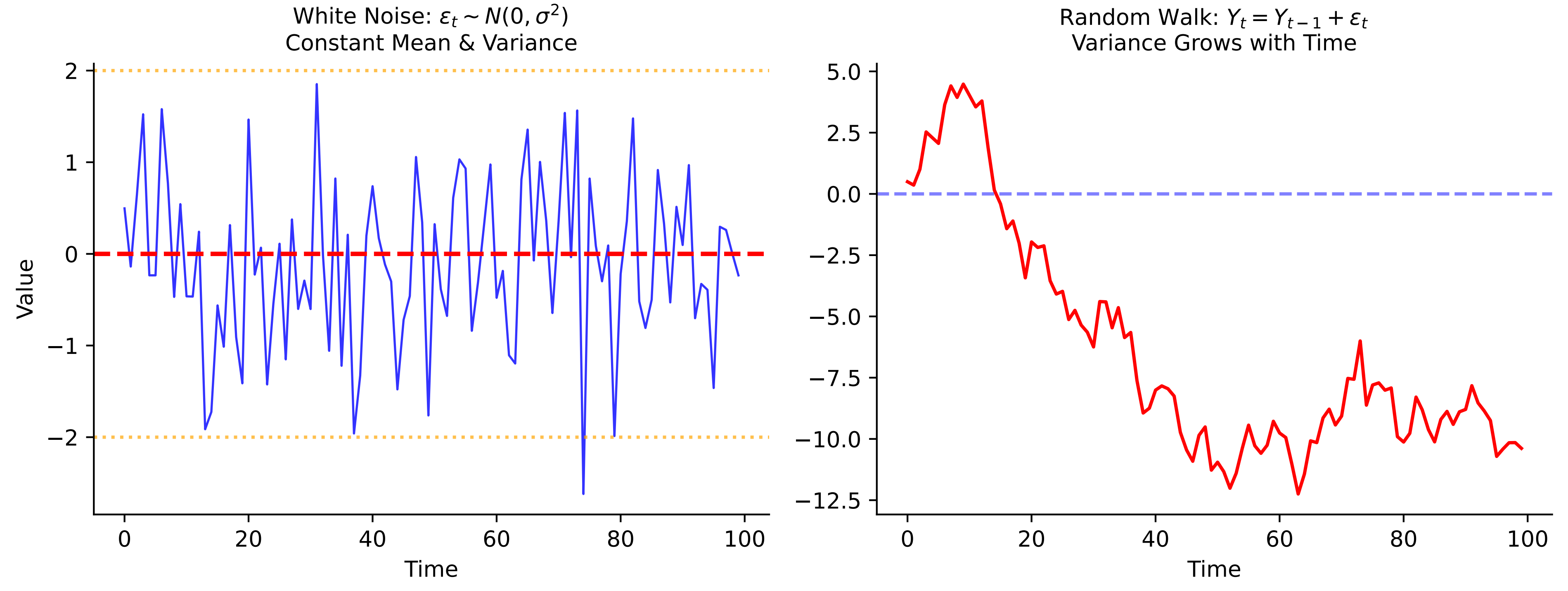
White Noise: $\varepsilon_t \sim N(0, \sigma^2)$
Constant Mean & Variance
2
1
0
−1
−2
Value
0
20
40
60
80
100
Time
Random Walk: $Y_t = Y_{t-1} + \varepsilon_t$
Variance Grows with Time
5.0
2.5
0.0
−2.5
−5.0
−7.5
−10.0
−12.5
0
20
40
60
80
100
Time