***EViews* Exercises for Chapter 17**

**EXAMPLE 17.3: State space modelling of global temperatures**

Open the workfile global\_temps.wf1 and click ***Object/New Object*** and select ‘Sspace’. To estimate the SSF of the ARIMA(0,1,3) model type

d(temp) = sv1 + c(2)\*sv2 + c(3)\*sv3 + c(4)\*sv4

@state sv1 = [var=exp(c(5))]

@state sv2 = sv1(-1)

@state sv3 = sv2(-1)

@state sv4 = sv3(-1)

into the specification box. Now click ***Estimate*** and insert‘@all’ for the estimation sample.

To estimate the SSF of the exponential smoothing model, repeat but now type

temp = sv1 + [var=exp(c(1))]

@state sv1 = sv1(-1) + [var=exp(c(2))]

into the specification box.