

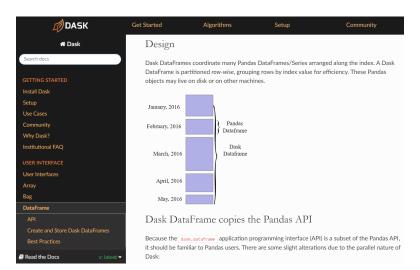
Cannabis Data Science

Meetup

May 5, 2021

1/4

Working with big data



2/4

ARMA processes

It is helpful to introduced the autoregressive moving average (ARMA) representation.

Definition: An autoregressive moving average (ARMA) model is a linear representation of a stochastic process with constant coefficients.

An ARMA(p,q) representation of x_t is

$$x_t = \phi_1 x_{t-1} + \dots + \phi_p x_{t-p} + z_t + \theta_1 z_{t-1} + \dots + \theta_q z_{t-q},$$

3/4

Until next time

Read in some big data and make some forecasts. Next week we can check our forecasts.