STAT 485/685 Lecture 8
Fall 2017
2 October 2017

- I introduced General Linear Processes.
- I discussed the autocovariance and autocorrelation of these.
- I introduced a special cases: AR(1).
- I derived the autocorrelation.
- I wrote the AR(1) process in two ways: as a General Linear Process and as an autoregression:

$$Y_t - \mu = \theta(Y_t - \mu) + \epsilon_t.$$

- And I started from the autoregression and deduced the General Linear Process form.
- I noted that $|\theta| < 1$ was needed to make this work.
- In the text I am doing Chapter 4.1; Thursday I will do lots more of Chapter 4.
- You should be Reading all of Chapters 1, 2, 3, and 4.
- Next class I will try to finish Chapter 4 on time series models.
- Handwritten slides.