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.

Steps:

1. Do some research and find some key factors that correlate with the possibility of raising interest rate.

2. Use KNN/SVM/Logistic-regression etc. to make a prediction.

3. If possible , find a function that can describe the rule that Federal Reserve follow.

4. Predict the possibility of raising interest rate in 2015&2016 and get the accuracy result.