Lesson 2:
ETS Models

SEARCH

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CONCEPTS

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6. Simple Exponential Smoothing ...
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Time Series Scenarios

Next we're going to be exploring several different exponential models to unders
is different and which model should be used for which specific scenario you'll se
possible time series (TS) scenarios can be recognized by asking the following que

1. TS has a trend?
    - If yes, is the trend increasing linearly or exponentially?
2. TS has seasonality?
    - If yes, do the seasonal components increase in magnitude over time?

Scenarios

Therefore the scenarios could be:

- No-Trend, No-Seasonal
- No-Trend, Seasonal-Constant
- No-Trend, Seasonal-Increasing

- Trend-Linear,No-Seasonal
- Trend-Linear,Seasonal-Constant
- Trend-Linear,Seasonal-Increasing

- Trend-Exponential,No-Seasonal
- Trend-Exponential,Seasonal-Constant
- Trend-Exponential,Seasonal-Increasing

As you can see there are nine possible scenarios.

ETS Models

We are going to explore four ETS models that can help forecast these possible ti

1. Simple Exponential Smoothing Method
2. Holt's Linear Trend Method
3. Exponential Trend Method
4. Holt-Winters Seasonal Method