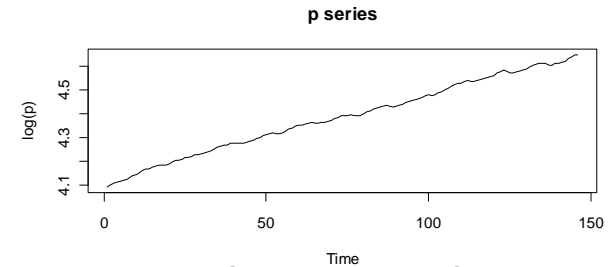
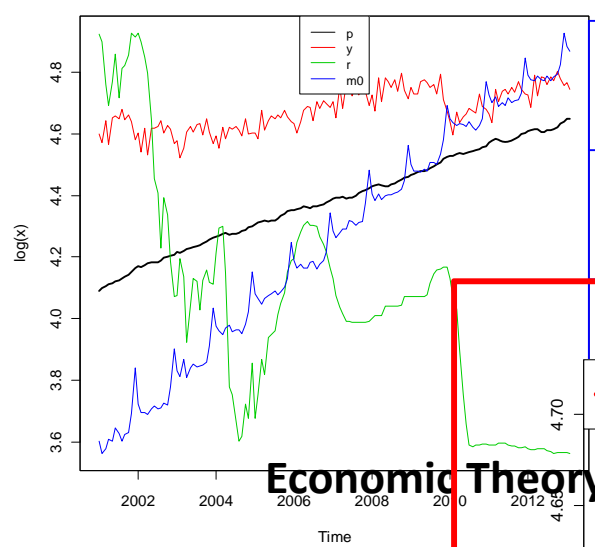


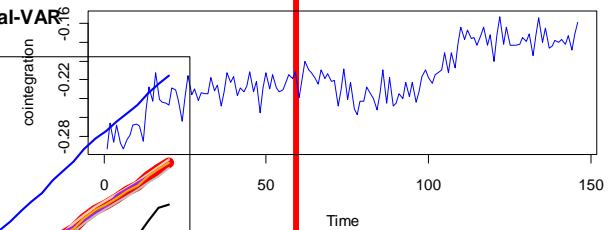
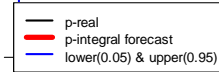
Time Series of Mexican inflation model: 2000:01 - 2012:02



Stochastic trend

$$p = 0.24(m0) + 0.29(y) + 0.01(r) + 1.53$$

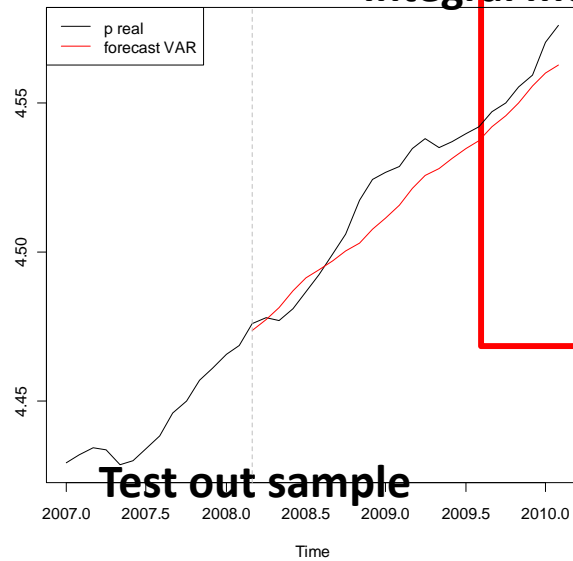
Forecast series p: Integral-VAR



Economic Theory

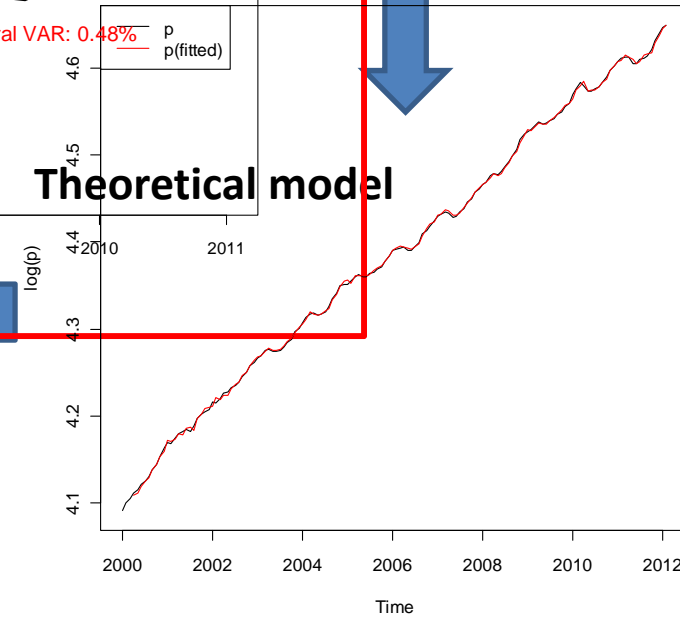
VAR[i], out sample test for selected model

Integral model

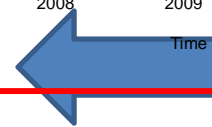


MAPE Integral VAR: 0.48%

Theoretical model

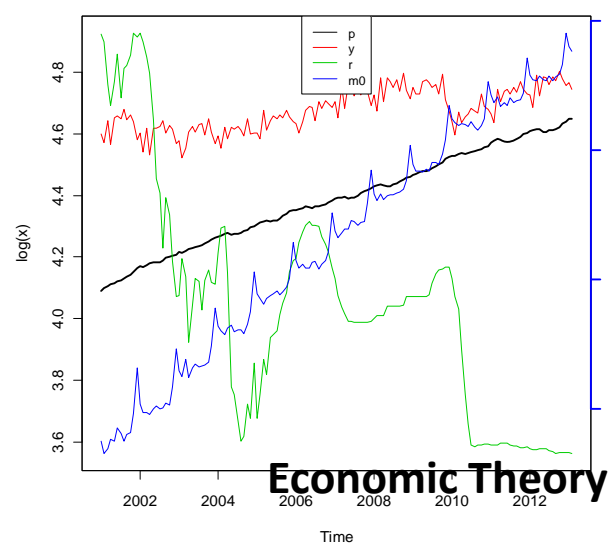


VECM(3): p series



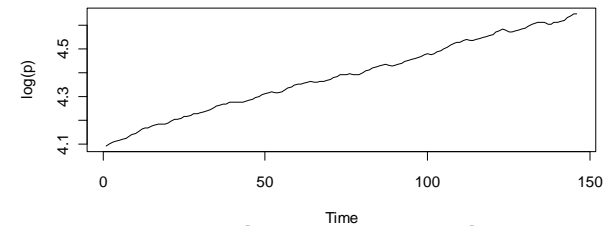
Time

Time Series of Mexican inflation model: 2000:01 - 2012:02



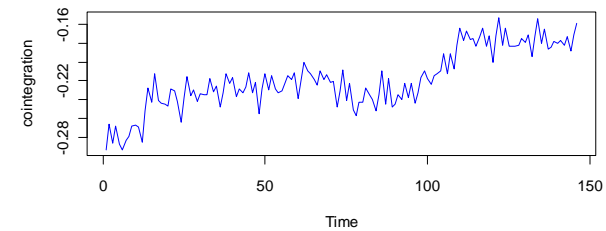
Economic Theory

p series

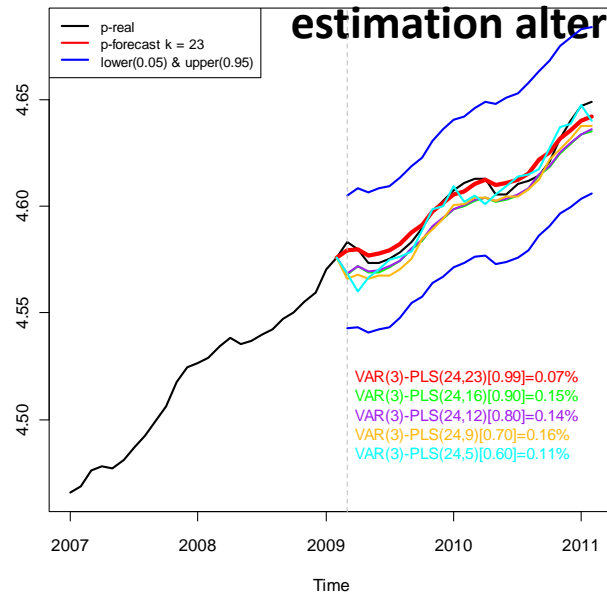


Stochastic trend

$$p - 0.24(m0) - 0.29(y) + 0.01(r) + 1.53$$



Forecast series VAR(3) for prediction: an estimation alternative



VECM(3): p series

Theoretical model

