

Natural Language
Processing
Procedure

European Central
Bank Speeches

Wrangling Data
into Corpus

Corpus
Containing Id,
Dates and
Speeches

Corpus

Sentiment
Analysis Approach

VADER

LM-SA-2020

Dataset

Merge Corpus
with Economic
Variables

Economic
Variables

Cross Validation
Approach

Evaluate Models

Train LASSO
Models, and and
obtain best
parameters α
and λ

Train Set

Split Data Train
into Validation
and Train

80% Train Set
20% Validation Set

Validation Set

Train Dataset

Estimate VAR
Models

Split Dataset
between training
and testing

Models
Estimations

80% Data Train
20% Data Test

Test Dataset

Obtain Results
and Estimations

Estimate
LASSO Models

No

Best Model?

Yes

Model
Adjustment
According to
Validation set