

Untitled

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For this problem, the **Weekly** dataset is split into a training set composed of record on and prior to 2008, while the fitted model will be tested on the records from 2009 onwards. When modeling solely on **Lag2**, the prediction quality is similar to the previous example. While in reality the *Up/Down* ratio is $\frac{56+5}{34+9} \approx 1.4$, the prediction gives $\frac{34+56}{9+5} \approx 6.4$, which is equivalent to an overall fraction of correct predictions of $\frac{56+9}{56+9+5+34} = 62.5\%$.