



**Federal Reserve Bank of NY
incorporates Fulcrum Asset Management insights
in its revitalised growth forecast**

Staff economists cite Fulcrum research team in paper describing new approach

NEW YORK, Sept. 29, 2023— Federal Reserve Bank of New York economists gave the econometric version of a shoutout to Fulcrum Asset Management when they unveiled a revamped version of the bank’s real time GDP “nowcasting” model, Fulcrum announced today. Nowcasting refers to the use of advanced statistical models and large amounts of data to obtain early predictions of important economic indicators such as GDP well before they are officially published. The prominent Federal Reserve member bank, which had suspended its Nowcast in late 2021 because of modelling challenges arising from the pandemic, described the new methodology in a [staff paper](#) that acknowledges the importance of several key features first developed in 2017 by the Fulcrum research team, led by Juan Antolin Diaz, Thomas Drechsel and Ivan Petrella.

“Our Research team continue engaging with the academic and central banking community to help push the frontier of economic modelling and to make us better macro investors,” said Managing Partner Joe Davidson. “It’s immensely gratifying to see their work cited prominently by staff of the New York Federal Reserve Bank and I am immensely proud of what Fulcrum has achieved.”

Fulcrum’s research has led to several advances in modelling and computation of GDP nowcasts, leading to publication in peer-reviewed journals which have now become the gold standard for these types of techniques. In particular, the modelling of time variation in the trend growth and the volatility of the economy, was first proposed in Antolin-Diaz, Drechsel and Petrella (*Review of Economics and Statistics*, 2017) and incorporated in Fulcrum’s nowcasts in 2015.

The incorporation of richer lead-lag dynamics in the propagation of macroeconomic shocks and including an outlier detection procedure, is discussed in Antolin-Diaz, Drechsel and Petrella (currently in review for the *Journal of Econometrics*, 2022), and adopted by Fulcrum in 2017.

Fulcrum’s research puts this academic knowledge into practice. Our nowcasting program informs the investment process by providing timely and accurate assessments of economic activity that are employed heavily across Fulcrum’s discretionary and quantitative investment strategies.

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Media contacts:**US****Greg Joslyn**E: greg.joslyn@lowecom.com

Tel: +1 414.376.7275

UK**Sam Emery/Emma Murphy, Quill PR**E: sam@quillpr.com / emma@quillpr.com

Tel: 020 7466 5050

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