The data used for the empirical application in this paper is WG2022data.xls. This is an excel spreadsheet of the Welch and Goyal dataset containing data at the annual, quarterly and monthly frequencies from 1871-2022. The latest vintage of the dataset can be found on Amit Goyal's website.

In order to obtain the results for predictability tests displayed in Tables 1 and 2 in our paper you will need to copy all of the files in this directory into a single folder and set this folder to be your working directory in Gauss. Once done running the file EMPIRICSANNUAL.gss will return a number of outputs for predictability tests performed using the annual frequency data, with the relevant output displayed in two row vectors at the bottom of the screen. The first row vector contains the output displayed in Table 2, and the second row vector contains the output in Table 1 beginning with the $DF\text{-}GLS_{\mu}$ test statistic. Currently the file is set up to display results when using the Dividend Payout Ratio as a predictor. To display results for other predictors you just need to change the predictor called in line 84, so de can be changed to ep (earnings-price ratio), dp (dividend-price ratio), dy (dividend yield), dfy (default yield spread), lty (long term yield), dfr (default return spread), ntis (net equity expansion), infl (inflation rate), tbl (treasury bill rate), tms (term spread), bm (book to market value ratio) or svar (stock variance). The files EMPIRICSQUARTERLY.gss and EMPIRICSMONTHLY.gss can be used to obtain results for the quarterly and monthly frequencies, respectively, in the same manner.

To perform the tests on your own data just replace the return and predictor pairing with the data of your choice.