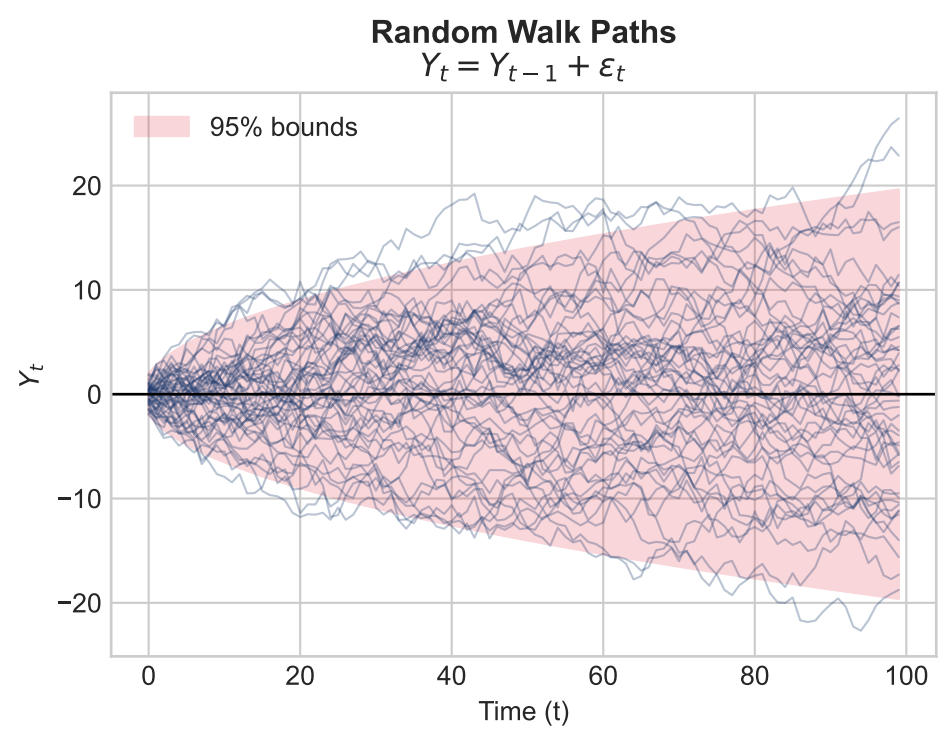
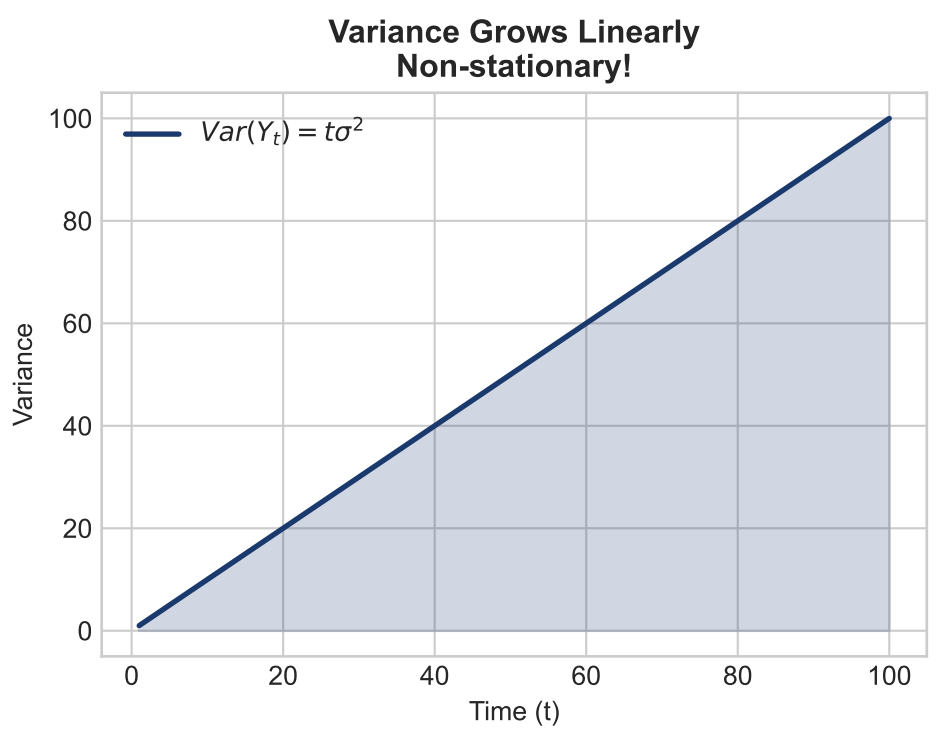

Random Walk Paths
$Y_t = Y_{t-1} + \varepsilon_t$
95% bounds
20
10
0
−10
−20
Y_t
0
20
40
60
80
100
Time (t)


Variance Grows Linearly
Non-stationary!
$Var(Y_t) = t\sigma^2$
100
80
60
40
20
0
Variance
0
20
40
60
80
100
Time (t)