

ETC3550/ETC5550

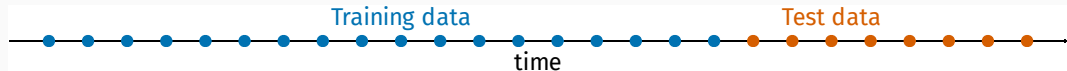
Applied forecasting

Week 4: The Forecasters' toolbox



Time series cross-validation

Traditional evaluation

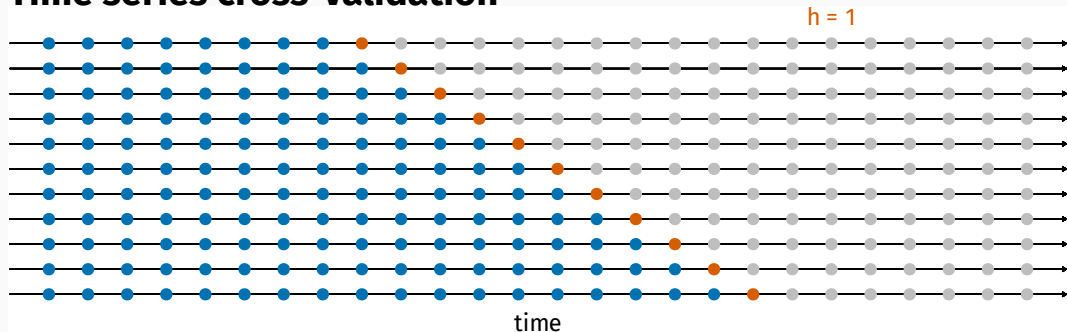


Time series cross-validation

Traditional evaluation



Time series cross-validation

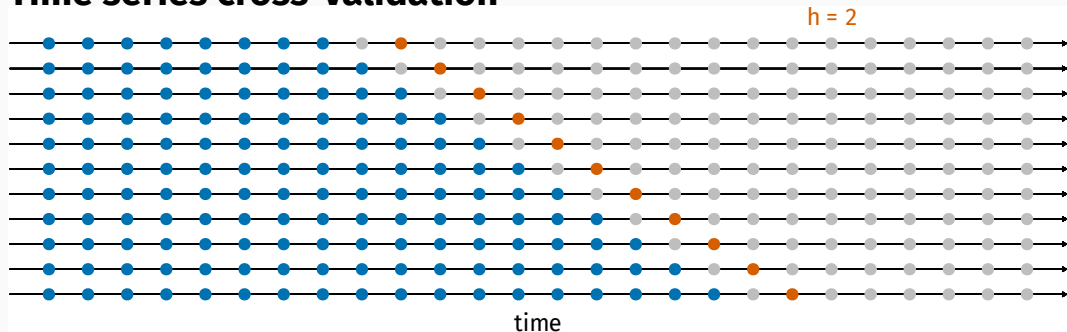


Time series cross-validation

Traditional evaluation



Time series cross-validation

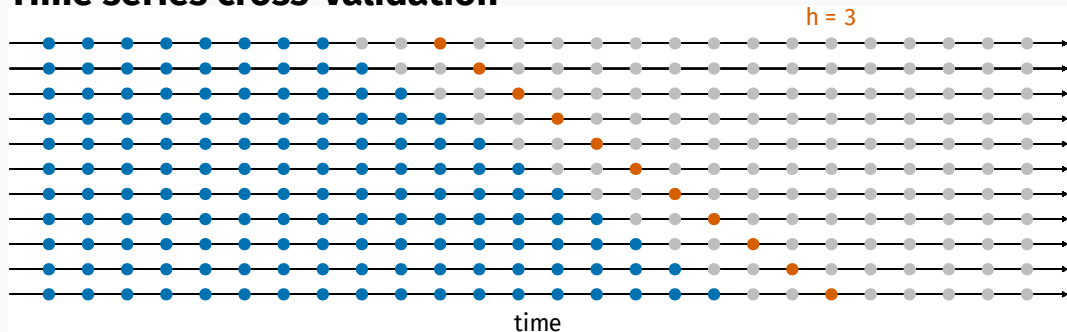


Time series cross-validation

Traditional evaluation



Time series cross-validation

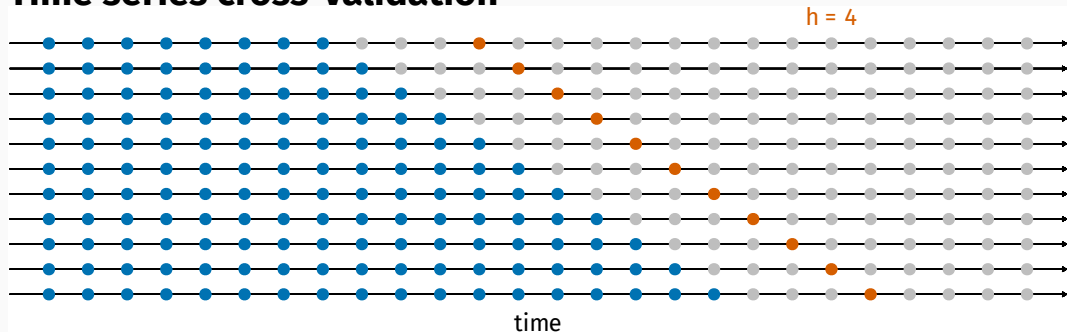


Time series cross-validation

Traditional evaluation

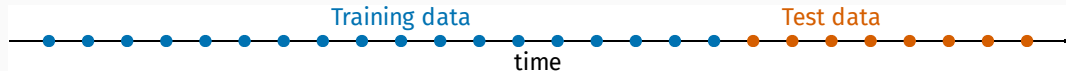


Time series cross-validation

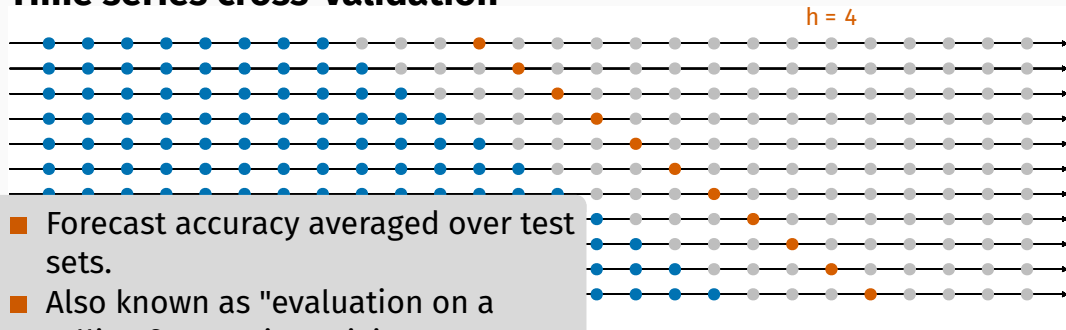


Time series cross-validation

Traditional evaluation



Time series cross-validation



- Forecast accuracy averaged over test sets.
- Also known as "evaluation on a rolling forecasting origin"

Your turn

- 1 Create a training set for household wealth (`hh_budget`) by withholding the last four years as a test set.
- 2 Fit all the appropriate benchmark methods to the training set and forecast the periods covered by the test set.
- 3 Compute the accuracy of your forecasts. Which method does best?
- 4 Do the residuals from the best method resemble white noise?