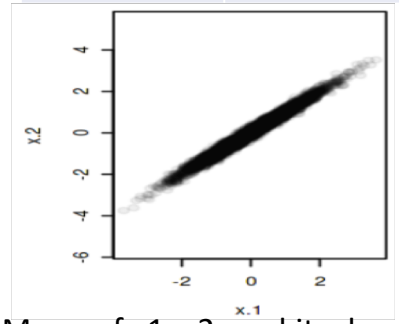
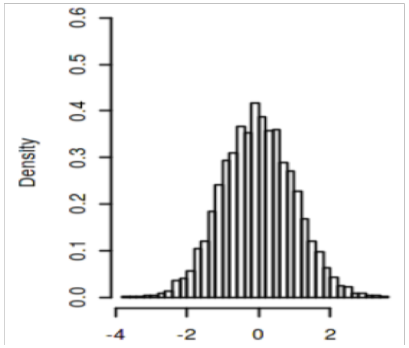
x1, x2 are highly correlated:

x1	x2
1.5	2.1
0.7	0.5
-1	-1.3
-2	-1.8
..	..

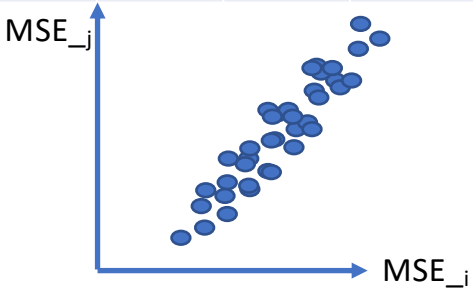


Mean of x1, x2, and its density:

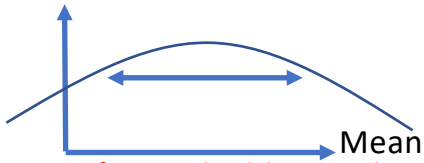


MSE_1, MSE_2, .. MSE_n are highly correlated:

MSE_1	MSE_2	MSE_3	….	MSE_n
1.3	0.8	1.2		1.6
-1.9	-2	-1.85		-1.5
0.2	0.1	0.11		0.3
1.8	1.2	1.4		1.9
…	…	…		…



Mean of MSE_1, MSE_2… =
estimate of test MSE(CV_n), and its density:



the mean of many highly correlated quantities has higher variance

5_variance_of_correlated_quantities_Kaggle.pdf
5_variance_of_correlated_quantities.irnb

Training set for LOOCV:

Observations in each training set are almost identical => MSE_1, MSE_2, .. MSE_n are highly (positively) correlated !