1 Strategies of martix construction

Suppose a large set of time series $\mathfrak{D} = \{\mathbf{s}\}$ is given. The "object-feature" matrix $\mathbf{X}^*$ for the multiscale autoregressive problem statement is composed of row-vectors

$$\mathbf{s}'_i = [\mathbf{y}'_i, \mathbf{x}'_i] = [\underbrace{s(t_i), \dots, s(t_i - \Delta t_\mathrm{r}))}_{\mathbf{y}'_i}, \underbrace{\dots, s(t_i - \Delta t_\mathrm{r} - \Delta t_\mathrm{p})}_{\mathbf{x}'_i}],$$

where $s(t)$ is an element of time series $\mathbf{s}$. Consider several strategies to decompose time series $\mathbf{s}$ into segments $\Delta t_i = (t_i, \dots, t_i - \Delta t_\mathrm{r} - \Delta t_\mathrm{p})$ to construct matrix $\mathbf{X}^*$.

1. Row vectors $\mathbf{s}_i$ cover time series without intersections between Δt_i:

$$\{T_{\max}, \dots, 1\} = \bigsqcup_i \Delta t_i \Rightarrow |t_{i'} - t - i| \geq \Delta t_\mathrm{r} + \Delta t_\mathrm{p}.$$

2. Row vectors $\mathbf{s}_i = [\mathbf{y}_i, \mathbf{x}_i]$ overlap, but target parts $\mathbf{y}_i$ do not intersect:

$$\{T_{\max}, \dots, 1\} = \bigsqcup_i (t_i, \dots, t_i - \Delta t_\mathrm{r}) \Rightarrow |t_{i'} - t - i| \geq \Delta t_\mathrm{r}.$$

3. For each time stamp t_i of the least frequent regular sampling there is correspondent row vector $\mathbf{s}_i$ in $\mathbf{X}^*$:

$$\{T_{\max}, \dots, 1\} = \bigcup_i t_i.$$

4. Time intervals Δt_i are selected randomly.

5. Potentially, other sensible strategies are possible.

Vector $\boldsymbol{\varepsilon} \in \mathbb{R}^{\Delta t_\mathrm{r}}$ of model residuals at time stamp t_i is given by

$$\boldsymbol{\varepsilon}_i = \mathbf{y}_i - \hat{\mathbf{y}}_i.$$

Dependent on the way the matrix $\mathbf{X}^*$ is designed, there might be dependencies between components of subsequent vectors $\mathbf{y}_i$, $\mathbf{y}_{i+1}$. If there are such i, $i' \in \mathcal{B}$ that $|t_i - t_{i'}| < \Delta t_\mathrm{r}$, vectors $\boldsymbol{\varepsilon}_i$ and $\boldsymbol{\varepsilon}_{i'}$ overlap or contain residuals for the same time stamp. In this case define the test vector of residuals as

$$\boldsymbol{\varepsilon}(\mathcal{B}) = \left\{ \bar{\varepsilon}_t \;\middle|\; t \in \bigcup_{i \in \mathcal{B}} \{i - \Delta t_\mathrm{r}, \dots, i\} = \{t_{i_{\min}} - \Delta t_\mathrm{r}, \dots, t_{i_{\max}}\} \right\},$$

where $\bar{\varepsilon}_t$ is the average residual for the time stamp t.

To avoid these issues, we fix the second strategy of the $\mathbf{X}$ construction.

ComputeForecastingErrors()

Data: $\mathbf{X}^* \in \mathbb{R}^{M\times(\Delta t_\mathrm{r}+\Delta t_\mathrm{p})}$. Parameters: number of testing procedures N, train to test ratio α.

Result: Train-test matrix.

Result: Forecasting quality: root-mean-squared error.

$n = 1$;

while $n < N$: **do**

define $m = \lfloor M/N \rfloor$ $\mathbf{X}^*_n = [\mathbf{x}^*_{(n-1)m+1}, \dots, \mathbf{x}^*_{nm}]^\intercal$;

$\mathbf{X}_\text{train},\ \mathbf{X}_\text{test},\ \mathbf{X}_\text{val} = TrainTestSplit(\mathbf{X}^*_n, \alpha)$;

train forecasting model $\mathbf{f}(\mathbf{x}, \hat{\mathbf{w}})$, using $\mathbf{X}_\text{train}$ and $\mathbf{X}_\text{test}$;

obtain vector of residuals $\boldsymbol{\varepsilon} = [\varepsilon_T, \dots, \varepsilon_{T-K\Delta t-\Delta t_\mathrm{r}}]$ with respect to $\mathbf{X}_\text{val}$:

$$\boldsymbol{\varepsilon} = \begin{bmatrix} \mathbf{y}_0 - \mathbf{f}(\mathbf{x}_0, \hat{\mathbf{w}}) \\ \dots \\ \mathbf{y}_K - \mathbf{f}(\mathbf{x}_K, \hat{\mathbf{w}}) \end{bmatrix};$$

compute forecasting quality:

$$\mathrm{RMSE}(n) = \sqrt{\frac{1}{(K+1)\Delta t_\mathrm{r}} \sum_{t=0}^{(K+1)\Delta t_\mathrm{r}} \varepsilon^2_{T-t}};$$

$n = n + 1$;

end

Average RMSE by data splits.

TrainTestSplit()

Data: Object-feature matrix $\mathbf{X} \in \mathbb{R}^{m\times(\Delta t_\mathrm{r}+\Delta t_\mathrm{p})}$. Train to test ratio α.

Result: Train, test, validation matrices $\mathbf{X}^*_\text{train}$, $\mathbf{X}^*_\text{test}$, $\mathbf{X}^*_\text{val}$.

Set train set and test set sizes: $m_\text{train} = \lfloor \alpha(m-1) \rfloor$;

$m_\text{test} = m - 1 - m_\text{train}$;

Decompose matrix $\mathbf{X}^*$ into train, test, validation matrices $\mathbf{X}^*_\text{train}$, $\mathbf{X}^*_\text{test}$, $\mathbf{X}^*_\text{val}$:

$$\mathbf{X}^*_\text{train} = \left[\begin{array}{c} \mathbf{x}^*_\text{val} \in \mathbb{R}^{1\times(\Delta t_\mathrm{r}+\Delta t_\mathrm{p})} \\ \hline \mathbf{X}^*_{m_\text{train}} \in \mathbb{R}^{m_\text{train}\times(\Delta t_\mathrm{r}+\Delta t_\mathrm{p})} \\ \hline \mathbf{X}^*_{m_\text{train}} \in \mathbb{R}^{m_\text{test}\times(\Delta t_\mathrm{r}+\Delta t_\mathrm{p})} \end{array}\right] = \left[\begin{array}{c|c} \mathbf{y}_\text{val} & \mathbf{x}_\text{val} \\ \hline \mathbf{Y}_{m_\text{train}} & \mathbf{X}_{m_\text{train}} \\ \hline \mathbf{Y}_{m_\text{test}} & \mathbf{X}_{m_\text{test}} \end{array}\right]$$

Algorithm 1: Train-test split.

2 Forecast analysis

We consider the following testing procedure, given by the algorithm 1:

2.1 Ensuring forecast model validity

A valid forecast model must the meet the following conditions:

- Mean of residuals equals to zero.
- Residuals are stationary.
- Residuals are not autocorrelated.

If the forecast does not meet any of these conditions, then it can be further improved by simply adding a constant (minus residual mean) to the model, balancing variance or including more lags. Additionally, desirable properties are normality and homoscedasticity of residuals. These properties are not necessary for an adequate model, but allow to obtain theoretical estimations of the confidence interval.

2.2 Forecasting quality