Autocorrelation and Partial autocorrelation

VISUALIZING TIME SERIES DATA IN PYTHON

Thomas Vincent
Head of Data Science, Getty Images

datacamp

Autocorrelation in time series data

- Autocorrelation is measured as the correlation between a time series and a delayed copy of itself
- For example, an autocorrelation of order 3 returns the correlation between a time series at points (`t_1`, `t_2`, `t_3`, ...) and its own values lagged by 3 time points, i.e. (`t_4`, `t_5`, `t_6`, ...)
- It is used to find repetitive patterns or periodic signal in time series

Statsmodels

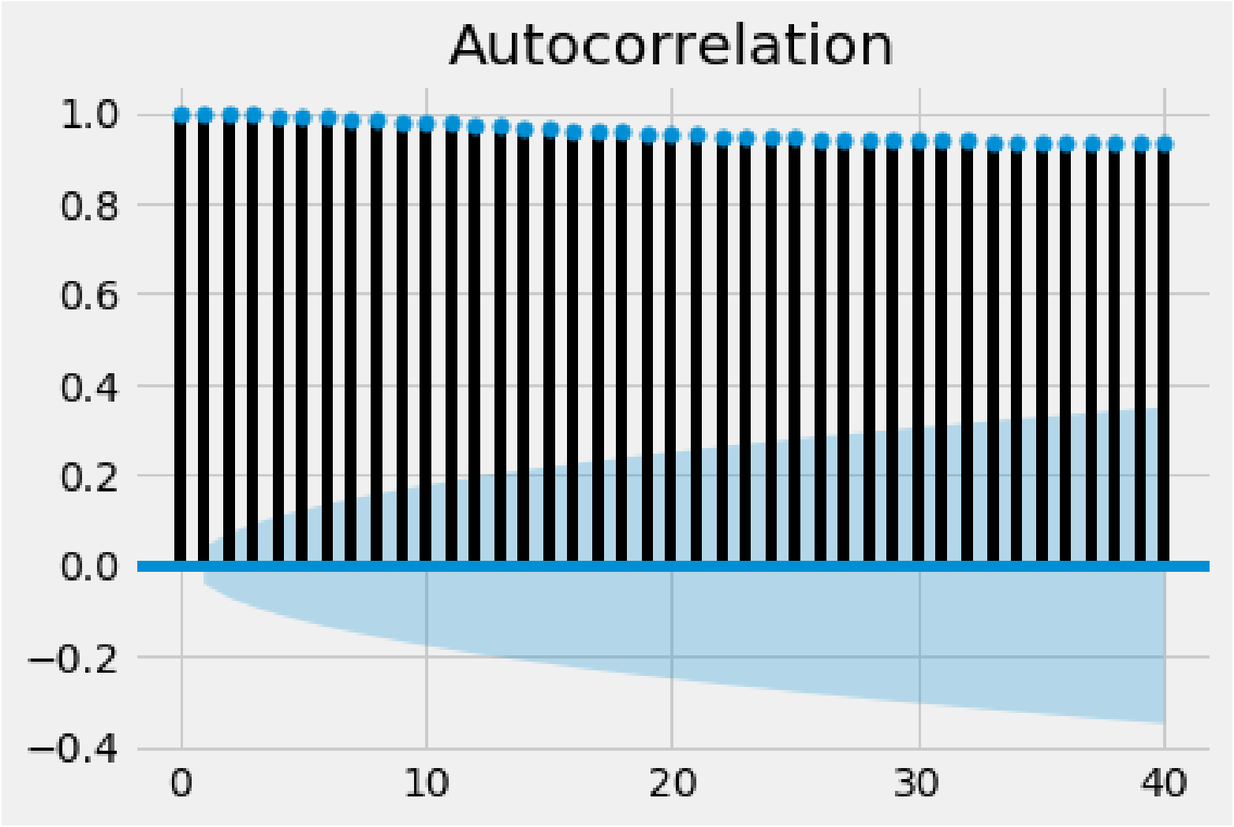
> `statsmodels` is a Python module that provides classes and functions for the estimation of many different statistical models, as well as for conducting statistical tests, and statistical data exploration.

Plotting autocorrelations

```
import matplotlib.pyplot as plt
from statsmodels.graphics import tsaplots
fig = tsaplots.plot_acf(co2_levels['co2'], lags=40)

plt.show()
```

Interpreting autocorrelation plots



Partial autocorrelation in time series data

- Contrary to autocorrelation, partial autocorrelation removes the effect of previous time points
- For example, a partial autocorrelation function of `order 3` returns the correlation between our time series (`t1`, `t2`, `t3`, ...) and lagged values of itself by 3 time points (`t4`, `t5`, `t6`, ...), but only after removing all effects attributable to lags 1 and 2

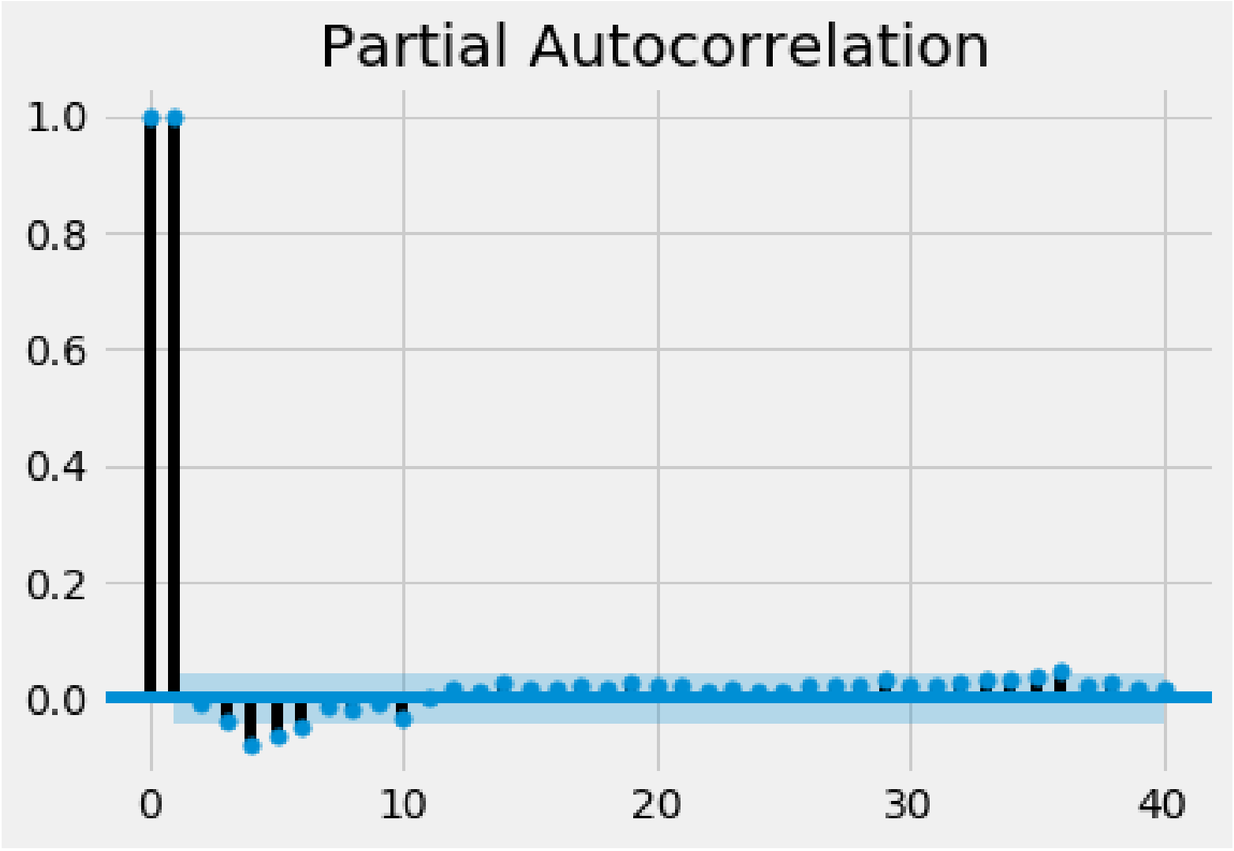
Plotting partial autocorrelations

```
import matplotlib.pyplot as plt


from statsmodels.graphics import tsaplots
fig = tsaplots.plot_pacf(co2_levels['co2'], lags=40)


plt.show()
```

Interpreting partial autocorrelations plot



Let's practice!

VISUALIZING TIME SERIES DATA IN PYTHON

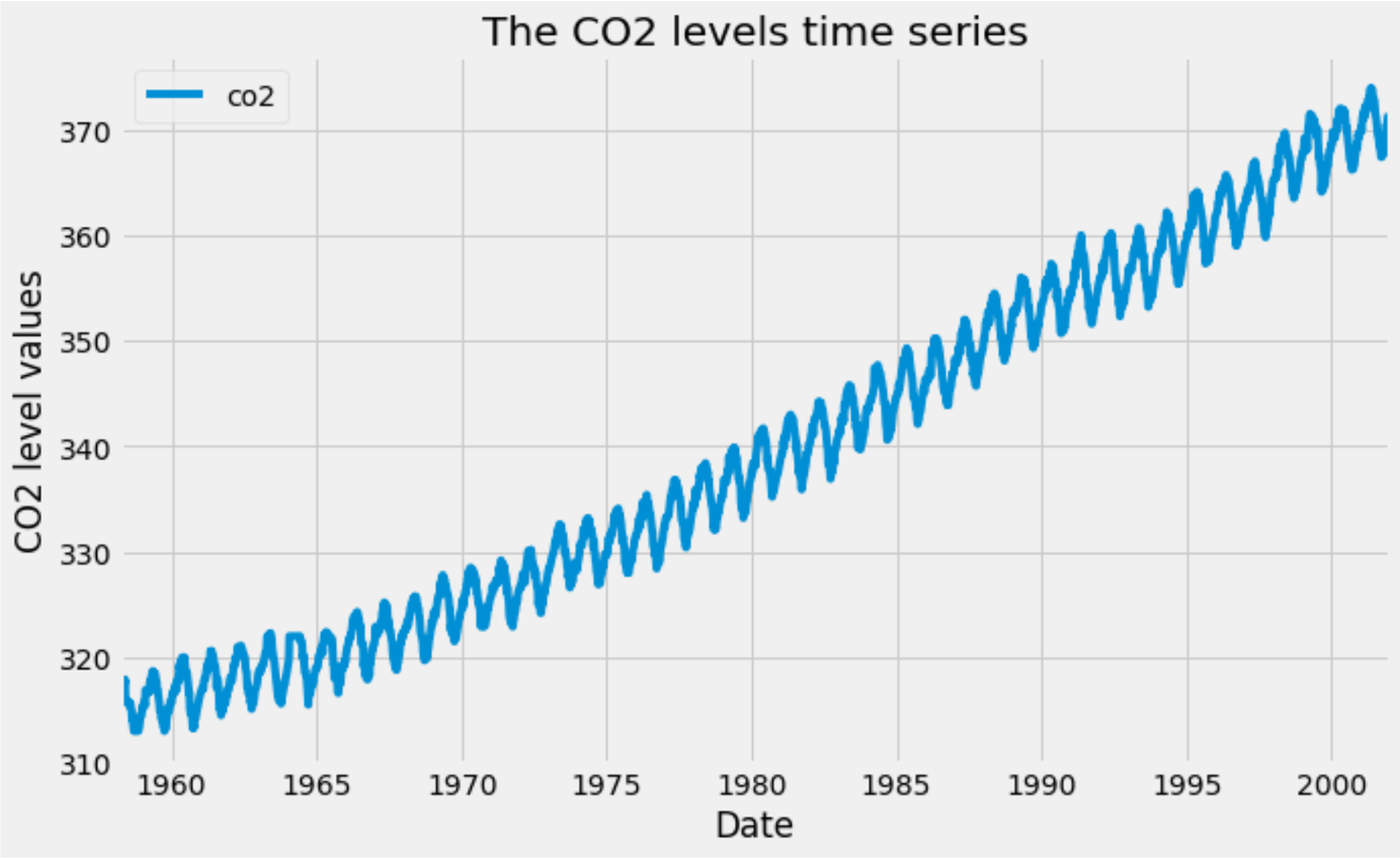
Seasonality, trend and noise in time series data

VISUALIZING TIME SERIES DATA IN PYTHON

Thomas Vincent
Head of Data Science, Getty Images

datacamp

Properties of time series



The properties of time series

- Seasonality: does the data display a clear periodic pattern?
- Trend: does the data follow a consistent upwards or downwards slope?
- Noise: are there any outlier points or missing values that are not consistent with the rest of the data?

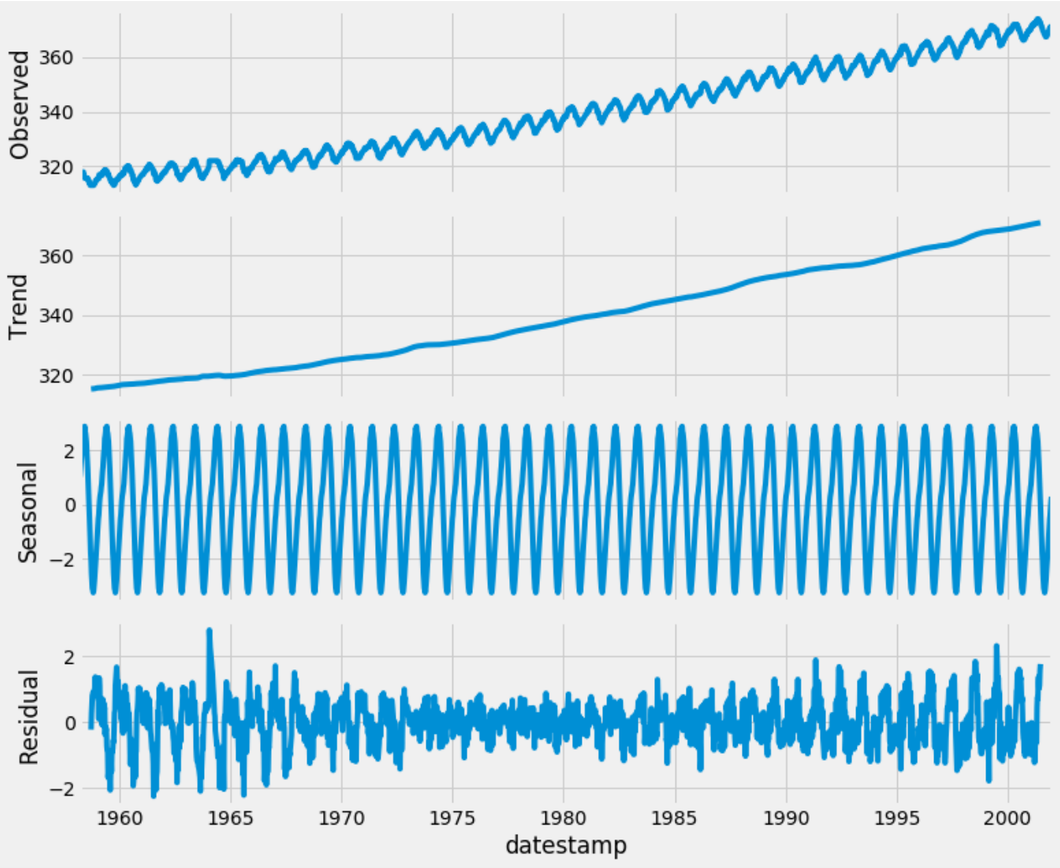
Time series decomposition

```
import statsmodels.api as sm
import matplotlib.pyplot as plt
from pylab import rcParams

rcParams['figure.figsize'] = 11, 9
decomposition = sm.tsa.seasonal_decompose(
                co2_levels['co2'])
fig = decomposition.plot()

plt.show()
```

A plot of time series decomposition on the CO2 data



Extracting components from time series decomposition

```
print(dir(decomposition))
```

```
['__class__', '__delattr__', '__dict__',
 ... 'plot', 'resid', 'seasonal', 'trend']
```

```
print(decomposition.seasonal)
```

```
datestamp
1958-03-29    1.028042
1958-04-05    1.235242
1958-04-12    1.412344
1958-04-19    1.701186
```

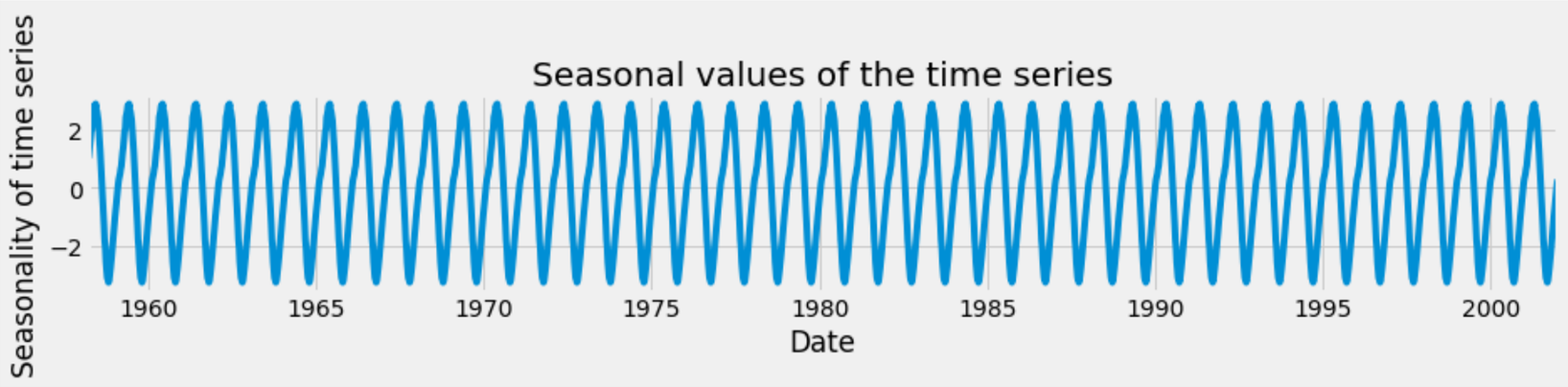
Seasonality component in time series

```
decomp_seasonal = decomposition.seasonal


ax = decomp_seasonal.plot(figsize=(14, 2))
ax.set_xlabel('Date')
ax.set_ylabel('Seasonality of time series')
ax.set_title('Seasonal values of the time series')


plt.show()
```

Seasonality component in time series



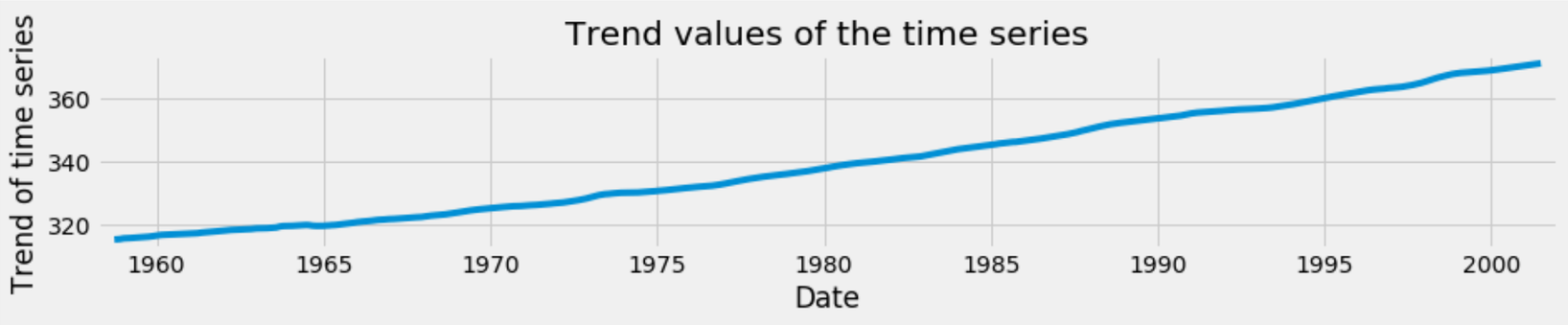
Trend component in time series

```
decomp_trend = decomposition.trend


ax = decomp_trend.plot(figsize=(14, 2))
ax.set_xlabel('Date')
ax.set_ylabel('Trend of time series')
ax.set_title('Trend values of the time series')


plt.show()
```

Trend component in time series



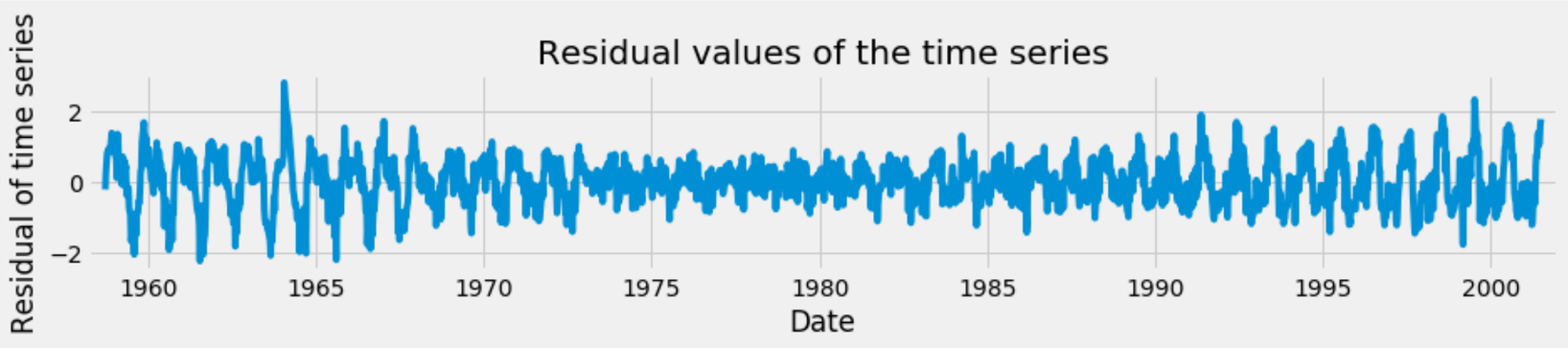
Noise component in time series

```
decomp_resid = decomp.resid


ax = decomp_resid.plot(figsize=(14, 2))
ax.set_xlabel('Date')
ax.set_ylabel('Residual of time series')
ax.set_title('Residual values of the time series')


plt.show()
```

Noise component in time series



Let's practice!

VISUALIZING TIME SERIES DATA IN PYTHON

A review on what you have learned so far

VISUALIZING TIME SERIES DATA IN PYTHON

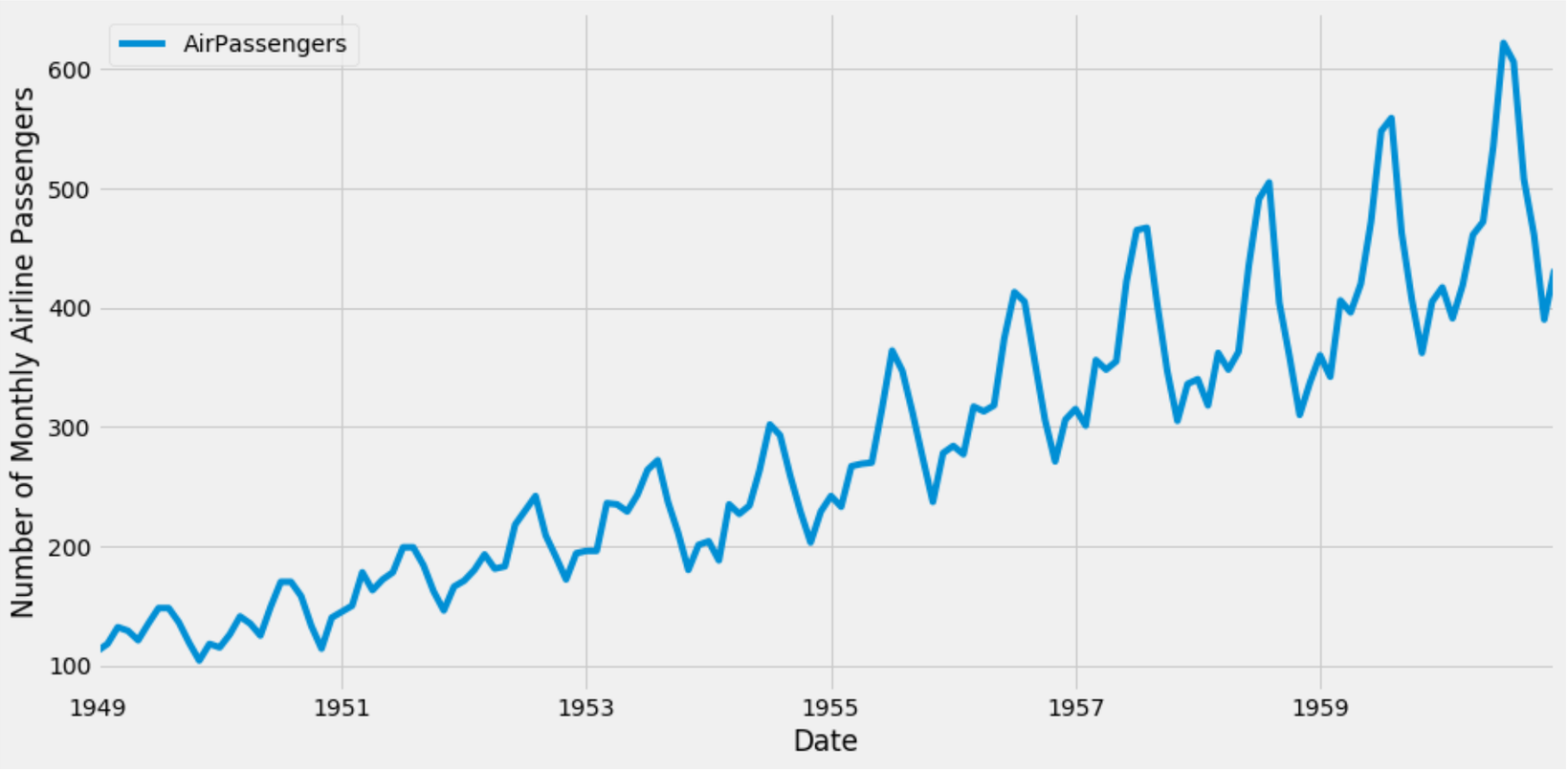
Thomas Vincent
Head of Data Science, Getty Images

datacamp

So far ...

- Visualize aggregates of time series data
- Extract statistical summaries
- Autocorrelation and Partial autocorrelation
- Time series decomposition

The airline dataset



Let's analyze this data!

VISUALIZING TIME SERIES DATA IN PYTHON