Forecasting Returns and Economic Activity

The firm we are using is Disney. all data must be about Disney

1) .Using monthly data, what is the relationship between your firm and economic activity? Inflation, employment

growth industrial production and unemployment? Can they predict economic activity or does economic activity

predict it? Use and discuss Granger Causality.

2) Forecast inflation using a distributed lag of unemployment. Forecast unemployment using a distributed lag of

inflation. Discuss the regression. Forecast inflation using past lags and an ARDL model. Repeat for unemployment.

What is AIC? Does inflation granger cause unemployment? Unemployment granger cause inflation?