

Title: Hell in a handbasket...

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Url: /r/Superstonk/comments/pbshru/irrefutable_proof_of_ucriands_subprime_meme/

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Final edit: Thinking about it, this is at least further proof of the correlation between meme stocks. Criand's DD seems the most plausible at the moment, but it could just be part of a larger picture. This analysis still stands, but I encourage everyone to keep digging into how these stocks could be related, if not through the meme bundle!

So, me 'n the boys over on u/gherkinit's discord (praise be lady VWAP) caught wind of u/myplayprofile's quant DD that correlates the VWAP movement of the subprime meme bundle (or LMAYO: Leveraged 'Meme shorts' About to Yeet and Obliviate) and GME, and we noticed something was missing.

He created a correlation through R^2 , but there was no confidence interval.

In statistics, correlation is a model that predicts the motion of x in relation to y . A 1:1 correlation means if y goes from 5 to 10, x goes from 25 to 50. a confidence interval, on the other hand, measures the statistical significance of a model, basically how certain you are that your model's interval contains the group mean. In layman's terms, how sure you are that your model can predict the range of a sample. Statisticians usually use a 95% confidence interval (i.e., 19/20 times your model will contain the real value)

Karl over on gherkin's discord and I were shooting the shit and I suggested he run an ANOVA test on it. The ANOVA test is a measure of where the variation comes from. Let's say that you want to figure out if age has an affect on speed, so you have a bunch of people break into age groups of 0-20, 20-40 and 40-60. If the variation is primarily intergroup, that is to say each group has roughly the same average but lots of variation between individuals, the null hypothesis is accepted, and age is not the controlling factor. If the variation is due to intragroup differences, that is to say the 0-20 group runs faster than the 20-40 group runs faster than the 40-60 group, then the ANOVA test confirms that the variation is due to the age.

So anyway he ran the test, and HOOOOOOOOOOOOOOOOLY SHIT!

<https://preview.redd.it/n73z4wsgrmj71.png?width=831&format=png&auto=webp&s=9d9c725dea527e384043b8e04aa2794faf01bf4e>

If that P value is less than 0.05, we reject the null hypothesis, and since it's THAT LOW, there is no doubt that the model is statistically significant. This confirms that the meme bundle is a thing, so u/criand really nailed it. Fuckin' A, you magic pomeranian.

tl;dr, Criand is right, moon VERY soon.

Edit: off to bed. If someone comes along saying that they're a statistician or a mathematician and I fucked up somewhere along the lines, they're probably right and you should listen to what they have to say, I'm an engineer, we hate math.