

Project Machine Learning in Economics

The work is based on the paper Carrasco and Rossi (2016).

- 1) Try to reproduce the simulations results of Rossi and Carrasco (2016). I am not expecting that you will do all of them, but try to do the maximum.
- 2) Consider an empirical example and implement the different methods studied in Carrasco and Rossi (2016) and also studied in the course. Again, implement the maximum methods.

The empirical application could be based on

- Macroeconomic variables and inflation as in Stock and Watson (2002)
- Term Structure data as in Ludvigson and Ng (2009)
- Predictability of asset returns as in Gu, Kelley and Xiu (2020)

You have to find the data. You can look on the websites of these authors.

You can work in groups of 2 students.

Deadline: April 19