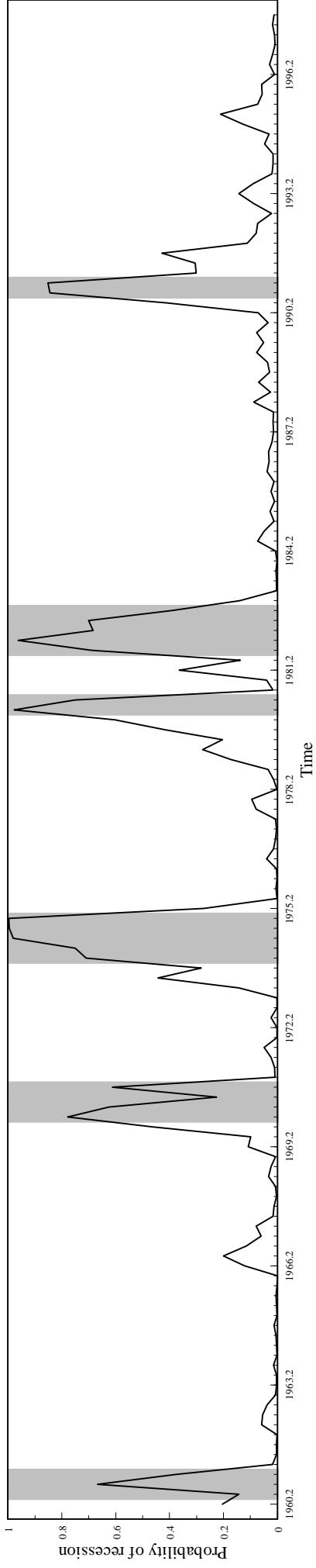
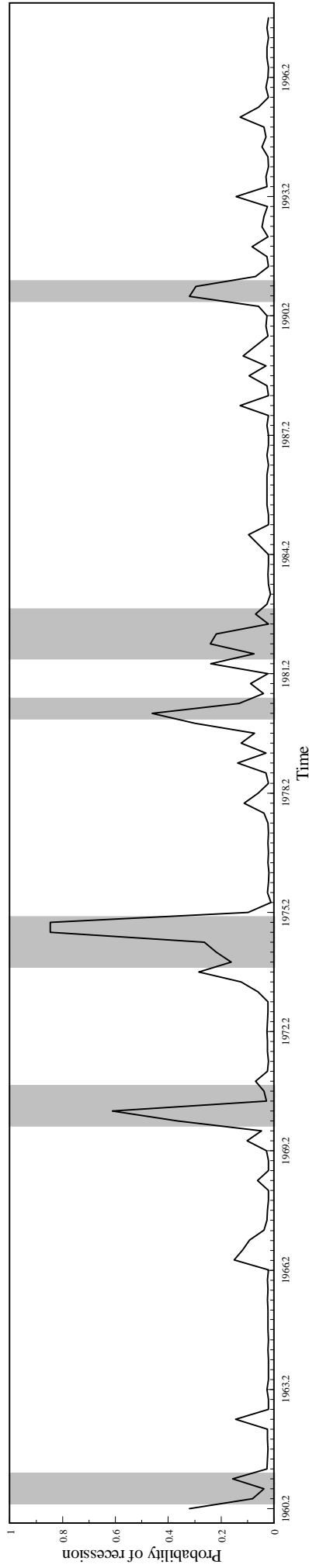


Figure 1: In-sample probabilities of recession

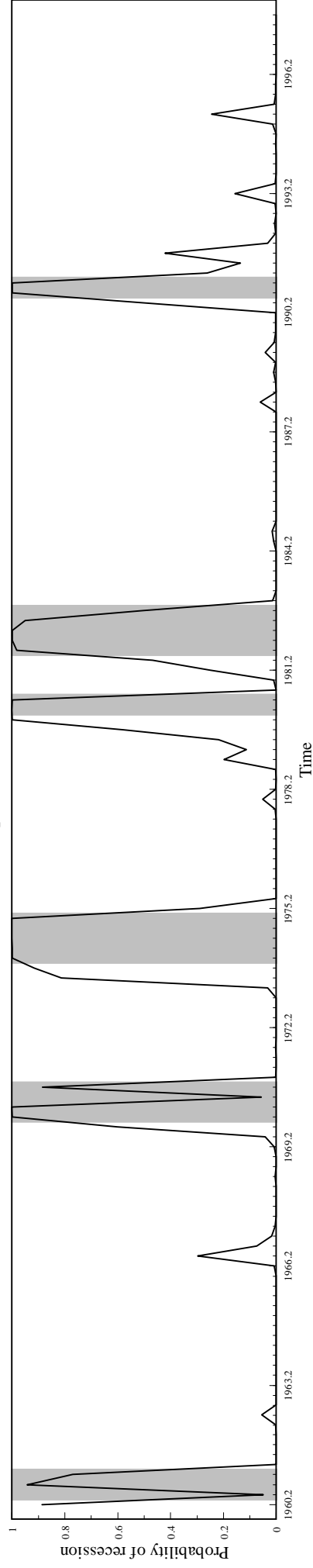
Graph 1. SWITCH model



Graph 2. KERNEL model

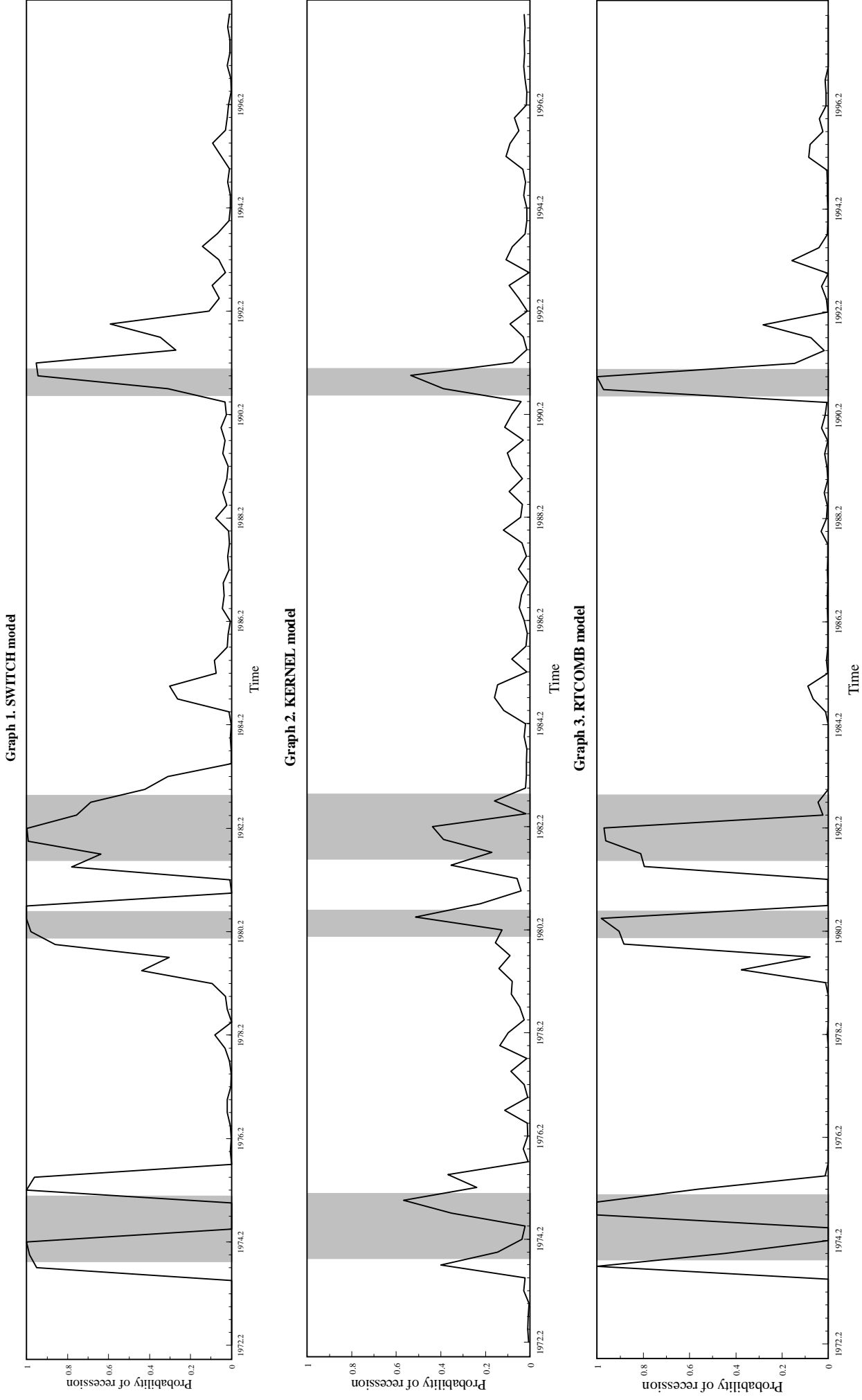


Graph 3. COMB model



Note: Graph 1 and Graph 2 represent in-sample probabilities of recession from the switching regimes and the nonparametric specifications respectively. Graph 3 shows in-sample probabilities of recession using a combination of the first two models as Section 5 describes. "In-sample" refers to the period 1960.2-1997.4. Shaded areas correspond to the NBER recessions.

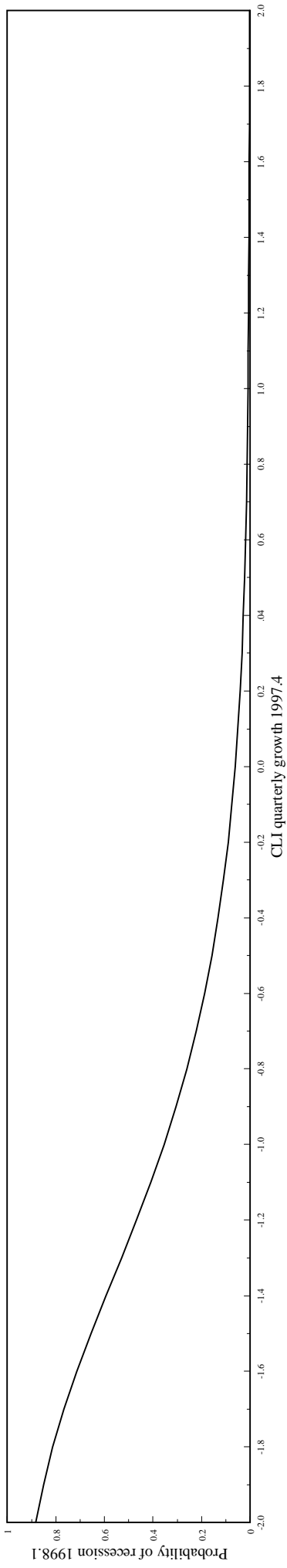
Figure 2: Out-of-sample probabilities of recession



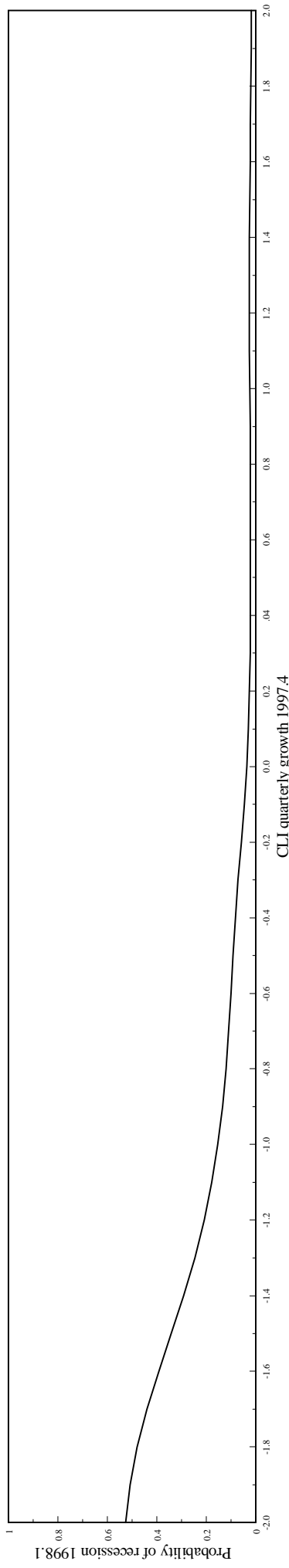
Note: Graph 1 and Graph 2 represent out-of-sample probabilities of recession from the switching regimes and the nonparametric specifications respectively. Graph 3 shows out-of-sample probabilities of recession using a real-time combination of the first two models as Section 5 describes. "Out-of-sample" refers to the period 1972.2-1998.1. Shaded areas correspond to the NBER recessions.

Figure 3: Simulation for 1998.1

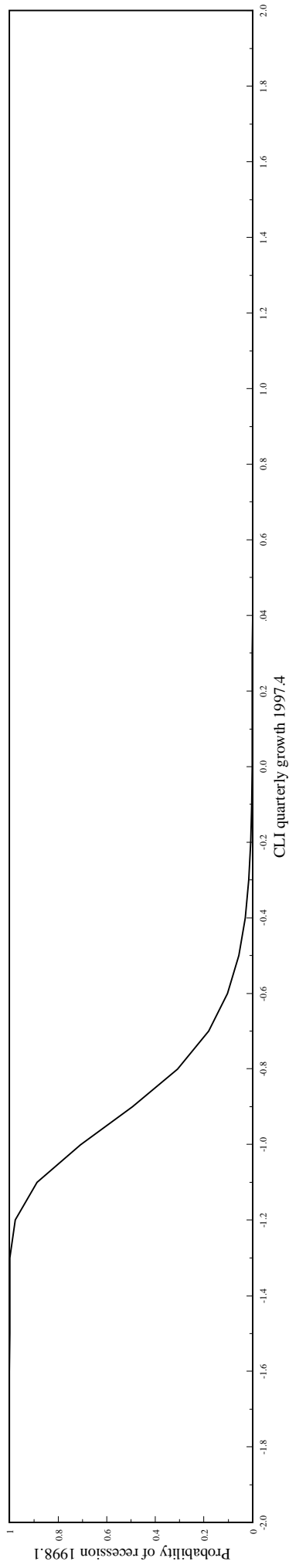
Graph 1. SWITCH simulation



Graph 2. KERNEL simulation



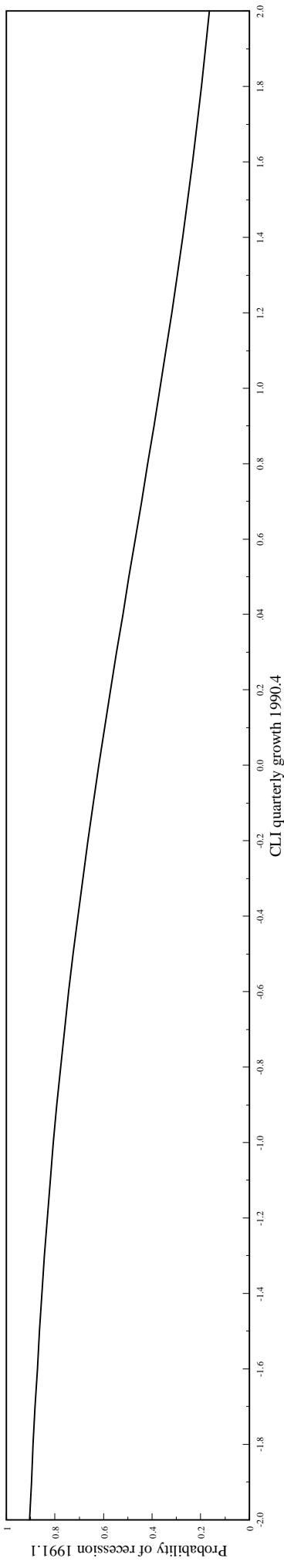
Graph 3. RTCOMB simulation



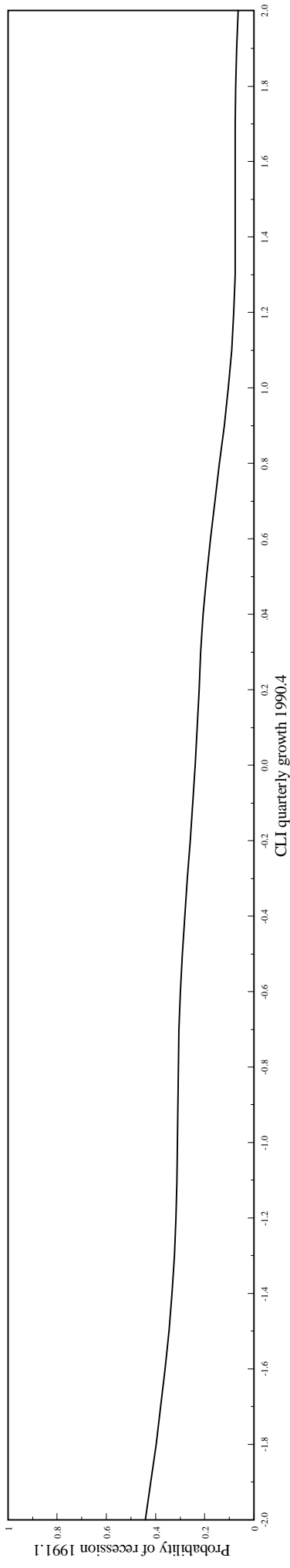
Note: Horizontal axes represent simulated CLI quarterly growth values for 1997.4. Vertical axes show the real-time forecasts of the probability of recession in 1998.1 from the switching regimes model (Graph 1), the nonparametric specification (Graph 2), and the real-time combination of them (Graph 3) as Section 5 describes.

Figure 4: Simulation for 1991.1

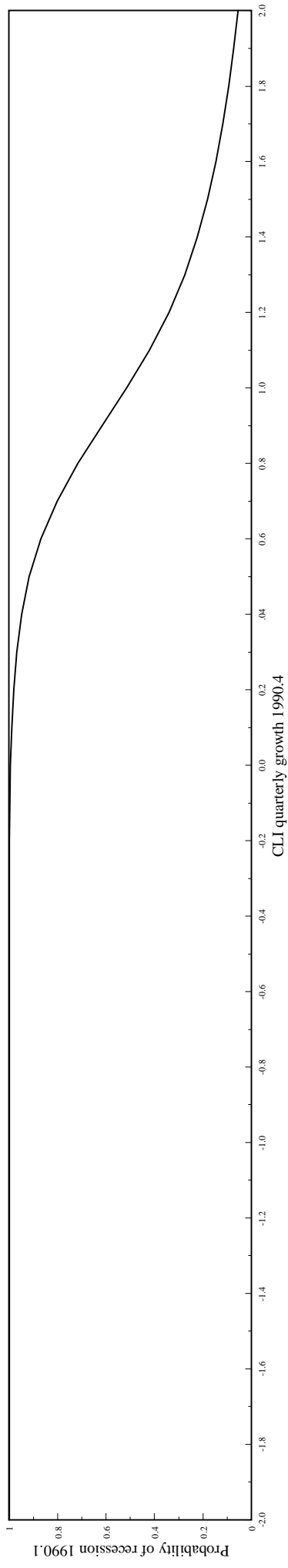
Graph 1. SWITCH simulation



Graph 2. KERNEL simulation



Graph 3. RITCOMB simulation



Note: Horizontal axes represent simulated CLI quarterly growth values for 1990.4. Vertical axes show the real-time forecasts of the probability of recession in 1991.1 from the switching regimes model (Graph 1), the nonparametric specification (Graph 2), and the real-time combination of them (Graph 3) as section 5 describes.