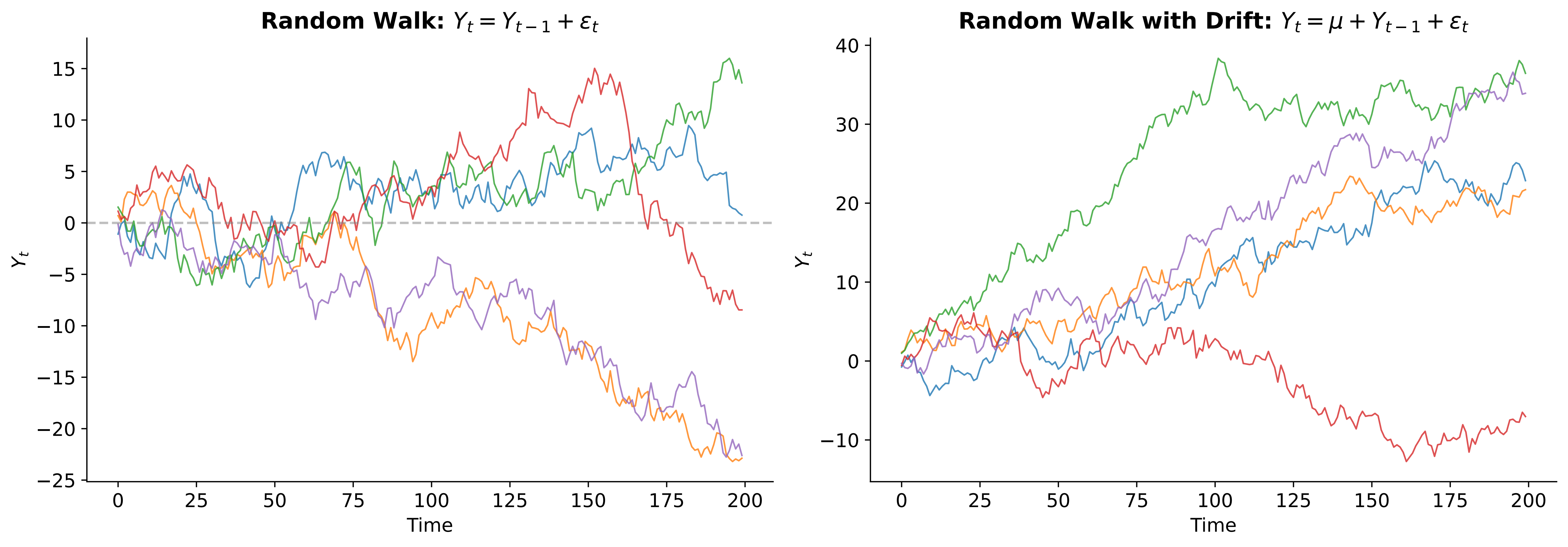

Random Walk: $Y_t = Y_{t-1} + \varepsilon_t$
Y_t
Time
15
10
5
0
−5
−10
−15
−20
−25
0
25
50
75
100
125
150
175
200
Random Walk with Drift: $Y_t = \mu + Y_{t-1} + \varepsilon_t$
Y_t
Time
40
30
20
10
0
−10
0
25
50
75
100
125
150
175
200