STAT 485/685 Lecture 19
Fall 2017
20 November 2017

- I discussed forecasting.
- I indicated importance of both mean and correlation in forecasting.
- I showed Mean Squared Error for predicting Y_n (new data) from Y_o (old data) is minimized by
$$\hat{Y}_n = \mathrm{E}\left(Y_n|Y_o\right).$$
- I emphasized that this quantity depends on the parameter values for your data and that you don't know these.
- Handwritten slides.
- We are working on Chapter 9, now, having finished Chapter 7 and skipped chapter 8.
- Next time I will do some examples of forecasts for specific models.
- EXTRA: a number of students have asked about the `co2` data set for the homework. Several versions are available. I intended a data set which goes back to 1959. If you have looked at co2 using `data(co2)` after attaching the TSA library with `library(TSA)` then you need to `rm(co2)` followed by `Myco2=co2` and do the question with Myco2. You can get the TSA co2 data (which is from Alert in Canada) using `data(co2)` again while `TSA` is attached.