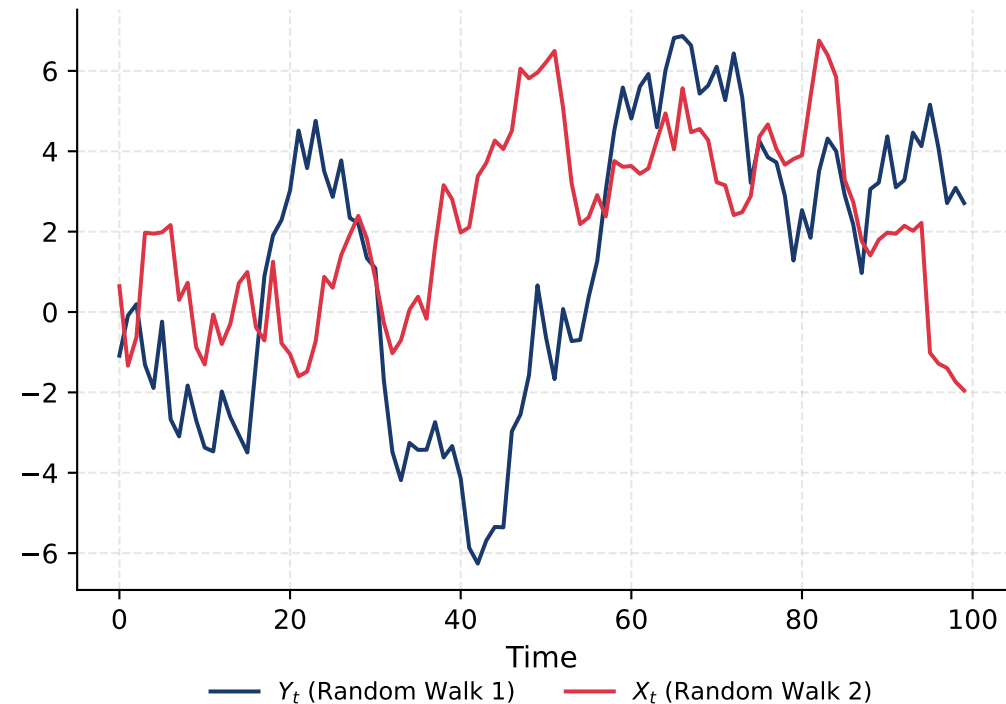**Two INDEPENDENT Random Walks**

Spurious Regression
$R^2 = 0.035$, but variables are unrelated!

Slope: 0.29
p-value: 0.0616
DW ≈ 0.1

Y_t

X_t

Time

—— Y_t (Random Walk 1)   —— X_t (Random Walk 2)

—— OLS fit