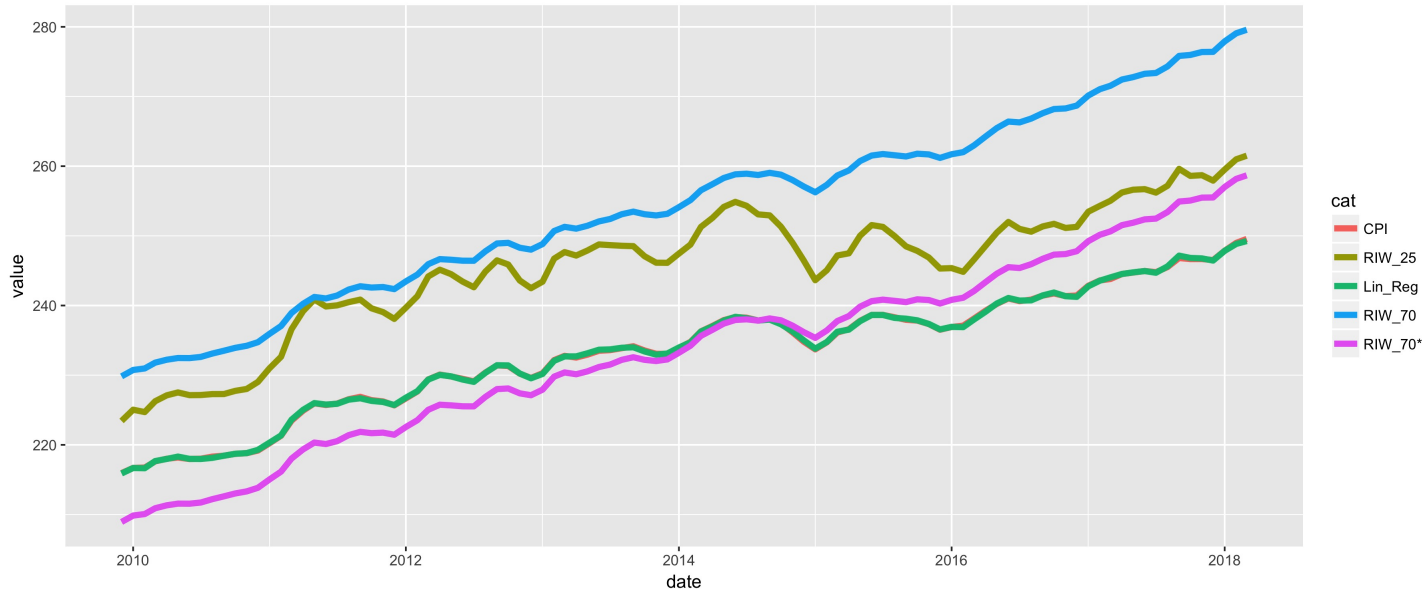


Macroeconomic Models: Weekly Update

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- The red line is the CPI.
- The green Lin_Reg line is the linear regression fitted line.
- The dirty green RIW₂₅ line is calculated:

$$\widehat{\text{CPI}}_t = \frac{\sum_{i=1}^{25} (\text{RIW}_i \times \text{Strata}_{i,t})}{\sum_i \text{RIW}_i}$$

- The blue line, RIW₇₀:

$$\widehat{\text{CPI}}_t = \frac{\sum_{i=1}^{70} (\text{RIW}_i \times \text{Strata}_{i,t})}{\sum_i \text{RIW}_i}$$

- The purple line, RIW₇₀^{*}:

$$\widehat{\text{CPI}}_t = \frac{\sum_{i=1}^{70} (\text{RIW}_i \times \text{Strata}_{i,t})}{\sum_i \text{RIW}_i} - 20.9$$

where 20.9 is the difference in the mean of “RIW₇₀” and the CPI. For this line, $R^2 \approx 0.69$)

- Calculating the equivalent “RIW₂₅^{*}” gives an R^2 of approximately 0.93.