Box-Jenkins Methodology

STEP 1

IDENTIFICATION
Analyze ACF/PACF
Determine p, d, q

Check stationarity
Transform if needed

STEP 2

ESTIMATION
Estimate parameters
MLE or Yule-Walker

Maximum Likelihood
Least Squares

NO

Revise

STEP 3

DIAGNOSTIC CHECK
Residual analysis
Ljung-Box test

Model OK?

YES

STEP 4

FORECASTING
Generate predictions
Confidence intervals

Point forecasts
95% intervals