# Findings among Code diving

Below is how certain values have been calculated

# calculations below

# log of relative CPI

rpi = np.log(cpi)- np.log(cpi)@weights

#  log of USD rate (increase stands for appreciation of dom. currency)

ner = np.log(USD)@weights - np.log(USD)

# log of USD real rate (increase stands for appreciation)

rer = ner + rpi

# log of relative gdp per capita

rgdp = np.log(gdp) - np.log(gdp)@weights

# log of relative terms of trade

rtot = np.log(tot) - np.log(tot)@weights

# relative nfa (choose which one)

rnfa = nfa-nfa@weights

# Procedure with Forecasting

After digging into the Matlab code, here is how they perform the forecasting in different Horizons

Step 1. Find the equilibrium REER using either Panel OLS/mean of PPP

Step 2. Plug the equilibrium into the Half-life models