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Econometric & Time Series Forecasting

## Final Project: Proposal

Our forecasting project will be based on the Consumer Confidence Index (CCI) of the United States, accessible through the Organization for Economic Co-operation and Development (OECD). Since we are only using the United States' CCI, we have access to monthly data going back to January, 1960, and ending in February, 2018.

Upon initial analysis, the data does not appear to be stationary in volatility or correlation structure. Runs up and down are prevalent between periods of relative stability. Since this is monthly data, it is possible that seasonality is also included within each individual year, though whether or not there is cyclical correlation between each year more broadly remains to be seen.

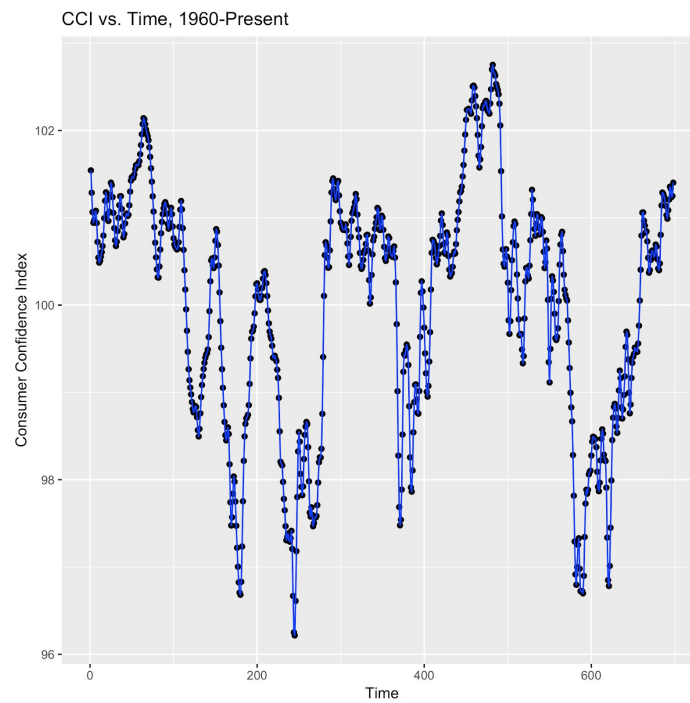
CCI and its relative performance has been linked to the re-election chances of an incumbent party. For example, when the CCI is above 100, a Presidential incumbent is often more likely to be re-elected than when the CCI is below 100. This could translate into a question regarding how often this holds, and offer a forecast to November's midterm elections.

An initial graph of the untouched data over time has been included on the next page, as well as a printout of the relevant data after being imported into R.

## Contact Information

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## Graph and Data Printout



	Time	YearMonth	Value
1	1	1960-01	101.5427
2	2	1960-02	101.2864
3	3	1960-03	101.0649
4	4	1960-04	100.9428
5	5	1960-05	100.9736
6	6	1960-06	101.0609
	Time	YearMonth	Value
693	693	2017-09	101.2071
694	694	2017-10	101.3554
695	695	2017-11	101.3308
696	696	2017-12	101.2372
697	697	2018-01	101.2492
698	698	2018-02	101.4019