

Nowcasting Domestic Liquidity with Machine Learning — Bangko Sentral ng Pilipinas' Regularization and Tree-Based Models

AI in the Public Sector · Good practice · Philippines

Quality score: 60/100

Evidence strength: Observational / pre–post

Summary

BSP tested five ML algorithms against 2008-2020 monetary data to nowcast Philippine domestic liquidity growth, reporting lower forecast error than standard time-series models -- including through the COVID-19 liquidity surge -- and recommending the models as a supplementary tool.

Key dimensions

Dimension	Score
Evidence of impact / measured public value	2/3
Transparency, fairness & accountability	2/3
Transferability / demonstrated replication	2/3
Scalability beyond pilot	1/3
Governance, capability & sustainability	2/3

Evaluated by C-NAPSE

Data sources

[C-NAPSE web research](#) — accessed 2026-07-19

[Bangko Sentral ng Pilipinas \(BSP\), Department of Economic Statistics](#) — accessed 2026-07-19

[BSP Working Paper Series No. 2022-04](#) — accessed 2026-07-19

[OpenGov Asia coverage](#) — accessed 2026-07-19

[Philippine News Agency](#) — accessed 2026-07-19

[PIDS mirror \(SERP-P\)](#) — accessed 2026-07-19

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