Predicting FOMC Actions Using ML and NLP Jeremy Lao - jjl359 & John Reynolds - jr4716

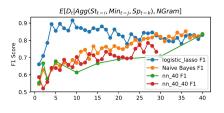
Model-1: FOMC Decison D_t based on lagged document text

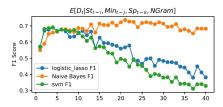
 $E[D_t|Statements_{t-i}, Minutes_{t-j}, Speeches_{t-k}, N-gram]$

Model-2: FOMC Decison D_t based on aggregated lagged document text

 $E[D_t|AGG(Statements_{t-i}, Minutes_{t-j}, Speeches_{t-k}), N-gram]$

where $D_t = 1$, if change to rates, $D_t = 0$, if no change.





x-axis: Ngram, y-axis: F1 Score



4 D > 4 P > 4 E > 4 E