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# Forecast of the inflation trend in Haiti from 2020 to 2022.

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# **Project Description:**

# In Haiti, rising prices are a recurring topic, and not a week goes by without heated discussions on the radio about the real impacts of inflation.

# Inflation is one of the most important macro-economics index. Due of this impact on the real life.

# Having trained in Business Management, and wanting to pursue a master's degree in Corporate Finance, this subject appeared to me of paramount importance. It will allow me to use my financial and economic knowledge to pursue the goal and improve myself. With this capstone, i will have opportunities to go deeper on econometric field, times series analysis, etc.…

# Indeed, I intend from data available on the site of the BRH from 1958 to August 2020 to succeed in making a forecast on the possible future inflation rates over the next 3 years.

# The BRH dataset contains information on the aggregates M1, M2, M3, the exchange rate, the monetary base, credits by sector, net foreign exchange reserves, deposits in gourdes and dollars, term deposits, etc...

# This study will allow us to identify possible links between the different variables mentioned above and to predict possible fluctuations in the macroeconomic index that is inflation.

# This inflation rate is an essential determinant in the determination of the PPP (Purchasing Power), with the exchange rates and oil price evolution, it can help to determine the PPP.

# These indicators can indirectly influence the HDI (Human Development Index). This forecast can also be used to adapt public monetary policy in order to limit inflation and protect the purchasing power of the population.

# Our forecast will be of interest to policy makers, students of finance, statistics and economics.

# In this study we expect to see a positive correlation

# - between the money supply and the inflation rate.

# - between the exchange rate and the inflation rate.

# - between the policy rate and the inflation rate.

# In order to achieve the desired result, I will have to clean the data and then proceed to:

# -A statistical description of my data and visualization graphs.

# -A multivariate time-series analysis.

# -Perform stationarity tests.

# -Correlation tests.

# Then modeling and forecasting inflation rates over the next 12 months.