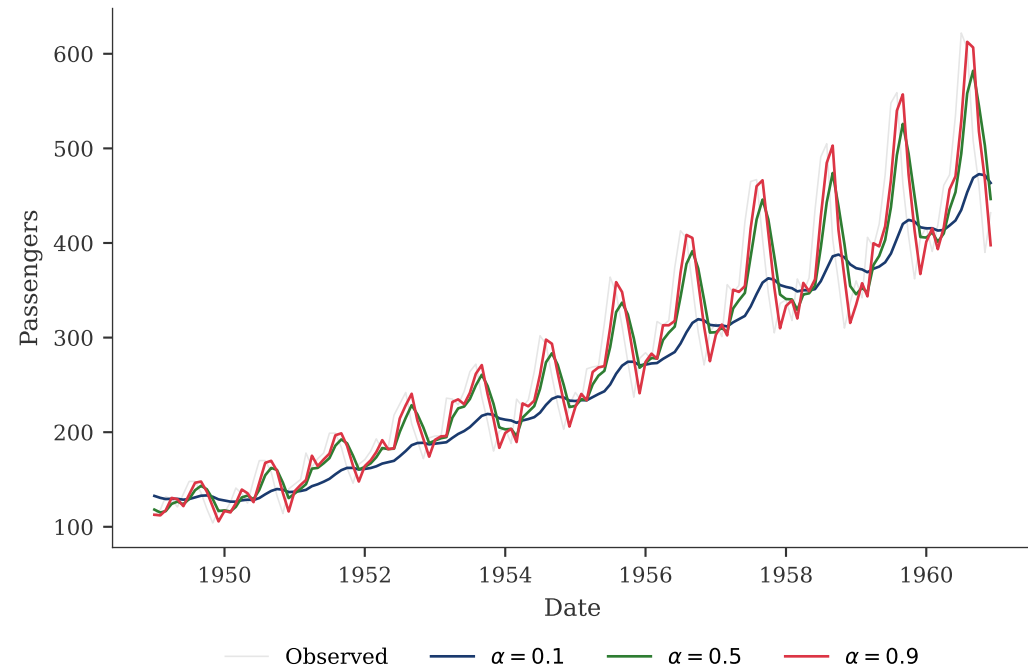**Simple Exponential Smoothing**

**Exponential Decay of Weights**

Observed — $\alpha = 0.1$ — $\alpha = 0.5$ — $\alpha = 0.9$

Left plot: x-axis "Date", y-axis "Passengers"

Right plot: x-axis "Lag $j$", y-axis "Weight $\alpha(1-\alpha)^j$"