Simple Linear Regression

Ordinary Least Squares:

$residual: \varepsilon_i = y_i - \hat{y}_i$
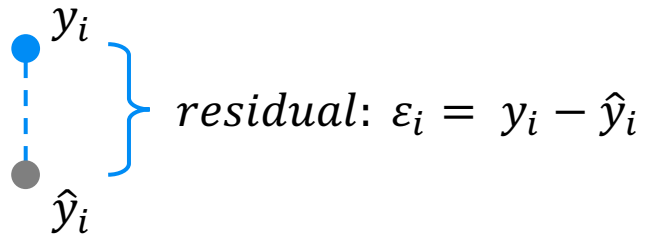
$$\hat{y} = b_0 + b_1 X_1$$

b_0, b_1 such that:

$SUM(y_i - \hat{y}_i)^2$ is minimized