CATS CENTRE FOR THE ANALYSIS OF TIME SERIES

Moving Beyond Bayes: On the Combination of Probabilistic Forecasts Given Imperfect Models

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Abstract

A variety of different models are often available from which to form probabilistic forecasts for a given target. It is widely understood that a weighted average can sometimes outperform each of the models individually in terms of probabilistic forecast performance. One question then is how best to select the weightings placed on each model forecast. A common approach is Bayesian Model Averaging (BMA) in which some set of