Forecasting Reflection Memo

The forecasting exercise was a practical and thought-provoking experience that challenged me to think critically and work with uncertainty. It required careful judgment and reflection, especially when dealing with topics I needed to become more familiar with. Compared to a traditional time series regression analysis, this exercise relied more on subjective reasoning and less on quantitative models, which presented some unique difficulties.

One of the most complex parts of the exercise was estimating probabilities for events in unfamiliar areas. For example, predicting whether Brent Crude oil prices would exceed $85 per barrel required understanding global markets, oil production policies, and economic trends—topics I don’t regularly follow. Similarly, estimating the chances of the WHO declaring a new Public Health Emergency of International Concern (PHEIC) involved thinking about unpredictable global health risks. Without enough background knowledge, it was challenging to make confident predictions.

Another difficulty was managing my own biases. For instance, in estimating Kamala Harris’s chances of winning the 2024 Presidential Election, I realized how much personal opinion and media narratives could influence my judgment. Staying objective and focusing on data or trends instead of gut feelings was a constant challenge. I also found it hard to assign specific probabilities, like deciding whether an event was 40% or 60% likely to happen. This required a balance of confidence and humility, especially for topics with limited information.

Despite the challenges, I learned a lot from this exercise. One key lesson was the importance of context. Predictions became more manageable and more accurate when I had background knowledge to draw on. For example, my estimate of the opening weekend box office for *Wicked* was informed by similar films past performances, which gave me a more transparent basis for my prediction. On the other hand, I had to rely more on broad assumptions for events like Bitcoin price fluctuations or earthquakes, which I lacked familiarity with, which made me realize how valuable it is to build a more substantial knowledge base.

This exercise also reminded me to be realistic about uncertainty. I learned it’s better to acknowledge when I don’t have enough information and assign a wide probability range than to pretend to have precise answers. Admitting uncertainty felt more honest and aligned with the reality of forecasting.

Compared to standard time series regression analysis, this exercise was quite different. Regression models use historical data and statistical techniques to find patterns and predict. They provide a structured, data-driven process with clear error margins. In contrast, the forecasting exercise required more judgment and intuition, especially for events that couldn’t be directly modeled with historical data. For example, predicting whether the WHO would declare a new emergency depends on factors that are hard to quantify and include in a statistical model. While regression models are more precise, the forecasting exercise felt more flexible for handling complex, real-world scenarios.

Overall, the exercise was a good learning experience. It highlighted areas where I need to improve, such as understanding new topics and refining my ability to estimate probabilities. It also showed me the value of combining data-driven methods with thoughtful reasoning. With more practice, I aim to improve my forecasting skills and become more confident in handling uncertainty.