Macro data come with a lag, effects of COVID-19 are not visible

Joining **nowcasting** techniques and timely available **big data** could improve the economic impact assessment.

Data and methods

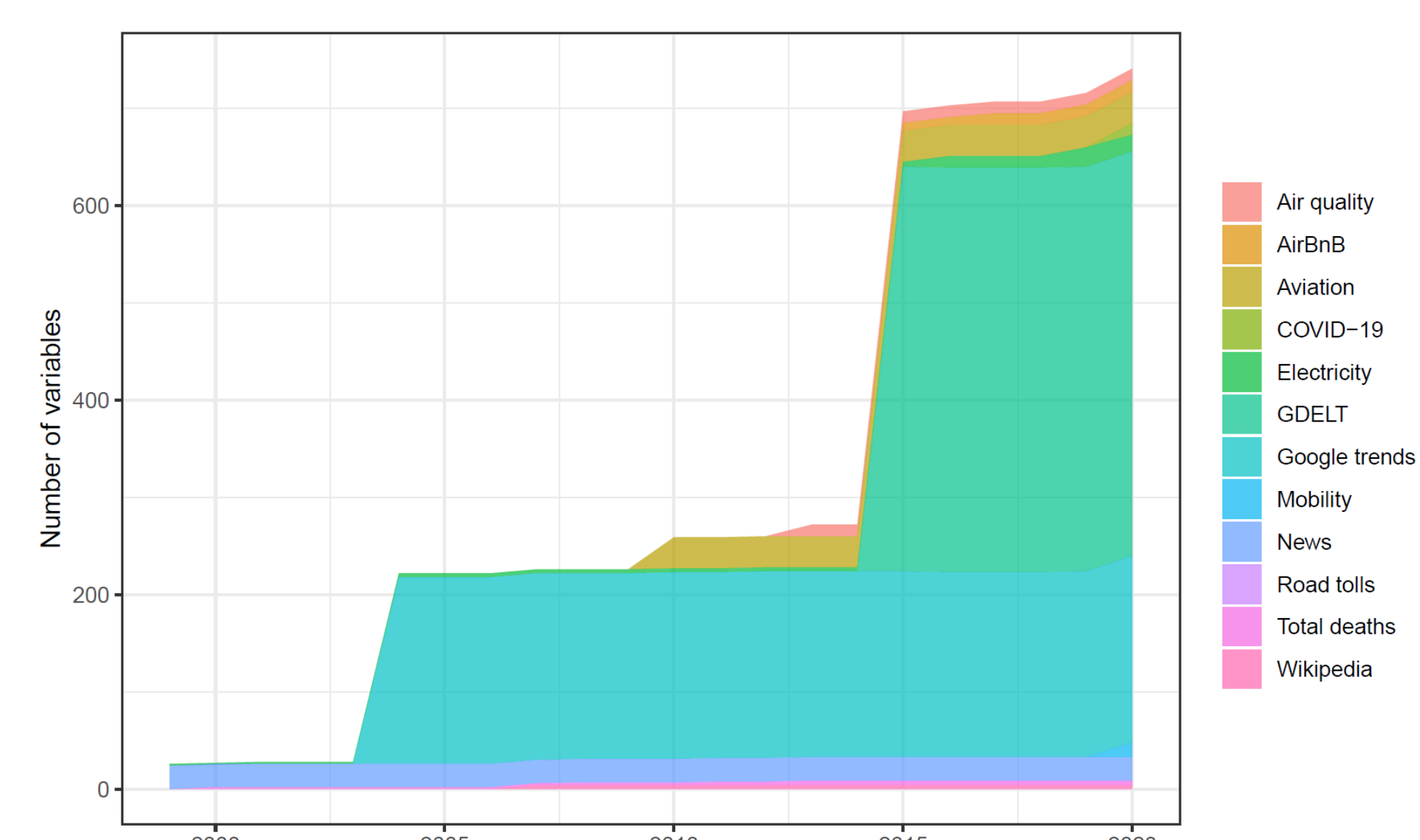
High-Frequency Big data:

enlarge the information set at policymakers' disposal.

Model pool increased over time.

Priors for model averaging :

- Include policy measures as a Bayesian prior (accounts for the uncertainty)
- Select models and variables that have predictive power in the crisis.



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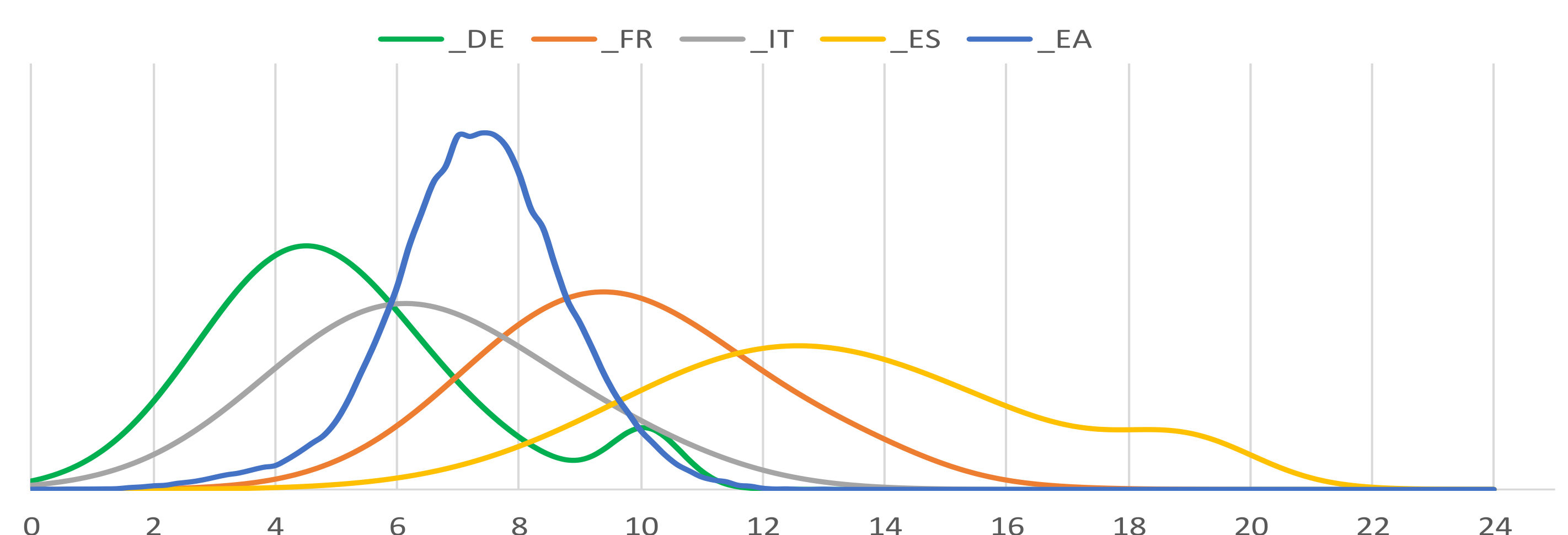
Results

Models: use many, change over time.

Variables: from big data to normality (fat data).

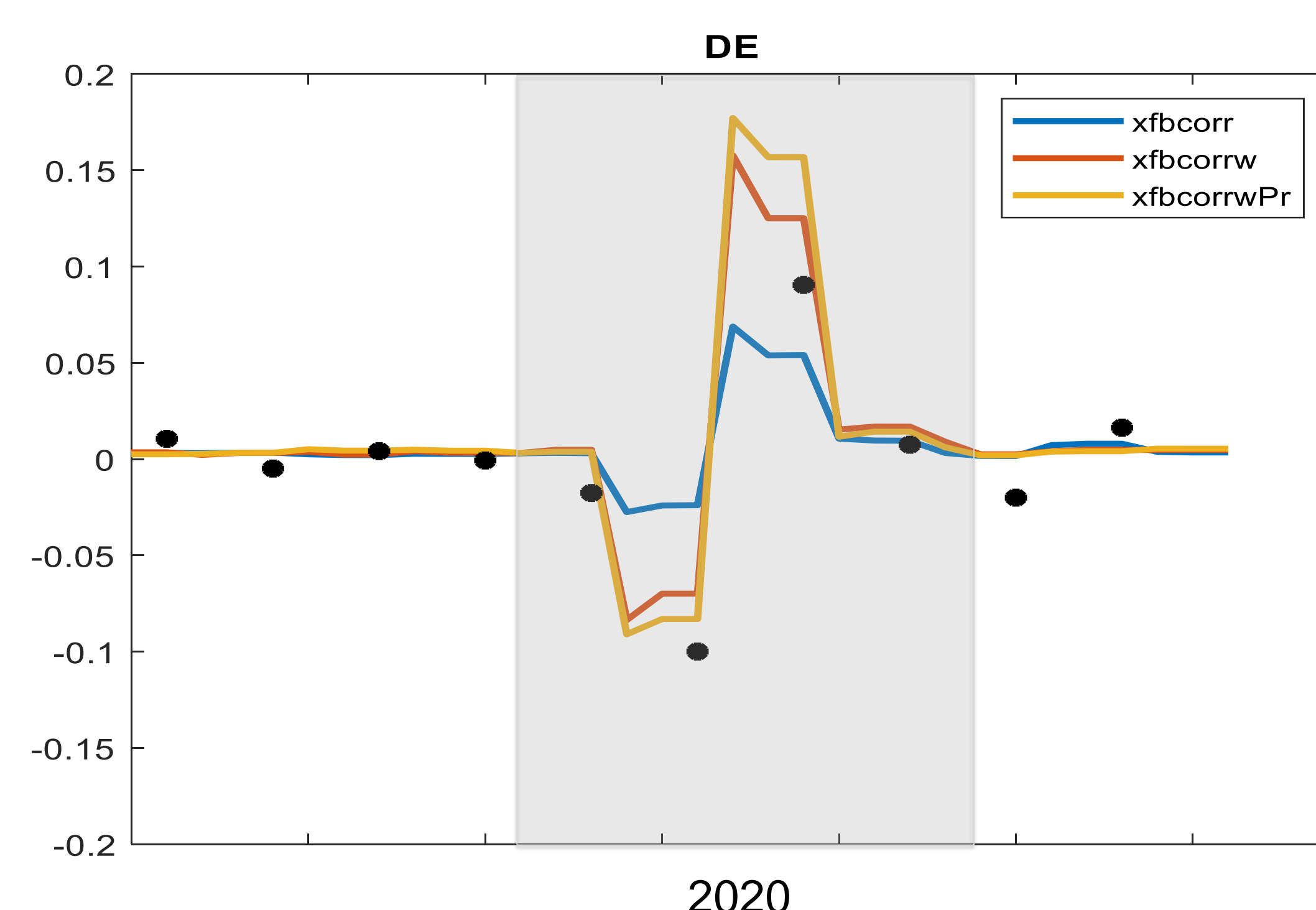
Policies as loose priors: from subjective to objective.

Accounting for uncertainty is essential.



Ex post: which big data matter?

- 80 Macro, financial, labour market indicators
- 9 Surveys (PMI)
- CAS-Gdelt Growth
- Google:
 - aaa_auto, autoscout, curriculum_vitae, glassdoor, indeed, job, job_application, mercedes_benz, motivationsschreiben, randstad



Conclusions

Big data help in troubled times

- They still cannot beat the country desk

Big data need to be selected

- Policy measures can be used as prior to select away non-responsive data

Do not put your efforts in one or few models

- Models perform differently over time and regimes, noise/info ratio changes