

RMSE eplanation

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We estimate the following linear regressions of quarterly PCE inflation π_t :

(1) Baseline: $\pi_t = \alpha + \beta_1 rr_t^{\text{med}} + \beta_2 rr_t^{\text{std}} + \beta_3 ugap_t + \beta_4 pceEnergy_t + \varepsilon_t$,

(2) *ugap*: $\pi_t = \alpha + \beta_1 ugap_t + \varepsilon_t$,

(3) Labor Market: $\pi_t = \alpha + \beta_1 \log(\frac{V}{U}_t) + \beta_2 (VU_dum)_t + \beta_3 ugap_t + \beta_4 rr_t^{\text{med}} + \beta_5 rr_t^{\text{std}} + \beta_6 pceEnergy_t + \varepsilon_t$,

(4) Supply Conditions: $\pi_t = \alpha + \beta_1 ugap_t + \beta_2 rr_t^{\text{med}} + \beta_3 rr_t^{\text{std}} + \beta_4 pceEnergy_t + \beta_5 GSCPI_t + \beta_6 FoodPrice_t + \varepsilon_t$,

(5) All: $\pi_t = \alpha + \beta_1 \log(\frac{V}{U}_t) + \beta_2 (VU_dum)_t + \beta_3 ugap_t + \beta_4 rr_t^{\text{med}} + \beta_5 rr_t^{\text{std}} + \beta_6 pceEnergy_t + \beta_7 GSCPI_t + \beta_8 FoodPrice_t + \varepsilon_t$

Each specification is estimated by OLS on the pre-2020Q1 sample; out-of-sample forecast performance is evaluated on the post-2020Q1 period.

Table 1: Variables Used in the Regressions

Variable	Starting time, go up to 2020Q1
π_t (PCE inflation, all items)	1984Q1
$ugap_t$ (unemployment gap)	1984Q1
rr_t^{med} (real rate median)	1984Q1
rr_t^{std} (real rate standard deviation)	1984Q1
$pceEnergy_t$ (energy price inflation)	1984Q1
$\log(V/U_t)$ (vacancy-unemployment ratio)	1984Q1
$(V/U_dum)_t$ (dummy for V/U)	1984Q1
$GSCPI_t$ (global supply chain pressure index)	1998Q1
$FoodPrice_t$ (food price index)	1984Q1