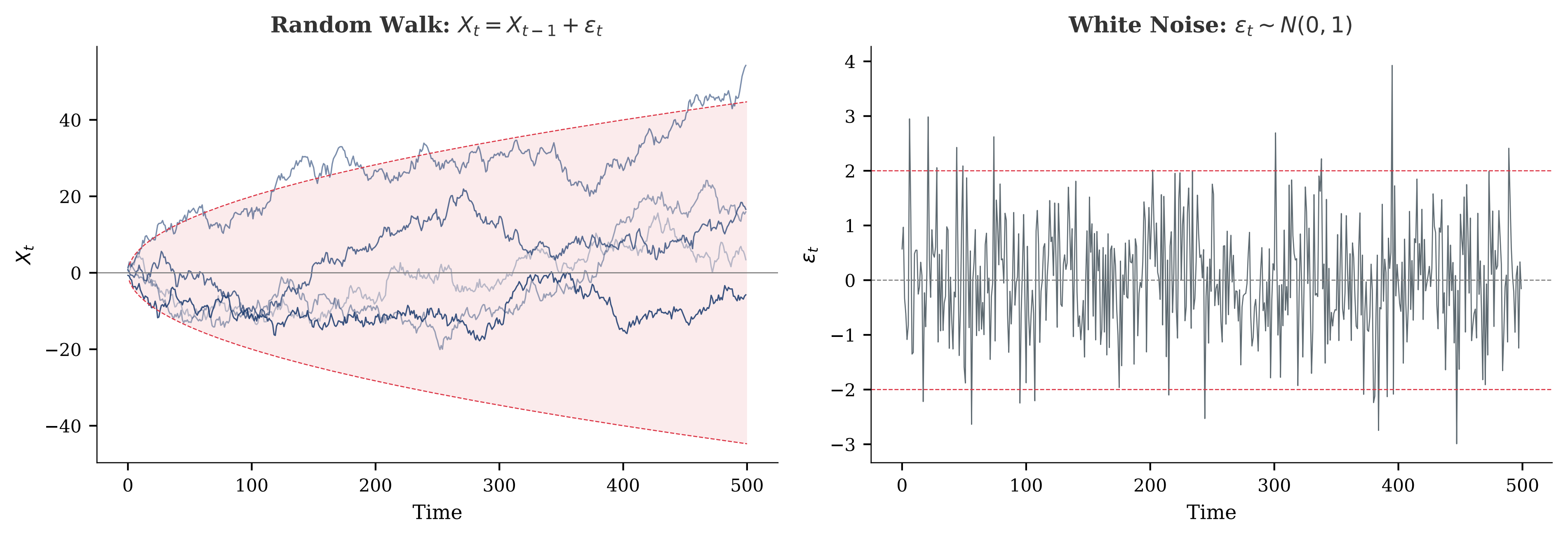

Random Walk: $X_t = X_{t-1} + \varepsilon_t$
X_t
40
20
0
−20
−40
0
100
200
300
400
500
Time
White Noise: $\varepsilon_t \sim N(0, 1)$
ε_t
4
3
2
1
0
−1
−2
−3
0
100
200
300
400
500
Time