STAT 485/685 Lecture 18
Fall 2017
16 November 2017

- I discussed estimation methods for ARMA processes.
- I described the Yule-Walker equations and illustrated the problem withe ARMA(1,1) and with MA(1).
- In the latter case I made the point that the equations being solved might not have a solution.
- I discussed least squares and showed the results for AR(1).
- I tried to motivate the concept of *maximum likelihood*.
- Find density of data.
- That depends on parameters.
- Choose parameter values to make the observed data as likely as possible.
- Then I spent quite a bit of time on `R` code.
- I did a first set of examples on model selection and fitting to real data.
- R Code.
- Handwritten slides.