# Volkswagen CO2 scandal

In September 2015, a scandal broke out in the automotive industry. It was found out that Volkswagen companies were misleading customers. The company declared that the cars were far less polluting than what they actually were. It is natural that Volkswagen lost market value, but the question is how much? It is up to you to find out.

01 PICK THE CONTROL GROUP

We need to pick stocks to run Causal Impact. I recommend not using other automotive companies, because they might have been affected by the scandal
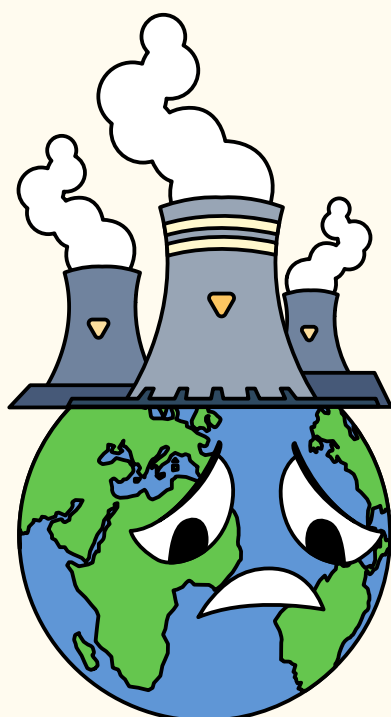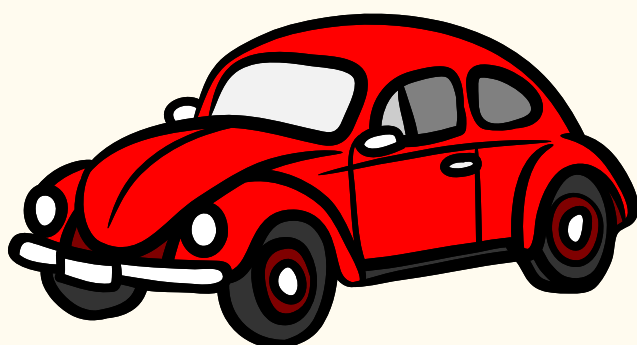
02 CORRELATION MATRIX

The correlation matrix serves to handpick the variables that have a closer development with Volkswagen. Only perform the correlation matrix during the control period. Also, here you need to consider stationarity.
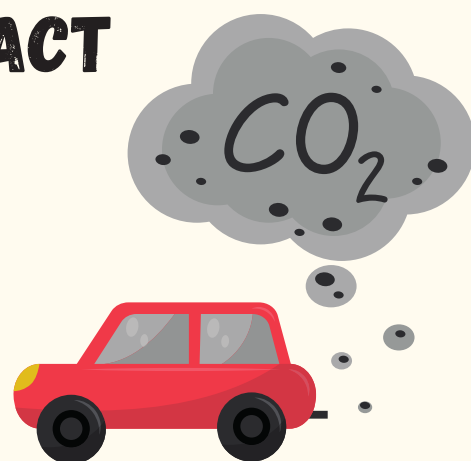
03 MEASURE THE IMPACT

Use Causal Impact to determine the impact. For stock data, consider the last value and evolution of the stock price. For data like sales or visits, you should look at cumulated