

TDDE07 - Lab 4

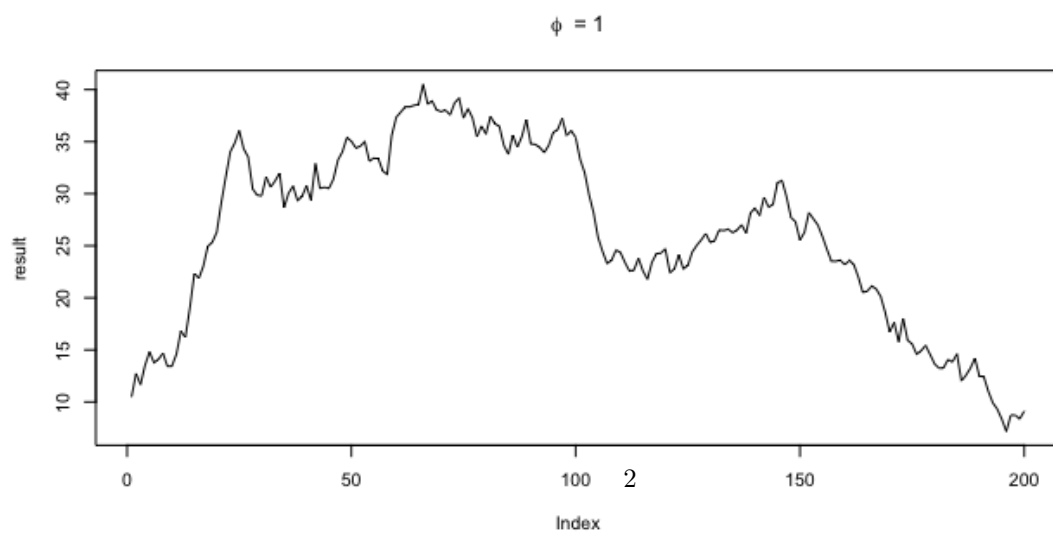
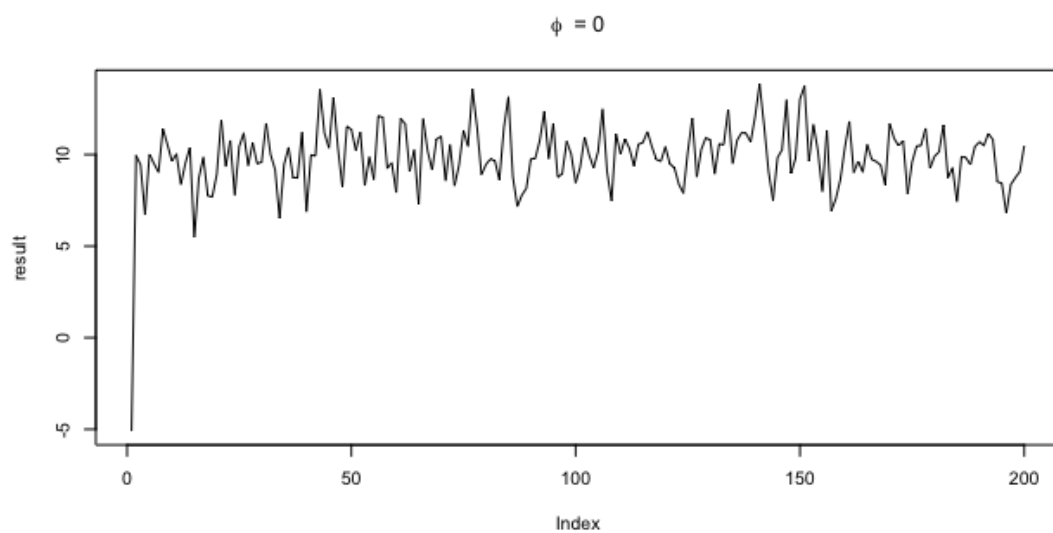
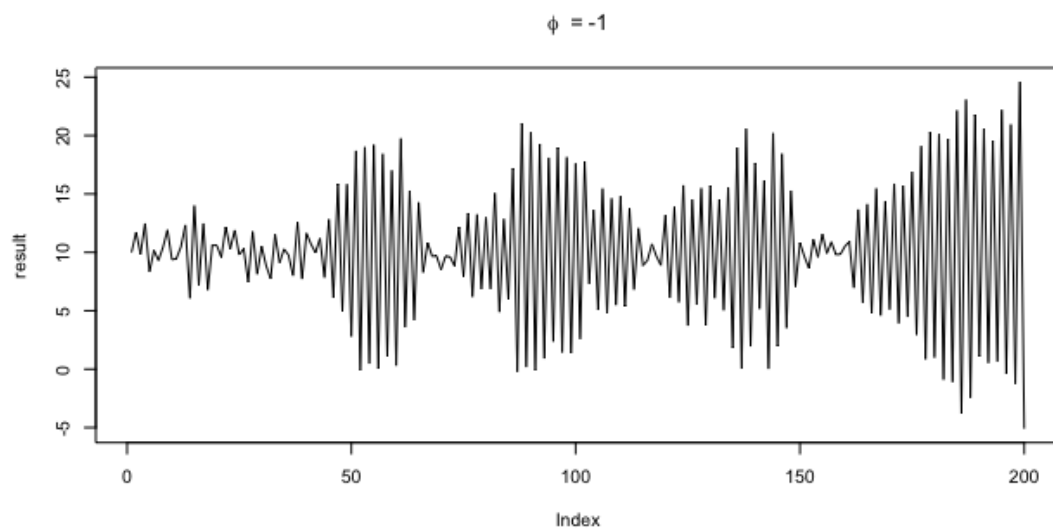
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1 - Time series models in Stan

1a) AR(1)-process



It is clear that ϕ has a large effect on $x_{1:T}$. The figure above depicts 3 different scenarios where ϕ is equal to -1, 0 and 1. In the first example, we have that

$$x_t = \mu - (x_{t-1} - \mu) + \epsilon_t$$

As can be seen in the figure above the values of x_t oscillate between positive and negative values when $\phi = -1$. This is because ϕ changes the sign of x_t in each iteration.

When $\phi = 0$ we have that

$$x_t = \mu + \epsilon_t$$

In this case the value of x_t only depends on μ and ϵ_t , meaning the values will be close to μ .

In the last example we have that

$$x_t = \mu + (x_{t-1} - \mu) + \epsilon_t$$

In this case, x_t value depends on the previous value but won't change sign in each iteration as long as the error is fairly small.

phi=0.95	Posterior mean	Lower limit	Upper limit
mu	0.819	0.275	1.380
sigma2	1.841	1.508	2.256
phi	0.901	0.838	0.961

phi=0.30	Posterior mean	Lower limit	Upper limit
mu	6.275	4.942	7.581
sigma2	2.131	1.741	2.610
phi	0.379	0.251	0.510

1b)

Using our AR-function defined in a) resulted in the following values for the posterior mean and the upper and lower limits of the 95 % credible interval.

The convergence of ϕ and μ can be seen by plotting the parameters in the same graph. The red dot represent the posterior mean of each parameter. The shape of the joint distribution of ϕ and μ is the same for different initial values of ϕ .

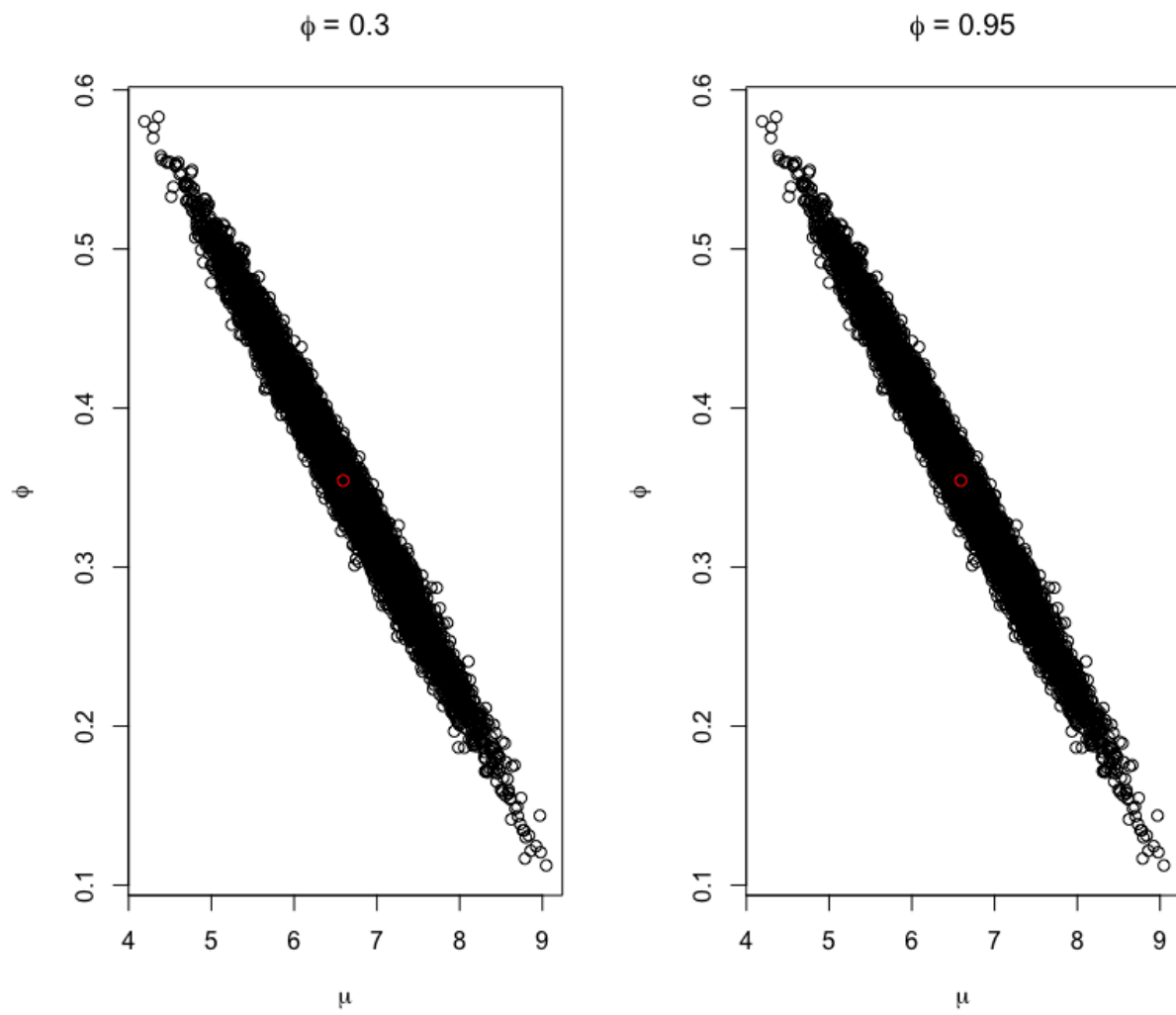


Figure 1: Convergence of parameters

1c)

The figure below shows a plot of the data as well as the posterior mean and a 95 % credible interval for the letaient intensity.

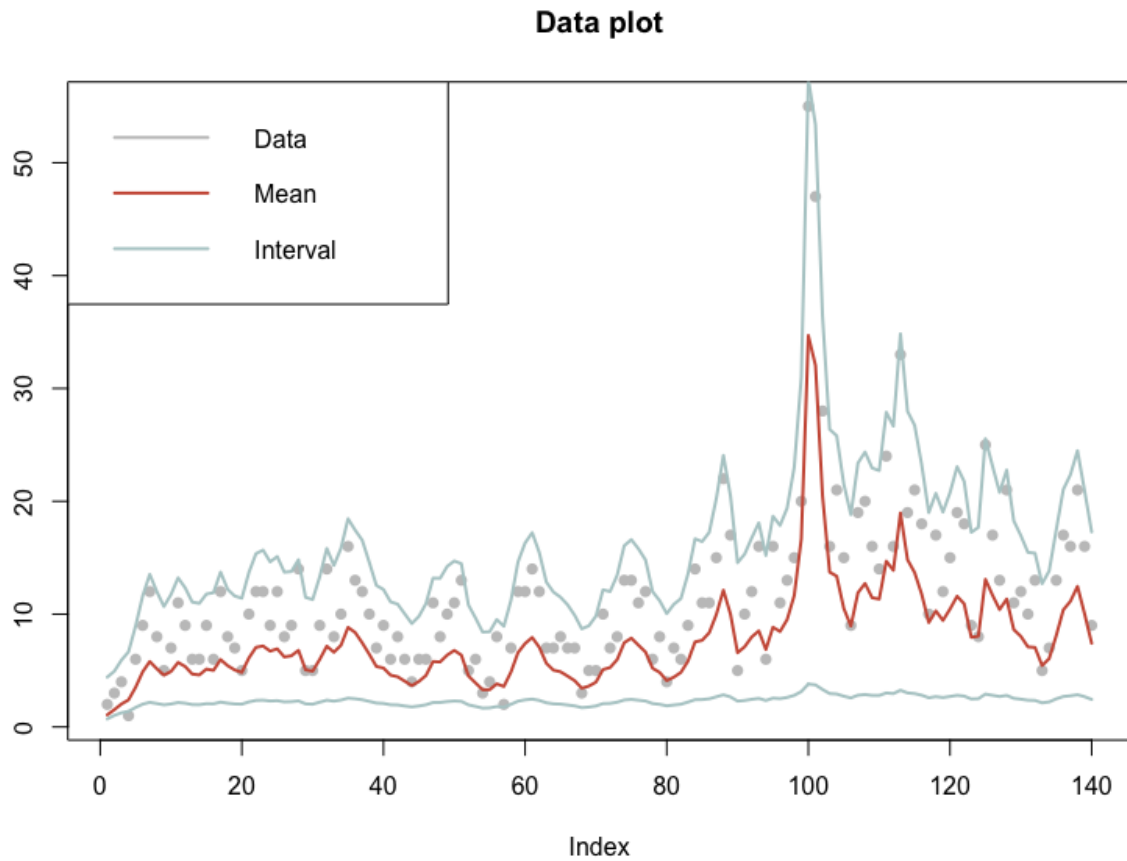


Figure 2:

1d)

Here the prior for σ^2 has been modified to be informative. We set the prior be $\sigma^2 \sim \text{Gamma}(1,1000)$

Since the prior for sigma has a mean close to 0 and low variance, the effect of the error in the regression model has decreased.

The modified prior had an effect on the posterior mean to be less sensitive to the data. This is an expected outcome since the prior, by being more informative, had a larger impact on the posterior.

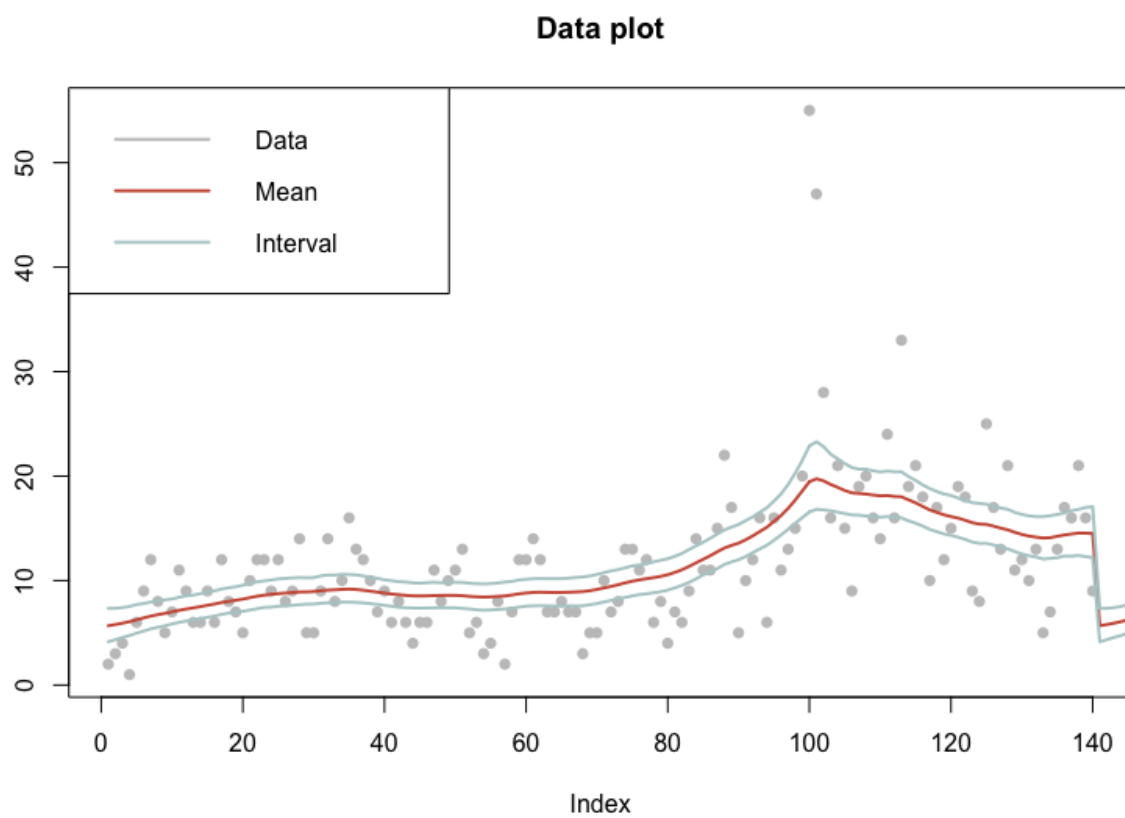


Figure 3: