Comments on “Inflation forecasts in Costa Rica”

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Comments

- This work makes a comparison of predictive models for inflation in Costa Rica using statistical learning models. The study presents predictions of the inflation rate according to several machine learning models.

- It is a very interesting topic, and the paper is very well written and motivated. The development, application, and interpretation of machine learning methods is adequate, simple but suitably sums up the most important issue.

- As indicated in the paper, the applications of learning methods with temporary data are not so recurrent. It would be desirable to adapt the theoretical framework focusing on this, mainly in forest and boosting methods.
Suggestions

- It could summarize the predictive performance of the different models used by the Central Bank of Costa Rica to forecast inflation.

- Some technical details are not specified, such as:
  - Number of bootstrap simulations performed.
  - Discuss weights used in boosting.
  - Discuss economic significance and relevance of the selection of variables performed by random forests.
  - It is not clear if it uses cross validation to train and compare the models. If it does, it would be desirable to develop the procedure.

- It would be desirable to include the measures of importance of the variables in the corresponding methods and their coherence.

- Results: it would be good to clarify the different performances of the models in percentage and absolute terms.
  - It would also be interesting to make statements about the magnitudes, the differences between models and the possibilities of further improving the results.