

## Machine Learning Final project Proposal

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### Project description:

Since the 1990s, the Taylor rule has been used by the Federal Reserve to describe how short-term interest rates are adjusted for inflation and output changes. As an extension of the Taylor rule, the Federal Reserve's FRB / US model is a key clue to our understanding of its monetary policy decisions. This project aims to follow this rule to predict the probability of interest rate's increase in the USA.

### Method:

Find key factors and use KNN/SVM/Logistic regression to make a prediction.

### Goal:

Predict the possibility of interest rate raise based on past data.