

graph TD

A[BEGIN]-->B[Pre-covid dataset 1984-Q4 to 2020-Q1]

B-->C[Set up a list containing training lambda values -- init = 0.0001, step = 0.0001 and stop = 0.1]

C-->D[Pick one lambda from the list each time]

D-->E[Training set 120 observations, Test set 21 observations]

E-->G[Estimate model based on the lambda ]

G-->H[Draw estimated forecasts]

H-->F[Subtract the test set 21 observations to calculate errors]

F -->

