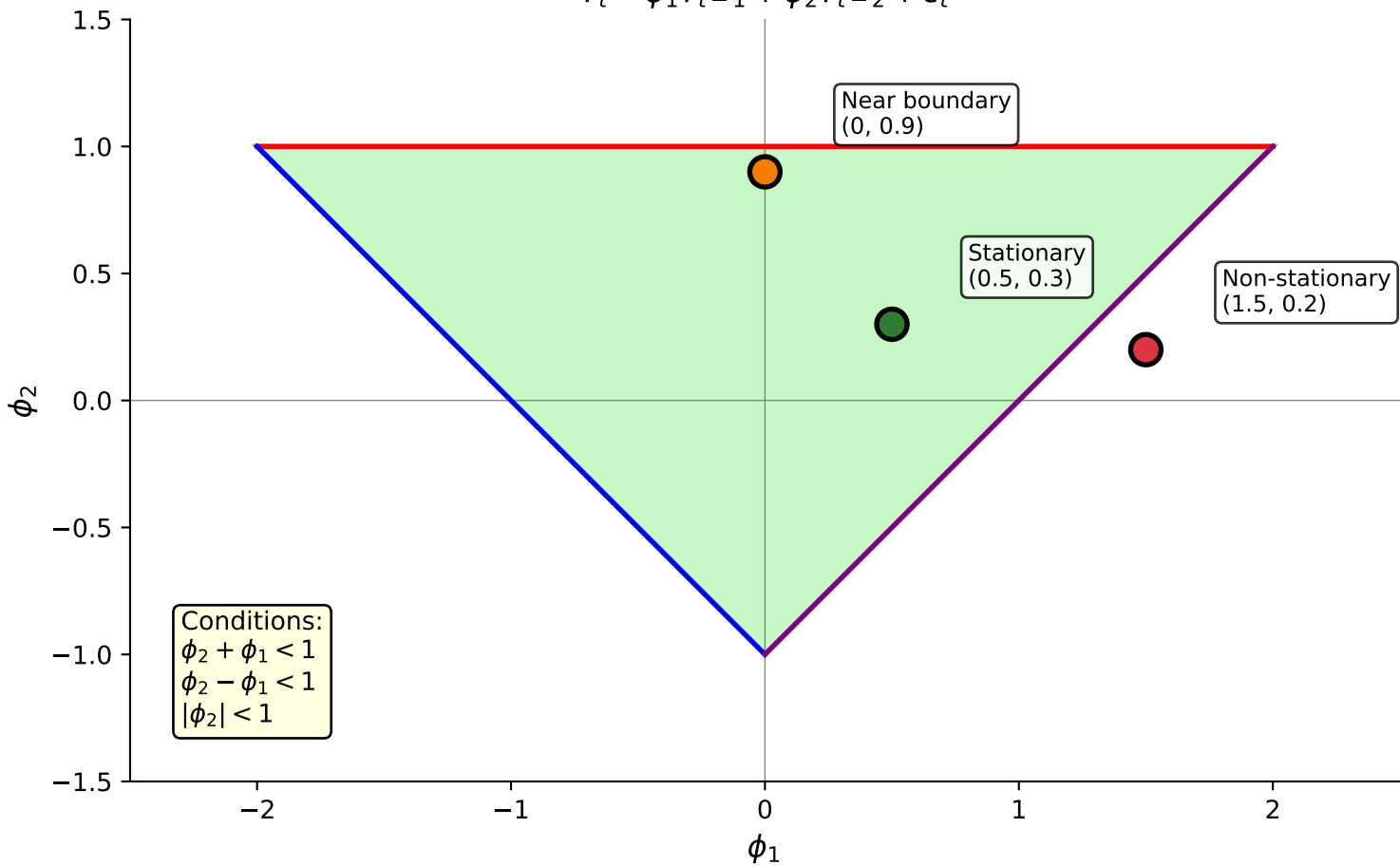


AR(2) Stationarity Region

$$Y_t = \phi_1 Y_{t-1} + \phi_2 Y_{t-2} + \varepsilon_t$$



- Stationary Region
- $\phi_2 = 1$ (unit root)
- $\phi_1 + \phi_2 = -1$
- $\phi_1 - \phi_2 = 1$