MONASH University

MONASH BUSINESS SCHOOL

Tidy Forecasting in R

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forecast package

Pre 2003	Private functions used for consulting projects
July/August 2003	**ets** and **thetaf** added
August 2006	v1.0 available on CRAN
May 2007	**auto.arima** added
May 2010	**arfima** added
Feb/March 2011	**tslm**, **stlf**, **naive**, **snaive** added
August 2011	v3.0. Box Cox transformations added
December 2011	**tbats** added
April 2012	Package moved to github
November 2012	v4.0. **nnetar** added
June 2013	Major speed-up of **ets**
February 2016	v7.0. Added ggplot2 graphics
February 2017	v8.0. Added **checkresiduals**, **tsCV** and **%>%**
April 2018	v8.3. Added **mstl**
June 2018	$\approx$ 100,000 package downloads per month

fable package

A replacement for the forecast package.

Why change?

- Interacting with tidyverse packages
- Sub-daily data and multiple seasonal data handled more easily
- Consistency of interface
- Distribution forecasting rather than point+interval
- Simpler interface for hierarchical and grouped forecast reconciliation
- Designed for multivariate forecasting
- Changes will break too much existing code
- Opportunity to re-think forecasting practice

Example: Australian eating-out expenditure

```
library(fpp2)
auscafe
```

```
##         Jan   Feb   Mar   Apr   May   Jun   Jul   Aug
## 1982                      0.342 0.342 0.329 0.339 0.332 0
## 1983 0.369 0.348 0.366 0.351 0.360 0.347 0.364 0.376 0
## 1984 0.389 0.377 0.398 0.383 0.414 0.382 0.393 0.409 0
## 1985 0.426 0.392 0.416 0.420 0.446 0.407 0.449 0.466 0
## 1986 0.504 0.453 0.480 0.497 0.531 0.485 0.526 0.538 0
## 1987 0.572 0.525 0.544 0.558 0.565 0.542 0.599 0.584 0
## 1988 0.605 0.586 0.625 0.612 0.630 0.635 0.659 0.656 0
## 1989 0.733 0.661 0.713 0.694 0.710 0.722 0.741 0.746 0
## 1990 0.858 0.764 0.840 0.805 0.809 0.799 0.815 0.828 0
## 1991 0.862 0.771 0.813 0.797 0.821 0.801 0.829 0.854 0
## 1992 0.938 0.862 0.936 0.932 0.929 0.869 0.891 0.875 0
## 1993 0.918 0.838 0.870 0.862 0.852 0.828 0.882 0.867 0
## 1994 0.985 0.902 1.015 0.939 0.941 0.935 1.013 1.018 1
## 1995 1.076 0.982 1.099 1.068 1.083 1.045 1.094 1.110 1
## 1996 1.213 1.128 1.180 1.169 1.146 1.109 1.138 1.146 1
## 1997 1.180 1.060 1.148 1.141 1.170 1.113 1.165 1.173 1
```

Example: Australian eating-out expenditure

```
library(tsibble)
cafe <- as_tsibble(auscafe)
cafe
```

```
## # A tsibble: 426 x 2 [1MONTH]
##        index value
##        <mth> <dbl>
##  1 1982 Apr 0.342
##  2 1982 May 0.342
##  3 1982 Jun 0.329
##  4 1982 Jul 0.338
##  5 1982 Aug 0.332
##  6 1982 Sep 0.342
##  7 1982 Oct 0.358
##  8 1982 Nov 0.375
##  9 1982 Dec 0.433
## 10 1983 Jan 0.369
## # ... with 416 more rows
```

Example: Australian eating-out expenditure

```
#library(fable)
library(tidyforecast)
cafe %>% ETS(value)
```

```
## # A tibble: 1 x 2
##   data                  model
##   <list>                <list>
## 1 <tsibble [426 x 2]> <ETS(M,A,M)>
```

Example: Australian eating-out expenditure

```
cafe %>% ETS(value) %>% summary()
```

```
##  data.Length  data.Class  data.Mode model.Length  mode
##  2        tbl_ts  list                 19         ts_model
```

Example: Australian eating-out expenditure

```
cafe %>% ETS(value) %>% forecast()
```

```
## # A tibble: 1 x 3
##   data                  model          forecast
##   <list>                <list>         <list>
## 1 <tsibble [426 x 2]> <ETS(M,A,M)> <tsibble [24 x 3]>
```

Example: Australian eating-out expenditure

```
cafe %>% ETS(value) %>% forecast() %>% summary()
```

```
##  data.Length  data.Class  data.Mode model.Length  mode
##  2        tbl_ts  list                19        ts_model
##  forecast.Length  forecast.Class  forecast.Mode
##  3        tbl_ts  list
```

Example: Australian eating-out expenditure

```
cafe %>% ARIMA(log(value)) %>%
  forecast() %>% summary()
```

```
##  data.Length  data.Class  data.Mode model.Length  mode
##  2       tbl_ts  list                18        ts_model
##  forecast.Length  forecast.Class  forecast.Mode
##  3       tbl_ts  list
```

Example: prison data

```
prisonLF
```

```
## # A tibble: 1,536 x 5
##    state gender legal    t          count
##    <fct> <fct>  <fct>    <date>     <dbl>
##  1 ACT   Female Remanded 2005-03-01     2
##  2 ACT   Female Remanded 2005-06-01     4
##  3 ACT   Female Remanded 2005-09-01     1
##  4 ACT   Female Remanded 2005-12-01     4
##  5 ACT   Female Remanded 2006-03-01     4
##  6 ACT   Female Remanded 2006-06-01     6
##  7 ACT   Female Remanded 2006-09-01     9
##  8 ACT   Female Remanded 2006-12-01     6
##  9 ACT   Female Remanded 2007-03-01     4
## 10 ACT   Female Remanded 2007-06-01     4
## # ... with 1,526 more rows
```

Example: prison data

```
prisonLF %>%
  mutate(qtr=yearquarter(t)) %>%
  select(-t) %>%
  as_tsibble(index=qtr, key=id(state,gender,legal))
```

```
## # A tsibble: 1,536 x 5 [1QUARTER]
## # Keys:       state, gender, legal [32]
##    state gender legal    count     qtr
##    <fct> <fct>  <fct>    <dbl>   <qtr>
##  1 ACT   Female Remanded     2 2005 Q1
##  2 ACT   Female Remanded     4 2005 Q2
##  3 ACT   Female Remanded     1 2005 Q3
##  4 ACT   Female Remanded     4 2005 Q4
##  5 ACT   Female Remanded     4 2006 Q1
##  6 ACT   Female Remanded     6 2006 Q2
##  7 ACT   Female Remanded     9 2006 Q3
##  8 ACT   Female Remanded     6 2006 Q4
##  9 ACT   Female Remanded     4 2007 Q1
## 10 ACT   Female Remanded     4 2007 Q2
## # ... with 1,526 more rows
```

Reconcilation?

Equivalent methods

- `auto.arima` $\longrightarrow$ `ARIMA`
- `ets` $\longrightarrow$ `ETS`
- `tbats` $\longrightarrow$ `TBATS`
- `stlm` $\longrightarrow$ `STL???`

All modelling functions produce `mable` class objects.

Equivalent methods

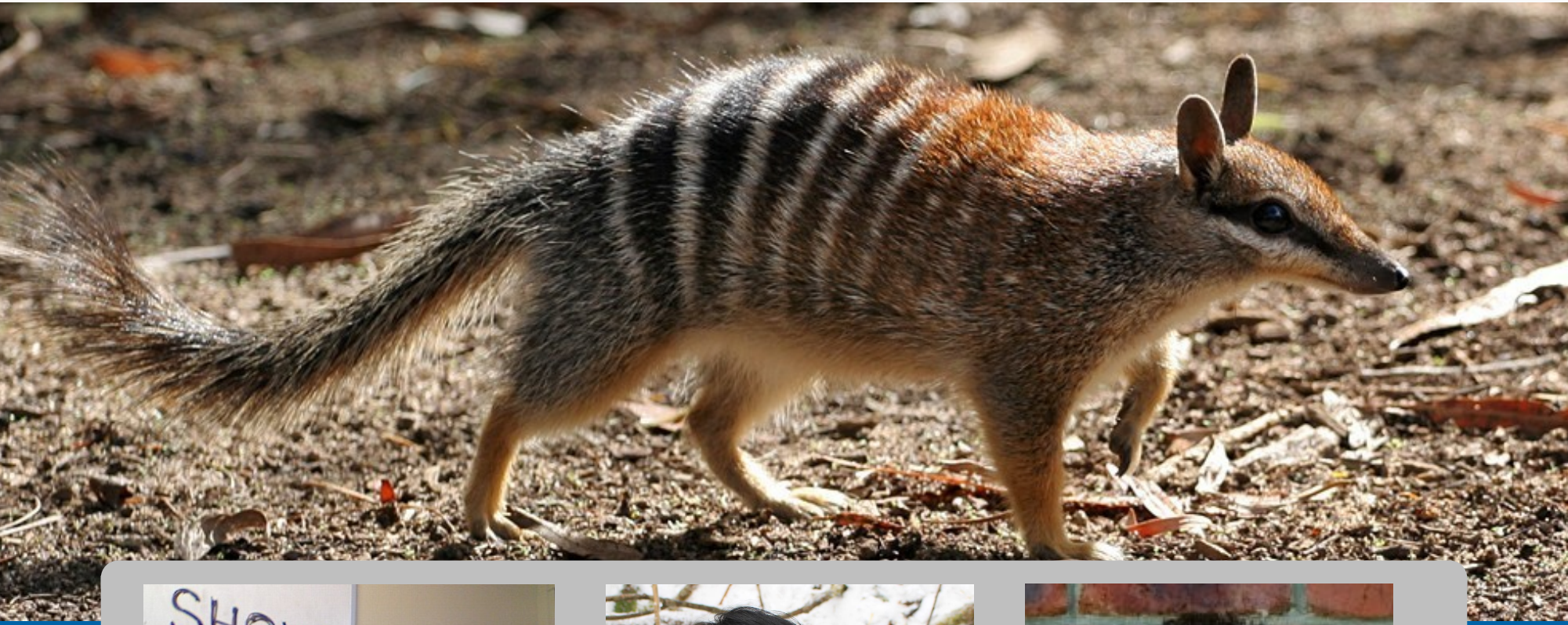
- `stlf` $\longrightarrow$ `STL %>% forecast`
- `thetaf` $\longrightarrow$??
- `dshw`, `hw`, `holt`, `ses` ??
- `splinef` $\longrightarrow$??
- `rwf`, `naive` $\longrightarrow$ `RW %>% forecast`
- `croston` $\longrightarrow$

`forecast` produces `fable` class objects.

Download

```
devtools::install_github("tidyverts/tsibble")
devtools::install_github("tidyverts/fable")
```

NUMBATS



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OTexts.org/fpp2

tidyverts.org