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Monte Carlo Modeling of Transactions

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Abstract

[1]

1 Introduction

2 Theory

3 Method

3.1 Standard

$$\beta = (\mathbf{X}^T \mathbf{X})^{-1} \mathbf{X}^T \mathbf{y}$$

3.2 Ridge

$$\beta = (\mathbf{X}^T \mathbf{X} + \lambda \mathbf{I})^{-1} \mathbf{X}^T \mathbf{y}$$

3.3 Lasso

$$\beta = \operatorname{argmin}_{\beta} \left\{ \sum_{i=1}^N \left(y_i - \beta_0 - \sum_{j=1}^p x_{ij} \beta_j \right)^2 + \lambda \sum_{j=1}^p |\beta_j|^q \right\}$$

3.4 k-fold and bootstrap

4 Result & Discussion

5 Conclusion

References

- [1] Morten Hjorth-Jensen. *Computational Physics*. Lecture notes. 2015. URL: <https://github.com/CompPhysics/ComputationalPhysics/blob/master/doc/Lectures/lectures2015.pdf>.

6 Appendix