Using Latex in R

A. Simpleton

Introdution

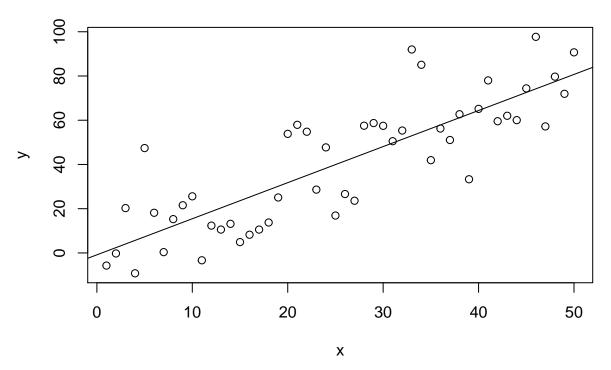
First let's simulate some data.

```
n <- 50
x <- seq(1, n)
a.true <- 3
b.true <- 1.5
y.true <- a.true + b.true * x
s.true <- 17.3
y <- y.true + s.true * rnorm(n)</pre>
```

Before we estimate the linear expression $y_t = x_t^{\top} \beta + \varepsilon_t$ using the 1m command in R.

```
## Call:
## lm(formula = y \sim x)
## Residuals:
      Min
               1Q Median
                               3Q
## -29.451 -10.710 -2.131
                            9.843 40.112
##
## Coefficients:
              Estimate Std. Error t value Pr(>|t|)
## (Intercept) -0.8541
                            4.6350 -0.184
                                             0.855
                            0.1582 10.312 9.17e-14 ***
## x
                1.6313
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
## Residual standard error: 16.14 on 48 degrees of freedom
## Multiple R-squared: 0.689, Adjusted R-squared: 0.6825
## F-statistic: 106.3 on 1 and 48 DF, p-value: 9.166e-14
```

A figure is then produced by the following code:



For more details on using R Markdown see http://rmarkdown.rstudio.com.