

PPI Core Predictor - Forecast Report

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## 1. Historical Summary

Data period (months)	149
Avg MoM change	0.2225%
Std MoM change	0.2194%
Positive months	86.5%
Latest PPI Core level	138.91
Latest YoY change	3.51%

## 2. Regression Point Estimates

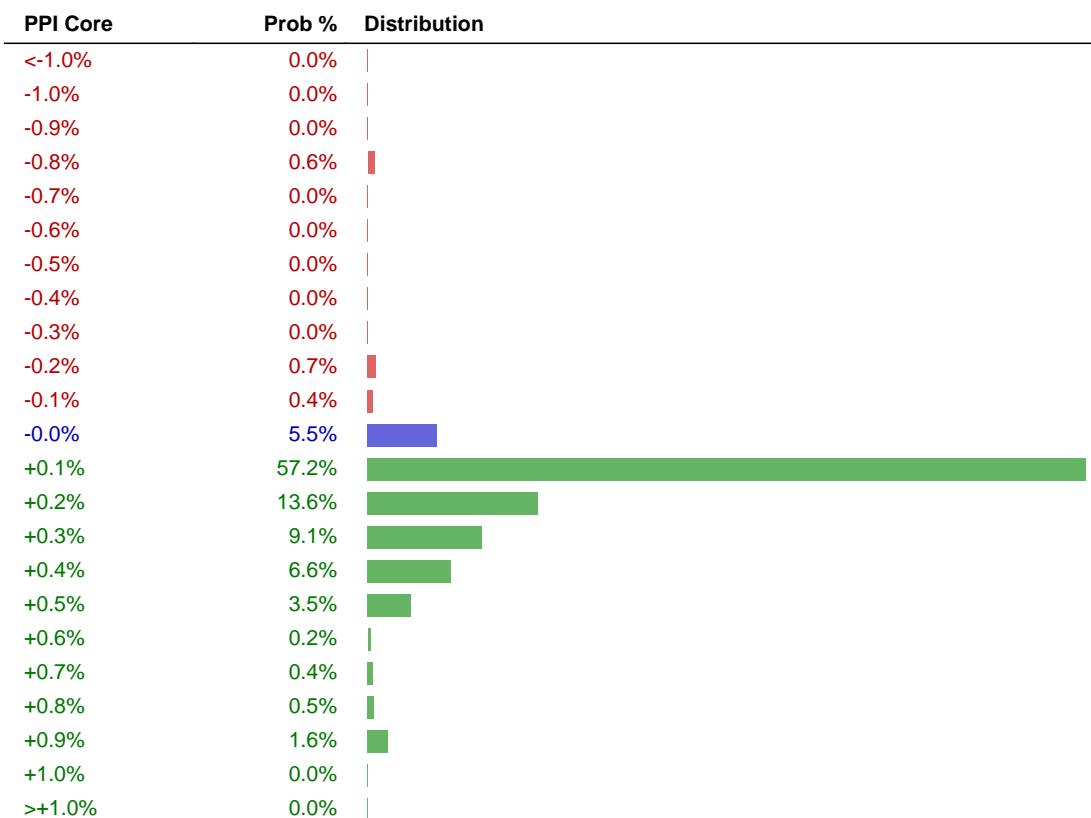
Market Expected MoM: +0.30%

Gradient Boosting	+0.3837%
Random Forest	+0.3122%
Ridge	+0.4511%
Ensemble	+0.3766%
90% Confidence Range	[+0.2833%, +0.4699%]

*Model predicts HIGHER than expected (+0.077pp above consensus).*

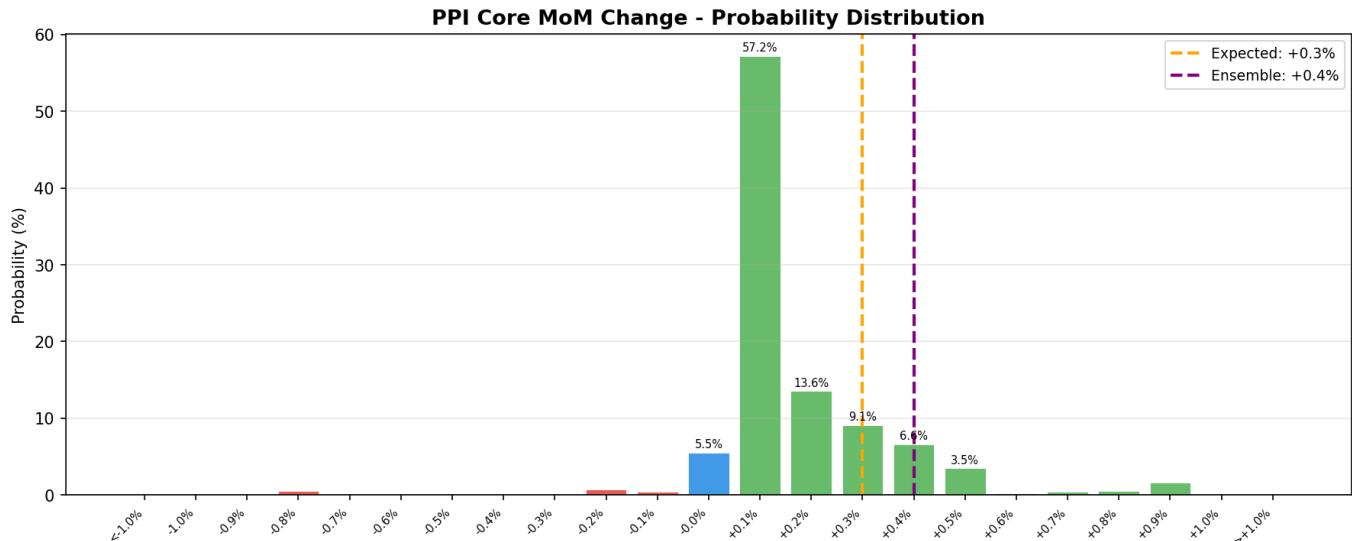
### 3. Probability Distribution (Classification)

Probability that PPI Core MoM change falls in each 0.1% bin:



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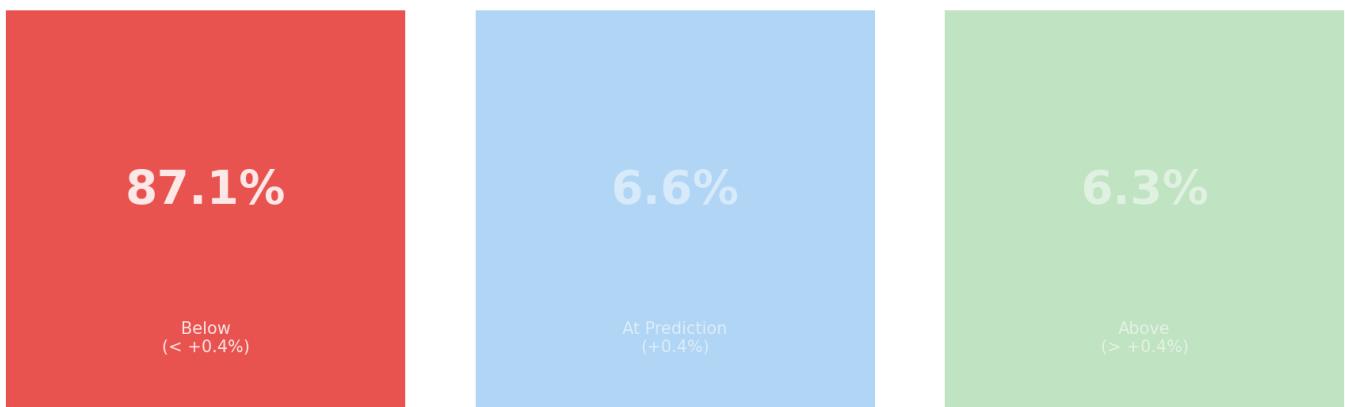
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## 4. Outcome Probability Matrix

Probability of outcome vs ensemble prediction (+0.38%):

**PPI Core MoM Outcome Probability Matrix (vs Ensemble: +0.38%)**



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## **DIRECT IMPACT MODEL**

(External economic indicators only - no PPI Core self-history)

## 5. Direct Impact - Regression Estimates

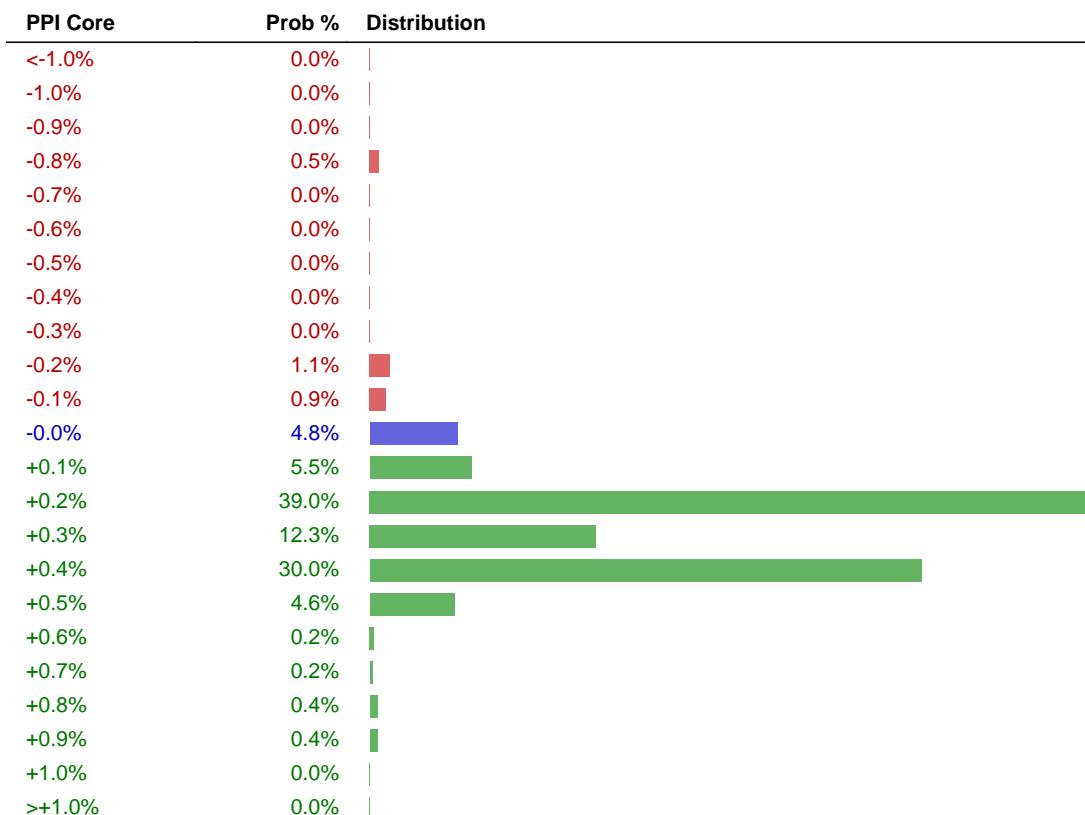
Market Expected MoM: +0.30%

Gradient Boosting	+0.3186%
Random Forest	+0.2601%
Ridge	+0.4420%
Ensemble	+0.3351%
90% Confidence Range	[+0.2103%, +0.4598%]

*Direct impact model closely agrees with market expectation.*

## 6. Direct Impact - Probability Distribution

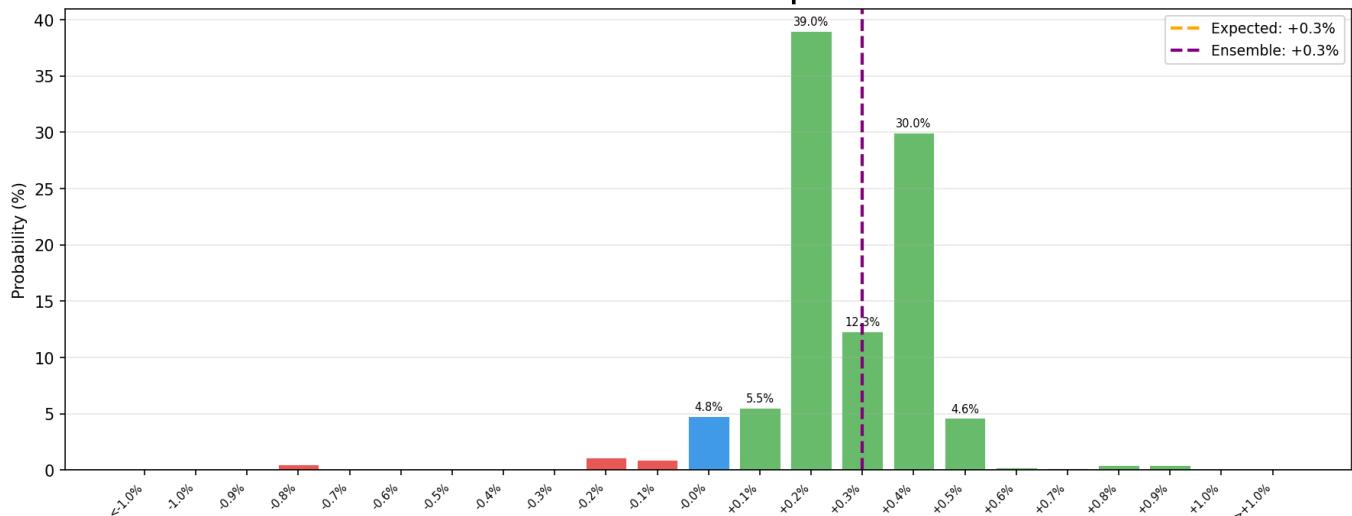
Probability using only external indicators:



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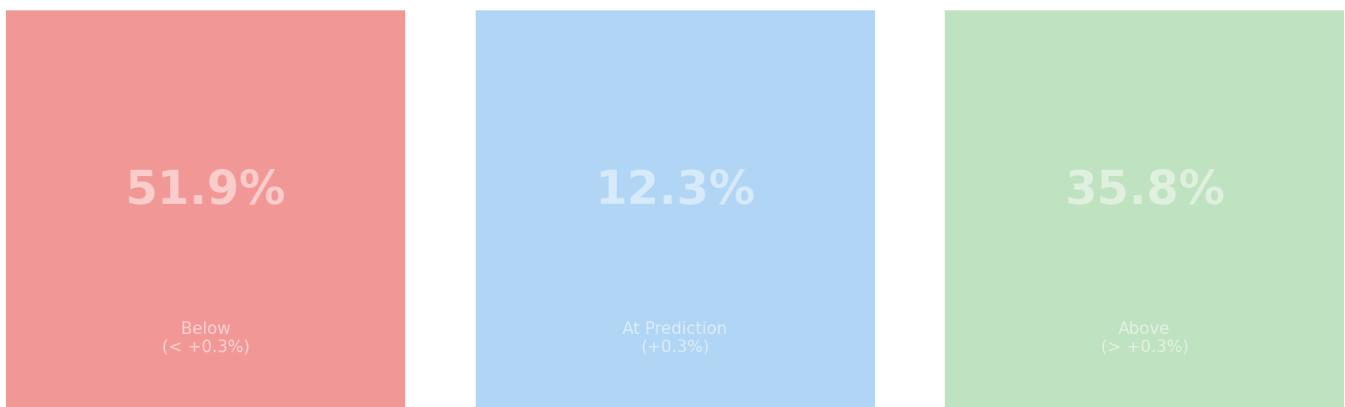
## PPI Core MoM - Direct Impact Model



## 7. Direct Impact - Outcome Probability Matrix

Probability vs direct impact ensemble (+0.34%):

**PPI Core Direct Impact MoM Outcome Probability Matrix (vs Ensemble: +0.34%)**



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## 8. Model Performance Metrics

### Full Model:

#### Regression:

Gradient Boosting - MAE: 0.1254 | RMSE: 0.1879 | R2: -0.1572

Random Forest - MAE: 0.1140 | RMSE: 0.1723 | R2: 0.0267

Ridge - MAE: 0.1467 | RMSE: 0.1840 | R2: -0.1098

#### Classification:

Gb Classifier - Accuracy: 0.2174 | Log Loss: 13.8525

Rf Classifier - Accuracy: 0.0435 | Log Loss: 2.2031

### Direct Impact Model:

#### Regression:

Gradient Boosting - MAE: 0.1249 | RMSE: 0.1827 | R2: -0.0942

Random Forest - MAE: 0.1163 | RMSE: 0.1740 | R2: 0.0075

Ridge - MAE: 0.1377 | RMSE: 0.1759 | R2: -0.0133

#### Classification:

Gb Classifier - Accuracy: 0.1304 | Log Loss: 9.8751

Rf Classifier - Accuracy: 0.0870 | Log Loss: 3.5244