

Table 1c
 Estimates of the Parameters of Equation (11) and Forecasting Performance of
 Equation (7) When Conjunction I Holds, Estimation Period: August 1963 to
 December 1991, 341 months, and Forecasting Period: January 1992 to December
 1993, 24 months

Portfolio	$\hat{\phi}_{00}$	$\hat{\phi}_{11}$	$\hat{\sigma}_a^2 \hat{\delta}_{00a}$	$\hat{\sigma}_a^2 \hat{\delta}_{10a}$	$\hat{\sigma}_a^2 \hat{\delta}_{11a}$	RMSE	MAE
ns1b1e	0.15	0.88	15.04	0.57	0.07	4.36	0.87
ns1b5e	0.51	-0.35	6.02	1.02	0.61	4.25	0.82
ns2b1e	0.13	0.76	9.86	0.20	0.02	3.63	5.17
ns2b5e	0.11	0.99	6.69	0.17	0.03	3.05	0.77
ns3b1e	0.07	-0.32	5.80	0.07	0.04	3.05	0.77
ns3b5e	0.05	0.99	6.16	0.32	0.03	2.49	12.44
ns4b1e	0.12	0.99	4.00	0.03	0.00	2.23	0.83
ns4b5e	0.11	0.99	5.31	0.09	0.02	2.15	1.21
ns5b1e	-0.01	-0.99	2.08	0.01	0.01	2.15	2.76
ns5b5e	-0.10	0.94	6.97	0.24	0.01	4.59	1.74