

Forecasting Project Guidelines

1. This project is meant to be an independent research designed for you to apply and integrate the forecasting skills and models you have learned in the class. You will need to choose a topic, focus on a specific data set, do the estimation and forecasting, and present a conclusion.
2. This project not only requires data estimation and forecasting by using Excel and /or SAS but also requires **figures** and **tables**. Note that forecasting begins with plotting and ends with plotting. SAS has built-in Forecasting System (See Handout 9), you cannot just use that way to make your forecast. However, it is good to include its results and outputs as a comparison/alternative of your model.
3. When you make forecast, the period should be at least **12-period** ahead. If you are predicting daily data, you should produce 12-day ahead forecast. If you are predicting monthly data, you should produce 12-month ahead forecast. If you are predicting quarterly data, you should produce 12-quarter ahead forecast.
4. I will grade not only based on the **substance** but also the **style** of your paper. Writing well will be extremely helpful for your future academic and career success.
Recommended book: The Elements of Style (Strunk and White). [On-line free version](#).
5. The paper's length (including cover page, main text, tables, figures) should be between **5 pages (minimum) and 12 pages (maximum)**. Text part should be at least **3 pages**. Line Spacing: 1.5 lines. Font size: 11 or 12.
 - The cover page should include the following information: Title, your name, date, the word "Executive Summary" followed by a summary of the project for 100 words or fewer.
 - Note that relate your tables, figures to the text!
 - Your main text could be divided into sections to help reading. The basic structure of a typical paper is: 1) introduction; 2) specification of the model/issue; 3) presentation of results and discussion; and 4) conclusion.
 - Number the pages.
 - Each table and figure should include a descriptive header.
 - Tables should not run over pages. Always fit each table in one single page.
 - Footnotes are only used for material not considered important enough to be included in the text. If you want to use footnote, go to the word where you want to put the footnote and then click "Insert" on the toolbar. Click "Reference" and then choose "Footnote.."
6. Group work is allowed and each person will share the same grade.
2-people paper's length: 10 pages to 24 pages; text part – at least 6 pages.
3-people paper's length: 15 pages to 36 pages; text part – at least 9 pages.

7. You cannot use the same paper for two different courses unless you have permission from both professors. But you can write about the same topic from different perspectives.
8. Throughout the research process, you are encouraged to talk with me. This project is 140 points, which weights 14% for this course.
9. Due date is on the syllabus. Submit it to my office in a paper form. You can submit it earlier in the class. In addition to the paper-form paper, you also need to **submit your work file (SAS script and/or Excel spreadsheet) to the D2L dropbox** as an appendix. No late submission will be accepted.
10. [Our library](#) provides resourceful articles and books for your research. If you cannot find what you want in our campus, you might be able to borrow it through [Interlibrary Loan](#). If you have problems, you can always [ask a librarian!](#)
11. [SSRN](#) and [Google Scholar](#) provides a lot of working papers. You can find related papers by typing keywords or author's names.
12. You could find a lot of US economic data in [FRED](#), financial data in Yahoo Finance, and other country's data in its [statistical office link](#).
13. [Economic Report of the President](#) describes the progress of the economy of the United States and discusses current economic issues. It provides comprehensively current US macroeconomic topics and will be a great reference for your research. [IMF Publications](#) and [Finance and Development](#), on the other hand, provide a comprehensive summary of current global economy issues.
14. You will find a bunch of information you need through Google or [Wikipedia](#). Note that the quality of information from these websites is not guaranteed. Carefully verify the information from Internet. Some might be incorrect if the source is unknown. For the references, academic or professional journal articles (i.e. JEP, JEL.) are preferred to books. Books are preferred to Internet articles or sources.
15. My [course website](#), [research link](#), and [blog](#) provide a lot of useful links and data information. If you don't know what to begin with, go there to look for topic. The topics, such as housing prices (returns), oil prices (oil returns), stock returns (volatilities), exchange rates, national or international economic outlook, budget, medical cost, etc, are all welcome. WSU has access to CRSP stocks data set, you are encouraged to use the data in there.
16. The following are some real-world forecasting and/or research papers for your reference. Of course some of them are all very long and broad papers. You could write a mini and specific version of them.
 - [Falling House Prices and Rising Time](#) on the Market from Fed.
 - [Investment Manager Outlook](#) from Frank Russell Investment.
 - [Budget Projections](#) and [Economic Projections](#) from [CBO](#) with data.
 - [Regional Economic Outlook Asia and Pacific 2008](#) from [IMF](#).
 - Minnesota [2008 November Economic Forecast](#); [Forecast Summary](#) by [Minnesota Management & Budget](#).