Table 3
Estimates of the Parameters of Equations (7)-(11) and Forecasting Performance of
Equation (7) When Conjunction III Holds, Estimation Period: August 1963 to
December 1991, 341 months, and Forecasting Period: January 1992 to December
1993, 24 months
(t ratios in Parentheses; * denotes statistically significant t ratio at the 0.05 level)

Portfolio	$\hat{\pi}_{00}$	$\hat{\pi}_{10}$	$\hat{\phi}_{00}$	$\hat{\sigma}_a^2$	Log likelihood	RMSE	MAE
ns1b1e	-0.25 (-0.89)	1.36 (25.86)*	0.15	19.73	-992.30	5.13	1.55
ns1b5e	0.54 (2.22)*	1.03 (22.69)*	0.15	14.69	-942.00	4.84	0.72
ns2b1e	-0.14 (-0.65)	1.39 (35.44)*	0.16	10.99	-892.53	3.73	3.04
ns2b5e	0.53 (2.72)*	1.11 (29.09)*	0.11	10.30	-881.44	3.53	0.68
ns3b1e	-0.14 (-0.92)	1.32 (42.18)*	0.09	6.95	-814.34	2.91	0.86
ns3b5e	0.53 (3.12)*	1.06 (30.93)*	0.08	8.21	-842.83	2.68	5.68
ns4b1e	-0.02 (-0.16)	1.22 (51.20)*	0.15	4.04	-722.15	2.24	1.17
ns4b5e	0.53 (3.21)*	1.11 (32.93)*	0.06	8.04	-839.33	2.55	1.30
ns5b1e	-0.04 (-0.37)	1.02 (51.07)*	0.05	2.83	-660.97	2.00	1.98
ns5b5e	0.21 (1.41)	0.89 (26.81)*	-0.03	7.77	-833.41	4.57	3.09